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XXI COSAC

Helsinki, 11 - 12 October 1999

Agenda

Monday 11 October 1999

Morning session

9.00 Opening of the meeting

Mr. Esko AHO, Chairman of the Grand Committee of
the Parliament of Finland

Adoption of the agenda

9.15 Main goals of the Finnish Presidency

Mr. Paavo LIPPONEN, Prime Minister

9.35 The EU's priorities in the area of freedom, security and justice, including the preparation of the EU Charter of Fundamental Rights - preparations for the Tampere extraordinary European Council

Introduction by

Mr. Paavo LIPPONEN, Prime Minister

Debate

Commentary to the debate by

Mr. Kari HÄKÄMIES, Minister of the Interior

Mr. Johannes KOSKINEN, Minister of Justice

Afternoon session

14.00 Enlargement of the Union - economic and financial implications, including employment

Introduction by

Ms. Suvi-Anne SIIMES, Minister of Finance with responsibility for fiscal issues and the EU
budget

Mr. Erkki LIIKANEN, Member of the Commission

Debate

Commentary to the debate by

Mr. Erkki LIIKANEN, Member of the Commission

Tuesday 12 October 1999

Morning Session

9.00 The relations between the EU and Russia

Introduction by

Ms. Tarja HALONEN, Minister for Foreign Affairs

Debate

11.00 Reform of the Rules of Procedure of COSAC

Introduction by

Mr. Esko AHO, Chairman of the Grand Committee

Debate

Conclusion of the Conference

Afternoon session

13.30 Continuation of the debates, if necessary

PARTICIPANTS
(situation at 11 October 1999)

BELGIË/BELGIQUE

Sénat

Mr. Marcel Colla, Président de la Commission des Affaires étrangères

Ms. Mimi Kestelijn-Sierens, Membre du Parlement

Mr. Michel Vandeborne, Conseiller adjoint

Chambre des Représentants

Mr. Georges Clerfayt, Member of Parliament, Head of delegation

Mrs. Fientje Moerman, Member of Parliament

Mr. Patrick Moriau, Member of Parliament

Mr. Hugo D'Hollander, Principal Advisor/Secretary, Committee on European Affairs

Mr. Daniël Lucion, Clerk of the Committee on European Affairs

DANMARK

Mr. Jacob Buksti, Chairman of the European Affairs Committee

Ms. Elisabeth Arnold, Vice-Chairman of the European Affairs Committee

Mr. Kristian Thulesen Dahl, Member of Parliament

Mr. Jens Rohde, Member of Parliament

Mr. Claus Larsen-Jensen, Member of Parliament

Mr. Bjørn Einersen, Head of EU Secretariat

Mr. Niels Hoffmeyer, EU-counsellor

Mr. Morten Knudsen, Representative of the Folketing to the EU

DEUTSCHLAND

Bundestag

Dr. Friedbert Pflüger, Chairman, Member of Parliament

Prof. Dr. Jürgen Meyer, Member of Parliament

Mr. Michael Roth, Member of Parliament

Mr. Michael Stübgen, Member of Parliament

Dr. Michael Fuchs, Secretary of Committee

Ms. Sylvia Hartleif, Secretariat of Committee

Ms. Karin Gottschalk, Secretariat of Committee

Bundesrat

Mr. Willi Stächele, Staatssekretär/President of the European Affairs Committee of the Bundesrat

Ms. Regine Gautsche, Adviser

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Mr. Loukas Apostolidis, Chairman of the EU Affairs Committee

Mr. Manolis Kefaloyiannis, Vice-Chairman of the EU Affairs Committee

Mr. Lambros Kanellopoulos, Member of the EU Affairs Committee

Ms. Maria Damanaki, Member of the EU Affairs Committee

Mr. George Rokos, Member of the EU Affairs Committee

Mr. Achilleas Kantartzis, Member of Parliament, Secretary of the EU Affairs Committee

Ms. Margarita Toyia, Clerk, Department for European Relations

Ms. Katerina Damianidou, Staff Member

ESPAÑA

Congreso de los Diputados

Mr. Guillermo Martínez Casañ, Member of Parliament, Head of delegation

Mr. Antonio Costa, Member of Parliament

Mr. José Navas, Member of Parliament

Mr. Vicente Blanco, Ambassador

Ms. Isabel Revuelta, Legal Advisor

FRANCE

Sénat

M. Hubert Haenel, Président de la Délégation pour l'Union européenne

M. Pierre Fauchon, Vice-Président de la Délégation pour l'Union européenne

M. Serge Lagache, Sénateur

M. Jean Laporte, Directeur du Service des Affaires européennes

M. Christian Oudin, Directeur-adjoint du Service des Affaires européennes

Assemblée nationale

M. Alain Barrau, Président de la Délégation pour l'Union européenne

Mme Nicole Catala, Vice-Présidente de la Délégation pour l'Union européenne

M. Gérard Fuchs, Vice-Président de la Délégation pour l'Union européenne

M. Paul Bébin, Chef du secrétariat de la Délégation pour l'Union européenne

M. Christophe Lescot, Administrateur

IRELAND

Mr. Pat Carey, Member of Parliament

Mr. Jack Wall, Member of Parliament

Ms. Helen Keogh, Member of Parliament

Mr. Brendan Ryan, Member of Parliament

Mr. Micheál Ó Corcora, Secretary to the Joint Committee on European Affairs

ITALIA

Senato della Repubblica

Mr. Tino Bedin, President of the EC Affairs Committee

Mr. Giampaolo Bettamio, Vice-President of the EC Affairs Committee

Mr. Andrea Manzella, Member of the EC Affairs Committee

Mr. Marco D'Agostini, Head of the Office for European Union relations

Camera dei Deputati

Mr. Antonio Ruberti, President of the EU Affairs Committee

Mr. Alessandro Bergamo, Vice-President of the EU Affairs Committee

Mr. Francesco Ferrari, Vice-President of the EU Affairs Committee

Mr. Luca Poggi, Secretary of the EU Affairs Committee

Ms. Rita Palanza, Parliamentary officer

Mr. Gianfranco Neri, Parliamentary officer

LUXEMBOURG

M. Ben Fayot, Membre de la Commission des Affaires étrangères et européennes

Mme Marianne Weyer, Premier Conseiller

NEDERLAND

Eerste Kamer

Mr. Wim van Eekelen, Head of delegation

Mr. Kars Veling, Member of delegation

Mr. Leo van Waasbergen, Secretary of delegation

Tweede Kamer

Mr. Michiel Patijn, Chairman

Mr. Frans Timmermans, Member of delegation

Mr. Hans van den Akker, Member of delegation

Mr. Eimert van Middelkoop, Member of delegation

Mr. Jan Nico van Overbeeke, Clerk of delegation

ÖSTERREICH

Bundesrat

Mr. Milan Linzer, Vice-President of the Federal Council

Mr. Albrecht Konecny, Member of the Federal Council

Nationalrat

Mr. Peter Schieder, Head of delegation

Mr. Wolfgang Jung, Member of Nationalrat

Ms. Martina Gredler, Member of Nationalrat

Mr. Joseph Wirnsperger, Secretary of delegation

Ms. Ines Kerle, Co-Secretary of delegation

PORTUGAL

Mr. Manuel dos Santos, Member of Parliament, Head of delegation

Mr. José Saraiva, Member of Parliament

Mr. Joel Hasse Ferreira, Member of Parliament

Mr. Carlos Encarnaç~o, Member of Parliament

Mr. Silvio Cervan, Member of Parliament

Mr. Jo~o Amaral, Member of Parliament

Mr. Domingos Almeida Machado, Director of International Relations Department

Ms. Manuela Azóia, Staff of International Relations Department

Ms. Ana Fraga, Clerk of the Committee on European Affairs

Mr. José Manuel Araújo, Clerk of the Committee on European Affairs

SUOMI/FINLAND

Mr. Esko Aho, Chairman of the Grand Committee

Mr. Kimmo Kiljunen, Vice-Chairman of the Grand Committee

Ms. Tuija Brax, Member of the Grand Committee

Mr. Jouko Jääskeläinen, Member of the Grand Committee

Ms. Outi Ojala, Member of the Grand Committee

Ms. Kirsi Piha, Member of the Grand Committee

SVERIGE

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Mr. Lars F. Tobisson, Deputy Chairman
Mr. Paavo Vallius, Member
Mr. Mats Odell, Member

Mr. Willy Söderdahl, Member
Ms. Marianne Carlström, Member

Ms. Ingrid Larén Marklund, Committee Secretary
Ms. Anita Linden, Deputy Secretary
Ms. Helena Onn, Press Secretary
Ms. Eva Sterndal, Principal Administrative Officer
Ms. Lena Birgersson, Senior Administrative Officer, International Office

UNITED KINGDOM

House of Lords

Lord Tordoff, Chairman of the Select Committee on the European Communities
Lord Grenfell, Member of the Select Committee on the European Communities
Lord Hope of Craighead, Member of the Select Committee on the European Communities

Mr. Tom Mohan, Clerk of the Select Committee on the European Communities

House of Commons

Mr. Jimmy Hood, Chairman of the European Scrutiny Committee
Mr. William Cash, Member of Parliament
Mr. Jim Dobbin, Member of Parliament

Ms. Elizabeth Flood, Clerk of the European Scrutiny Committee
Mr. Christopher Stanton, Representative of the National Parliament office in Brussels

EUROOPAN PARLAMENTTI

EUROPAPARLAMENTET

EUROPEAN PARLIAMENT

PARLEMENT EUROPÉEN

Mr. David Martin, Vice-President of the European Parliament
Mr. Guido Podesta, Vice-President of the European Parliament
Mr. Johannes Voggenhuber, Vice Chairman of the Committee on Constitutional Affairs
Mr. Elmar Brok, Chairman of the Committee on Foreign Affairs
Mr. Graham Watson, Chairman of the Committee on Citizens' Freedom and Rights

Mr. Philippe Ventujol, Head of Division for Relations with National Parliaments and Inter-Parliamentary Assemblies

Mr. Francesco Saverio Solari, Principal Administrator
Mr. Renny Jokelin, Head of the Helsinki Office of the European Parliament
Mr. Sten Ramstedt, Administrator
Ms. Patrizia Prode, Administrator
Ms. Laura Campopiano, Assistant of Vice-President Podesta
Ms. Patrizia de Sena, Secretary
Ms. Beatrice Scarascia Mugnozza, EPP Group
Mr. Christian Lange, PSE Group
Ms. Marijke Sickness, PSE Group

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Mr. Assen Agov, Chairman of Committee

Mr. Petar Bashikarov, Deputy Chairman of Committee
Dr. Elena Kirtcheva, Ambassador

Ms. Antoaneta Hristova, Chief Adviser of Committee

„ ESKO

Mr. Jaroslav Zv•řina, Chairman of the Committee for European Integration
Mr. Vladimír Lašt•vka, Vice-Chairman of the Committee for European Integration
Mr. Richard Salzmann, Vice-Chairman of the Committee on European Integration

Ms. Olga Adamcova, Secretary of the Committee for European Integration

EESTI

Mr. Tunne Kelam, Vice-President of the Riigikogu, Chairman of the European Affairs Committee
Ms. Liia Hänni, Member of the European Affairs Committee
Ms. Liina Tõnisson, Member of the European Affairs Committee

Mr. Olev Aarma, Counsellor of the European Affairs Committee

KY? ? ? ? ?

Mr. Nicos Kleanthous, Vice-Chairman of Committee on Foreign and European Affairs
Mr. Demetris Syllouris, Member of Committee on Foreign and European Affairs
Mr. Doros Christodoulides, Member of Committee on Foreign and European Affairs

Mr. Yiannakis Georgiades, Director of the International Relations Service

LATVIJA

Mr. Edvins Inkens, Chairman to the European Affairs Committee

Mr. Einars Punkstins, Adviser to the European Affairs Committee

LIETUVA

Mr. Regimantas „iupaila, Vice-Chairman of the Committee on European Affairs, Head of delegation
Mr. Justinas Karosas, Vice-Chairman of the Committee on European Affairs

Ms. Šar•nė Kleinaitė, Adviser to the Committee on European Affairs

MAGYARORSZÁG

Mr. József Szájer, Chairman
Mr. Tibor Szanyi, Deputy-Chairman
Mr. Béla Glattfelder, Deputy-Chairman

Mr. László Juhász, Counsellor

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Mrs. Dolores Cristina, Chairperson of Committee
Mr. Chris Cardona, Member of Committee
Mr. John Vella, Member of Committee

Ms. Josanne Bonello, Secretary to Delegation

POLSKA

Mr. Tadeusz Mazowiecki, Chairman of the European Integration Committee

Mr. Wladyslaw Bartoszewski, Chairman of the Foreign Affairs and European Integration Committee
Mr. Jerzy Jaskiernia, Deputy Chairman of the European Integration Committee

Ms. Magdalena Skrzynska, Secretary to the Polish Delegation

ROMÂNIA

Ms. Mariana Stoica, Chairperson of the Committee on European Integration
Mr. T~nase T~val~, Vice-Chairman of the Committee on European Integration
Ms. Hildegard Puwak, Vice-Chairperson of the Committee on European Integration

Mr. Leonard Orban, Secretary of the Romanian Delegation

SLOVENSKO

Mr. František Šebej, Chairman of Committee

Ms. Julia Hurna, Clerk of the Committee for European Integration

SLOVENIJA

Mr. Lojze Peterle, Chairman of the Commission for European Affairs
Mr. Janez Kramberger, Vice-Chairman of the Commission for European Affairs

Mr. Igor Sencar, Secretary of the Commission for European Affairs

COMMISSION EUROPEENNE

Mr. Rainer Lau, Chef D'unité/ Secretariat general

COUNCIL OF THE EUROPEAN UNION

Mr. Ettore Mosca, Head of Division, General Secretariat of the Council of the EU

REPORT OF THE XXI COSAC MEETING

(Finland, 11-12 October, 1999)

PARLIAMENT OF FINLAND

Mr Esko AHO, Chairman, Finland: Dear colleagues, ladies and gentlemen, I would like to welcome you very warmly to Helsinki and to the XXI meeting of COSAC. It is a great pleasure for me to see so many of you here. We have two interesting days ahead of us and I think we are going to have fruitful and interesting discussions on the items on our agenda. I also hope that this meeting will enable us to successfully conclude the Revision of the COSAC Rules of Procedure. The working group met in Helsinki on 20 September and this led to a unanimous proposal and we have a good possibility to conclude the Revision of the Rules of Procedure at this conference.

Before we go to the first item, we have to decide on three further matters affecting the flow of this meeting. In May in Berlin, we decided that the meeting would be open to the public and this is also proposed in the draft Rules of Procedure that have been distributed. For practical reasons, it has not been possible to allow the public or the press into this room. However, downstairs in the press room there is access for the public and the press and it is possible to follow the meeting via monitors. Does anybody object to this transparency that we agreed on in Berlin, and can we do it in such a way that people can follow, via the monitors, all items on the agenda, including the revision of the Rules Procedure of COSAC? Does anybody want to speak on that point? If not, I interpret that as approval for the meeting being open to the press and the public for all items on the agenda. The proposal is adopted.

I also propose that the applicant countries' representatives can participate in the discussions on all items on the agenda. Can this principle also be confirmed? That is approved.

Thirdly, my proposal is that speeches in this meeting would be at most 4 minutes long. This 4-minute speaking time limit is approved.

So we are now ready to move on to the first item on the agenda. It is our honour and pleasure to hear Prime Minister Paavo Lipponen, who will be speaking to us about the main targets of the EU Presidency of Finland. After that he will tell us about the preparations for the extraordinary European Council Summit in Tampere.

Kari Häkämies, the Minister of the Interior and Johannes Koskinen, the Minister of Justice, have kindly agreed to follow this discussion and to answer the questions and interventions that it is not possible for Prime Minister Lipponen to answer because of his tight schedule. I hope that Paavo Lipponen can have one speech both on the EU Presidency and the preparations for the Tampere summit. I now give the floor to Prime Minister Lipponen.

MAIN GOALS OF THE FINNISH PRESIDENCY

THE EU'S PRIORITIES IN THE AREA OF FREEDOM, SECURITY AND JUSTICE, INCLUDING THE PREPARATION OF THE EU CHARTER OF FUNDAMENTAL RIGHTS - PREPARATIONS FOR THE TAMPERE EXTRAORDINARY EUROPEAN COUNCIL

Mr Paavo LIPPONEN, Prime Minister, Finland: I would like to welcome you very warmly to Helsinki and to this meeting. You have a significant agenda for your meeting and it touches on some of the most important challenges for the Finnish EU Presidency. The development of the Union in the area of freedom, security and justice is on the agenda of this week's extraordinary summit in Tampere. Enlargement is one of the most important items at the December summit. The third topic, relations between the EU and Russia, is very topical and important. Next week in Helsinki we will have the summit between the EU and Russia where we will have the

opportunity to look at the EU's Russian strategy and the implementation of that, and questions relating to the Northern Dimension.

Finland is assuming the Presidency at a challenging time. The third stage of the EMU came into effect at the beginning of the year and we have had a successful change over to the single currency. The euro has brought about stability and the hope of higher economic growth in the Union next year. This new situation, the introduction of the euro, has brought about the need to further co-ordinate the economic and employment policies in the EU. Finland is preparing a report on the co-ordination of the economic policy in the EU. The December summit will be improving the employment guidelines for the coming year. For the first time there will be country-based recommendations before the European Council, before the Helsinki European Council.

We will be convening for the first time, a macro economic meeting. This will involve all the important bodies concerned with economic policies: the Commission, the Council, the European Central Bank, and both sides of industry. As the Presidency-in office we would like to use this opportunity to the full and discuss the challenges that Europe has to face, so that we can safeguard a stable economic growth and improved employment into the next millennium.

There are good reasons for further co-operation in the economic and employment policy. The common currency has made this evermore urgent. Increasing co-ordination and co-ordination in fiscal policy and the common employment policy have a high profile in the EU.

Finland would like to advance the co-ordination of economic policy begun earlier. We have to agree on similar goals: a stable economic growth and an increase in the rate of employment.

At the June European Council Summit in Cologne, we agreed on the European employment strategy. Therefore, we have to raise important questions for the future of the labour markets, for improving efficiency of the capital and commodity markets, and for advancing the functioning of the Single Market.

In recent years, despite a favourable economic growth, the rate of employment has been low compared with the U.S.A. and Japan. Productivity in the U.S.A. is still 20% higher than in Europe, and the growth in GDP is more rapid. Europe has been slow in taking advantage of the opportunities offered by globalization. The European Employment Pact will raise important issues for the creation of jobs in the future. Europe has to derive more benefit from the rapid development of technology. A high quality training and education system, innovation and the information society hold key positions. In Finland we have been successful in recent years. We have spent 3% of GDP on research and development and we are in the forefront in the world in that respect.

The Member States of the EU have to reinforce a confidence in long-term economic development, taking into account the ageing European population, and a rapid development in technology and globalization, which leads to heightened competition. I have put this to the European Commission, who has just begun its work preparing a white paper with its recommendations on the challenges to improve employment and rapid economic growth that the next millennium will set.

We should not forget the basic premises of European integration. Apart from stability, it is all about promoting prosperity and welfare. The basis of European welfare is the European social model with joint responsibility for social justice and guaranteeing equal opportunities for its citizens.

The next Presidency, Portugal, will convene an extraordinary European Council summit to deal with employment and social cohesion. I met Antonio Guterres, the Portuguese Prime Minister, in Lisbon and we agreed on starting close co-operation during the Finnish Presidency. We will start

preparations for the March summit immediately after the Tampere Extraordinary summit in Finland.

Finland is for strengthening the role of Europe in the world. The Amsterdam Treaty gave us new tools and competencies for crisis management. Finland is strongly in favour of using these tools and developing them so that the Union can better bear the responsibility for common security.

People are waiting for a credible crisis management system from the Union and the ground for this was prepared at the Cologne summit. In particular, we need civil and military means for the prevention of crises.

On the civil side, the Union, in its various Member States, has a well-developed network and abundant skills. However, we also need better co-ordination so that the Union can use this network as a tool, should crises arise.

On the military side, we will be concentrating on developing certain aspects. It is important that the Union has NATO to call upon if necessary. At the same time, the Member States have to develop their own military crisis management capabilities. If we do not put sufficient resources into this, we will never have a credible European-wide crisis management system.

To make decisions we need common reporting systems. In this regard, one of the most important duties of the Finnish Presidency is to build up good co-operation with the high representative, Mr Javier Solana, who will begin his job next week. When we met in Helsinki last week we agreed to have close contacts and close co-operation, in particular in developing the external ability of the Union and the common goals. One of the most important things under way is developing a new early-warning system.

Developing a common security and defence policy is one of the most important goals facing the Union. The Union has the possibility of becoming an important international actor, because it has at its disposal a wide-range of political and economic instruments. At the moment the common foreign and security policy is being reinforced with a common strategy. For it to be credible in maintaining stability, the Union also needs a civil and military crisis management. Finland, during its Presidency, intends to take substantial steps forward by the time of the Helsinki summit.

This autumn will see the 10th anniversary of the end of the Cold War and a divided Europe. The principles of democracy, human rights, and a free market were accepted as basic pillars of Europe. The European Union has become a central actor as a result of that. At the same time, the development in enlargement of the European Union has become a significant process in the development of our continent. The isolation of part of the continent has led, in the worst cases, to open conflict. It has become evident that the inclusion into the European Union of all European countries who so wish, will ensure the birth of a stable Europe.

In two days the European Commission will be publishing a report on the progress of applicant countries in achieving the membership conditions. These are detailed reports which will pinpoint areas of progress and shortcomings. These are important tools both for the Union and the applicant countries. The challenges of the Union for the economies and administrations of the countries are significant. For the current Member States and the applicant countries it is in everyone's interest that membership conditions are met, otherwise the whole enlargement process will be in jeopardy.

We must not lose the momentum of the enlargement process. We will be preparing proposals for the Helsinki summit on how enlargement in the European Union should be continued into the next millennium.

Enlargement it is not just a matter of the progress of the applicant countries, the Union also has to reform itself. The process designed to strengthen Europe should not have negative effects on the decision-making process in the EU and its ability to act.

For the Helsinki summit, Finland will be preparing proposals on the institutional reviews which will be put forward at the IGC in the year 2000. We have to find a permanent solution to the composition of the Commission and the weighting of votes in the Council. We will also have to decide on a wider use of decisions based on majority- voting.

During its Presidency Finland is maintaining the recommendation to have a narrow agenda at the IGC. However, in the coming years, we will have to have a broad discussion on what type of European Union is needed for us to be able to better meet the challenges ahead. The European Union treaties have to be used to strengthen Europe if some Member States diverge from these principles.

We should not assess, at this stage, at what point the Member States will be prepared to move forward. There is no advantage in rushing, but the need for revisions grows evermore urgent as the Union grows and the outside world changes.

As the country holding the Presidency, Finland wants to improve the efficiency and transparency of the Union. This is a key issue for gaining the credibility of the citizens in the working of the Union. During our Presidency we have started reviewing the work of the Council, and we will be developing the openness of the work of the Council. We are improving the availability of access to agendas, and we will be publishing the timetables of working groups, meetings and the agendas of the Council. Other suggestions for improvement are also being considered by the Member States.

It is also important to bind the national parliaments into the Union's decision-making processes. We have had positive experience in Finland of keeping the National Parliament informed of the work of the Council of Ministers. It has become routine for the ministers involved in the Council of Ministers to inform the Finnish Parliament, both before and after the Council of Ministers' meetings. This has led to a common European Policy which is broadly supported throughout the Finnish Parliament.

At Tampere on Friday and Saturday of this week, we will have the extraordinary meeting of the European Council. We will be discussing co-operation on judicial matters. One of the aims of the Treaty of Amsterdam that came into force in May was to establish an area of freedom, security and justice. We need political guidelines and practical decisions for developing the work of the EU. This is not an easy job, because co-operation in justice and home affairs is relatively new and national legislations are very different on many points. On the other hand, the Member States have a common interest to make the Union a stronger actor in civil liberties and rights and in matters of security. Citizens have strong expectations from the European Union to be able to act on matters of joint concern, such as the reception of refugees and asylum seekers, cross-border rights and on the improvement of the status of victims of crime. We are also expected to be more efficient in dealing with illegal immigrants and cross-border crime.

At the Tampere European summit we will be concentrating on 3 main topics: immigration and asylum, combating cross-border crime, and the European judicial area.

One of the important goals at Tampere will be agreement on creating an EU-wide Immigration and Asylum policy.

This would entail being able to act on the reasons for immigration, to combat illegal immigration, and to improve the conditions of legal immigrants and their rights to receive asylum. In this preventative work we need a common strategy regarding foreign policy, trade policy and

development aid. We also need measures in the human rights domain for influencing the reasons for people immigrating and migrating.

We have to make a clear distinction between legal immigrants or asylum seekers and illegal immigrants. We have to set common basic reasons for immigration and we have to have cooperation between the Member States.

The European Union has to agree on a common asylum system. The current system on which these rights are founded are very divergent in the various Member States, and the handling of refugees can take years. This encourages abuse and criminal activity in trafficking human beings. Those who suffer most are the people in the greatest need, the refugees themselves.

It is clear that the Union will base its system on the Geneva Convention and ensure the highest possible level of protection for those who need it.

The Kosovo crisis showed that it is high time for the Union to agree on having solidarity in its responsibility. It has to be able to give rapid protection in cases of mass migration. Giving temporary protection is based on the will to give that protection and the will of the recipient state to bear its responsibilities. I believe that we will achieve results on this at Tampere, and the solidarity between the Member States, I believe, will be possible at a higher level.

In combating illegal immigration the Union must improve monitoring of its external borders and have close co-operation with third countries, in particular with the applicant countries. If necessary, the Union should be able to have bi-lateral agreements and agreements with third countries on repatriation of persons.

We should also underline that the Union should be an area of freedom, security and justice for all those who are legally there. The improvement of rights and the integration of all persons is a common challenge for the Union. I think that the Tampere summit will give a clear message against racism and xenophobia and to improve work in that regard.

At Tampere we will be discussing the work on improving the security of citizens. Citizens' expectations of governments and the European Union are also high in this area. Crime is one of the most important concerns of citizens throughout the Union. The Union should be able to secure citizens' rights against those who want to hinder the freedom of movement by criminal means.

It is a very unusual situation where criminals, and those who profit from crime, can move freely across borders, while the authorities are kept within close limits as regards their co-operation.

If we want to make improvements in this area we have to be able to take action against drugs, youth crime, money laundering and the trafficking of human beings. This means making decisions with police authorities, public prosecutors and judicial authorities and to improve our ability to act on common policies.

Combating cross-border crime has to begin with preventative work. It has to be raised at Union level at Tampere. On the practical level we have to create national crime combating programmes and exchange best practices between various Member States.

We have to combat crime more efficiently than in the past. This means removing barriers for official co-operation and also that a judgement or decision given by the authorities in one Member State can be implemented in any other Member State. Europol has to have sufficient resources to act according to the Amsterdam Treaty. As we enlarge we also have to fill in areas of its judicial monitoring ability, so that we can benefit from investigation work done by Europol to catch criminals.

Alongside Europol we have to develop co-operation between public prosecutors. First of all by networking and by trying to build up a permanent body of co-operation - Eurojust.

We can narrow the scope to commit crime, in particular money laundering. Money laundering is often closely connected to illegal trading in drugs and weapons. Finland, during its Presidency, will be proposing that action against money laundering should be one of the duties of Europol. This has met with wide support from the Member States.

In combating crime we have to develop the Union's external relations. By working with third countries we can act quicker on cross-border crime.

Up to now the biggest successes of the Union have been based on the use of the community system, as has been shown most recently in the creation of the Single Market. And now, too, this could be a system to be used. The Member States have to be brought closer together and harmonised. We have to have common basic rules and agree on the principle of common responsibility. Above all, we can co-operate much more by removing technical and administrative barriers.

We speak about justice in home affairs, alongside improving security. We have to look at how we can improve the implementation of rights. I mentioned already the work on improving the rights of immigrants. It is important that the freedom of movement of citizens should be implemented in practice. This means that citizens can rely on the judicial and administrative systems wherever they are in the Union and on maintain their right to legal protection.

At Tampere we will be looking for agreement on recognising the judicial status of persons in all Member States. In particular, the rights related to marriage, married persons, and the custody of children are very important issues for practical legal protection. Union citizens must have the possibility to maintain their rights in all national administrations and courts. As I said, it has to be equally simple to go to court in any Union country as in one's own Member State.

We have to look particularly closely both at the victims of crime and those suspected and convicted of crimes. The rights of victims should be safeguarded so that they have equal status regardless of their nationality or language. This also entails access to legal security and interpretation.

At Tampere we can agree on many practical matters to improve current co-operation. The differences in administrative systems and legal systems make any further steps of co-operation very challenging. Co-operation on legal matters and the creation of a Judicial Area are without doubt a long-term process. However, in the coming years, I consider that this is one of the most important challenges facing us. I hope that at Tampere we can start an ambitious programme of work for the improvement of citizens' rights

The European Union Member States are joined by a common view on human rights, civil liberties, the rule of law and non-discrimination. I believe that, based on these principles, the Tampere meeting will be a success, both in terms of the lives of ordinary citizens and the future of the European Union.

Mr Wim VAN EEKELEN, Netherlands: I would like to raise questions on a number of minor points. I'm pleased to hear the speaker say that he sees a need for a certain military capacity for the European Union and greater co-ordination as far as that is concerned.

I would like to know how the Finnish government sees the possibility of integrating the WEU into the European Union. Wouldn't the designation of Mr Solana as the Secretary General of the Western European Union be the easiest step to take in order to make progress. I would also like to

know how we could achieve this without touching the position of Finland, Sweden and Austria, particularly when it comes to military co-operation.

The second test for the Intergovernmental Conference is the composition of the Commission, the fact that the Council will make more majority decision-making and the whole problem of deliberation. Do you think that those three things would be sufficient to ensure that the European Union can be sufficiently effective for membership of 20-25, or arguably an even greater number of members? Should we not also contemplate another way of working in Brussels? And do we not need more discussion on major points and more delegation on minor points, although we may need to change the Treaty for that?

Finally, for Tampere I agree with the speaker's priorities, but one thing I would particularly emphasise: foreign policy, with respect to countries where you have a great number of refugees. The best way to actually attack the problem is at the root cause, where the refugees are coming from.

Mr Alain BARRAU, France: I would like to ask three questions. The first question is about employment, which you mentioned. We have underlined the importance of the European Council in Luxembourg. At COSAC, before the European Council, there was a broad consensus in favour of the fact that it was an extremely important issue in the European Union today. Now since then, despite the efforts of our Austrian and German friends, the topic has been lagging a little bit behind. Our Portuguese colleagues, we know, are going to take an important initiative in this area. How are you planning to relaunch the topic of employment, the fight against unemployment, among the fifteen?

The second question: I hope that today at the General Affairs Council the negotiating mandate of the Commission would be adopted for the WTO. The Commission is going to negotiate in Seattle on behalf of the fifteen. And I think you know that there were many of us who insisted on the fact that the future negotiation at Seattle should include certain issues on international trade. That is the very nature of the organisation. But it should also allow us to introduce a number of new fields, such as measures in the social domain, work of the ILO and environmental aspects. What is the Finnish position on that? And how can we act in order to bring this matter forward?

And thirdly, and I think this is one of the areas where things are moving ahead and where, I think, the Finnish Presidency could have an impact on the Union - that is the next summit in Tampere. I must say that this is a difficult subject. The idea is to make this legal area of security for all of our European citizens into something that we can tackle within our National Assembly. There are, of course, different public opinions, but we would like to see a breakthrough so that the peoples of Europe actually feel that there is an area of free movement and there are common standards which govern their lives. Those are the three points that I wanted to raise having listened to your contribution.

Mr Paavo LIPPONEN, Prime Minister, Finland: First of all, Mr van Eekelen's question on the military capacity of the Union and on the security and defence dimension. In my view, the Union should proceed from the bottom up, and not from the top down. And clearly what we have now is a question of creating a crisis management capability and implementation of the Petersberg tasks, rather than the development of a defence capacity: that is to say, a military alliance. So there is a clear distinction. Based on the Cologne decisions, the Western European Union, or parts of it, those that are considered appropriate, will be transferred and included in the Union structures. This is a task which Javier Solana will be leading. Finland completely supports this approach. Finland, in fact, together with Sweden, made the initiative to the Amsterdam European Council on this issue. To the Member States this means various requirements in terms of their decision-making systems, the type of committees required, and also in terms of the requirements incumbent on the Member States, what type of military co-operation will be conducted. I consider it

essential that each Member State commits itself to maintaining a certain number of troops at the level of readiness agreed upon, and to have co-operation between these units. We need some sort of a staff structure, but we should take into account we will be falling back on NATO.

On the other hand, national defence in each Member State, I do not think there is any point in harmonising the national defence systems to any great extent. We must take into account the fact that the defence systems are very different. If you have time to look at the Finnish defence system, it is very different from the systems in those countries with professional armies. So we are going to the very heart of national defence questions and self-determination.

Enlargement is ahead of us and we must proceed along that road in the manner that I presented. We should not set up different levels amongst the Union, rather we should move forward on enlargement so that all Member States are agreed on it and are going to participate. We should not create artificial circles within the Union, for example, in foreign and security policy. The desire of the bigger Member States to set up some sort of directorate should be opposed, because it would weaken the competitiveness of Europe and that alone is sufficient reason for opposing it.

From the point of view of the smaller countries, an entirely different matter is the issue of the weighting of big Member States. And we should have equality throughout the Union, which after all, is composed of different sized Member States.

At Tampere it is also a question of the tools of foreign policy being used. If we think of countries like Afghanistan, with very difficult migration movements, all the tools at our disposal should be used, such as development work, so that we can create conditions in which people are not forced to move.

Then Mr Barrau's question on employment: as I said, in the Union we have developed sufficient processes and discussion mechanisms. We do not need any more. Rather the Union should focus more attention on implementation, rather than reinventing the wheel every time. In employment what we have at stake is largely national policy. At Helsinki, for the first time, we will be issuing recommendations on the employment guidelines to the Member States. This will be very difficult and complex because these are politically very difficult issues. We are developing common goals or levels, for example, the raising of the employment level is something new. Previously we spoke mostly of the rate of unemployment, but alongside that the level of employment has been brought in. So what we are trying to achieve is for each Member State to try and get a larger proportion of its working-age population into work so that we can meet the challenge of ageing populations and pay for the welfare systems of the European model. An active employment policy has to include an education programme and, more specifically, a life-long learning programme.

Finland wants to concentrate on employment now that we have common guidelines, for example, the development of European networks in investments. However, from the point of view of employment in Europe, we have structural problems. The competitiveness of Europe is weak. Therefore we need reforms. We are co-operating with the next Presidency, Portugal. The special summit during the Portuguese Presidency is designed to address those questions. On the other hand, we have the question of improving the functioning of the labour markets, the commodity markets and the capital markets. We must also ensure that Europe can succeed in the globalizing world, in research and development, the basic structures of the information society and, of course, training. So we are beginning to see the employment question from a broader perspective.

As regards the WTO and the mandate and the questions brought up at the WTO: of course food safety is high on the list of the mandate of the Council, and the Agricultural Council has deliberated this issue. As regards social actions, we also need the WTO, clear principles and, as the distinguished speaker said, the involvement of the ILO, for example, on the convention on the forbidding of child labour.

Finally the Tampere summit: I think we will have a meeting where the participants will have to weigh up whether we will be satisfied with small levels of responsibility or whether we see it as a common European responsibility. I think we can go a little bit further than what national civil servants are prepared to do. The responsibility lies with the politicians.

Mr Antonio RUBERTI, Italy: I would like to address this area of freedom, security and justice, which is the first item on the Tampere agenda. I think what the President said was to the point. He seemed to be very determined and there is precious little that needs to be added. I think the position that has been adopted on the creation of this area is ambitious, as you have said yourself. It is good news and I only hope that they manage, in Tampere, to actually lay the ground work for this strategy to deal with immigration and asylum.

As far as Italy is concerned, there is a particular awareness of this problem of immigration, given our geographic position and given our foreign borders and offence that have taken place recently. It has put particular burdens, a particular onus on our country, and therefore it is very important for us to have this overall comprehensive strategy and to move to harmonise the rules and the way we act. Not just on the subject of immigration, but also when it comes to political asylum and temporary protection regimes. I think that the adoption of the agenda is a very positive thing.

The thing that we have not dealt with is this new title for the Amsterdam Treaty that has been left to intergovernmental co-operation. I think it is important for us, as representatives of the National parliaments, to think about this as the European Parliament has done. It raises the problems of the institutions and democratic legitimacy, and the role of the European Parliament and the National parliaments. From this point of view, I think there are two aspects we cannot overlook. How can we get the institutional reforms settled, and secondly what has been done so far?

For institutional reforms, I think it is still important to maintain the unanimity of co-decision and definition of those decisions that can be taken with respect to the Convention. I think it is the nature of this third pillar, which like the first pillar, creates the policies within the Union. Therefore it is up to the European Parliament and the National parliaments to look into these matters of rights, freedom and justice. I think it is important for the Parliaments to play a significant role. From that point of view, we should therefore try to make use of all available opportunity to get this on-going relationship with the European Parliament and the National parliaments.

As far as COSAC is concerned, I recall that there is the Second Protocol of the Amsterdam Treaty which recognises that COSAC has a special role in this connection. So I wonder, would it not be useful for COSAC to organise some contribution of its own on the question of the area of freedom, security and justice and on the substance, and methodology to be used.

The proposed new regulations that we are considering lay down procedures for proposing, drafting and adopting contributions to COSAC. I take note of the Finnish Presidency's sensitivity in placing this significant subject on the agenda. It is of such importance for the citizens, after all, particularly given the financial and monetary convergence with the single currency. I think this is one way that we can continue this very relevant subject for the future of Europe.

Mr Graham WATSON, European Parliament: After the establishment of the Internal Market and the Single Currency, we regard the creation of the area of freedom, security and justice as one of the greatest challenges in this parliamentary term for National parliaments, for the European Parliament and for the Heads of State and Government. We believe that citizens are very aware of the fact that Member States acting alone cannot guarantee them the protection they require. They are disappointed by the shortcomings of Governments in this area and we believe that the credibility of the European Union and its Member States is at stake. Clearly, the Amsterdam Treaty significantly increased the responsibility of the European Union for safeguarding

Fundamental Rights, and we believe it is important that the Tampere summit sets in motion a process which does a number of things.

Firstly, we believe we have to simplify and streamline the institutional framework of the area of freedom, security and justice, as my colleague Mr Ruberti touched on. We need police and judicial co-operation in criminal matters, which is currently under the third pillar, to be integrated into the Community pillar, for example.

We need more involvement for the European Parliament and for National parliaments in the decision-making for an area of freedom, security and justice, and we look to the next IGC to remedy this. We see some advances made in making the decision-making process more transparent. We welcome, for example, the fact that the Council recently published, at least in French, the texts of the Schengen Laws and Protocols. But we call on the Council rigorously to respect the Protocol when it comes to application of the principles of subsidiarity and proportionality in these matters.

We will need close collaboration between the Member States and the European Institutions in putting through a number of measures to ensure this area of freedom, security and justice. We believe it is important to ensure freedom of movement of persons within the Union under Article 18. It is unjustifiable that this has not yet been achieved. In particular, there are problems regarding legally resident third country nationals and their status. It is essential we take action to foster common legal standards and a common sense of justice throughout the European Union.

I know that Tampere will look very closely at migration and asylum policy. We believe it is important that we unpick the two, that we disentangle the whole area of asylum policy from that of economic migration. And we regret very much the fact that no European strategy on migration has yet been drawn up, despite the fact there have been proposals from the European Commission on the table for some six years already. One of the things that must come out of Tampere is a European procedure for the processing of asylum applications.

Another important matter is the prevention of crime at European level. We would like to see an action plan, or series of action plans, on the combating of organised crime. Particularly looking at crimes such as the trade in human beings, crimes against children, crimes of racism and xenophobia, money laundering and terrorism. All of these can clearly be tackled on a European level.

And finally, we endorse the Avignon Declaration by the Ministers of France, Italy, Germany and the United Kingdom on the creation of a genuine European judicial area. If we are to guarantee freedoms of our citizens, we will need adequate guarantees, such as interpretation in their own language if they are up before courts in another country, free legal aid, provision of bail and so on. And I pay tribute to the work done by the House of Lords in the United Kingdom in their work on the preparations for Tampere in this. It seems to me essential that if we are going to have a Eurowarrant, allowing arrests to be carried out across borders, then we must also have a system of Eurobail, providing protection for the defendants and allowing them to serve their period of bail in their own Member State.

Finally, Chairman, we at the European Parliament are committed to reinforcing parliamentary dialogue. We were happy to invite you in March to a meeting to discuss Tampere. We will be pleased to invite you again to another meeting on 30 November. And the President of the European Parliament will soon be sending invitations to the Presidents of the National parliaments to a meeting to discuss fundamental rights and anti-discrimination policies, free movement of persons, the European judicial area and so on.

We need COSAC and National parliaments to press for more openness in the Council when dealing with these areas. To press the Council, not just to publish legislation, but also to publish as the European Commission does, the strategic documents and reports which lie behind that legislation. We need to improve information exchange between National parliaments and the European Parliament on legislative work in progress. I wonder if I might propose that we set up some kind of early-warning system, I have it down under the nick-name "Pandora". Pandora would stand for Parliamentary Network on Documentation, Research and Activity. It seems to me that we need such an agreement, if we are to work effectively.

Lord HOPE of CRAIGHEAD, United Kingdom: I would like to build on some of the points made by Graham Watson, whose remarks I warmly endorse. I am a member of the Committee of the House of Lords to which he referred. We spent some time in June and July of this year studying the prospects for the special European Council at Tampere and in the course of our study we took evidence from a number of witnesses, including the Finnish Permanent Representative to the European Union, the Director General for the German Ministry of the Interior dealing with Asylum and Immigration, and also Commissioner Anita Gradin.

Based on the evidence and our own discussions, the broad thrust of our views was really this: the essential way forward, as we see it, is a way forward which bases itself not on harmonisation, as a name harmonisation of national rules, but rather of mutual understanding of each other's practices, and as much as possible the building of confidence between the Member States on their various systems of justice.

Dealing with the three main topics which are mentioned: firstly, the asylum and immigration matter. We sympathise with the demands for greater solidarity, but we feel that the way forward, if one is looking for a quick way forward which avoids the delays and complications of seeking for an obligatory system, is a voluntary system of co-operation based on a greater understanding and the setting of minimum standards, to which we can all adhere, in the treatment of the people who are affected by these major problems.

As for the fight against cross-border crime, again we favour the approach of mutual recognition of judicial decisions, rather than a process of harmonisation. We believe that we can build on our experience in the working of Europol and we support the proposals for a European Police Staff College and a Eurojust unit, which consists of national prosecutors or magistrates who can study each other's systems and develop the process of harmonisation, which we favour.

Can I particularly stress the view which we have formed on a European judicial area? This is a very wide subject, as the Prime Minister has observed in his remarks, because it covers both civil justice as well as criminal justice. There is an enormous amount of work which needs to be done if we are to create what we would all look for as a common judicial area within the Union. May I say that within the United Kingdom we already have two quite separate systems. England and Scotland do not have a common Judicial System, nor do they have a common system of prosecution or investigation of crime. But they have created over the years of the Union, which was created 300 years ago, a common judicial area which is based on a mutual understanding and confidence in each other's systems. For example, it is not necessary extradite somebody from England to face trial in Scotland, indeed within the Union. The same is true between the United Kingdom and Ireland. That, I think, is an example which we should try to follow as we look for greater harmonisation in creating the area of security and justice.

Ms Nicole CATALA, France: I would just like to quickly raise two points. The first is the draft Charter on Fundamental Rights for the Union. I am very doubtful, if not reticent, about this. The citizens of Europe already have several guarantees of their basic freedoms that are also covered by the UN declarations. They are also covered by the European Convention on Human Rights and the Case Law of the European Court on Human Rights, which protects them to a great extent. In

each individual country they are also protected by their constitutions and the basic principles of their national legislation. I see no need to add anything to the current level of protection, no need for a European Charter on Fundamental Rights. However, I do see a lot of drawbacks to this project. There will be a diluting of the basic rules, and diluting of what will be adopted in this Charter and what already exists, compared to what already exists in Member States. The same thing goes for the Case Law of the Court in Strasbourg and the Case Law which will be the Case Law of the Court in Luxembourg, when it is called upon to rule on the provisions of this future charter. There may also be basic differences between the principles which will be listed in some of the national provisions. I am particularly thinking of the principle of the secular state. That is an important principle in France and it is not recognised in a uniform manner in all the countries of the Union. I think there are a lot more drawbacks to this project than there are advantages and I would like it to be re-examined. But I would stipulate that I am speaking on behalf of the minority in the French delegation.

I would also like to underline the disadvantages which arise because of the delay that many of the Member States have accumulated in ratifying some of the conventions, particularly those under the third pillar. Not just the issues under the third pillar either. These agreements which have been drawn up over the past years, indeed decades, have one merit, which is that they establish uniform rules for all of the countries in the Union, which legally speaking, are a superior method as far as rights and freedoms are concerned. Judicial and legal issues that we are dealing with at the moment. They have the advantage over the Community method of drawing up standards.

I would like to propose to COSAC that it adopts, if you agree during the course of our discussions, that it adopts resolution inviting the Member States to accelerate the ratification processes for the different conventions. I could read it out, I will propose that we submit to the vote, Mr Chairman, a text which could read as follows: "COSAC considering the provisions of the Treaty on the European Union, particularly Article 2, and whereas many conventions are signed since 1992 in the area covered under the third pillar of the European Union in the civil and penal area have not yet been brought into force, asks the Governments of every Member State to implement as rapidly as possible for measures necessary to ratify these conventions, so that they can be put into force.

Mr Paavo LIPPONEN, Prime Minister, Finland: First of all Mr Ruberti's question on the role of the European Parliament and the national parliament: governments have the mandates from their Parliaments and when it is a question of matters that are topical in the EU at the moment, like enlargement, the IGC, and now in particular Tampere where the question of the third pillar are treated. These are principally matters for inter-Member State deliberation and, therefore, it is particularly important that national parliaments are closely involved in the preparatory work. The European Parliament's share in this is of course interesting and we will be running into problems of legitimacy. But the European Parliament is also involved in the preparation.

When it comes to the question raised by Ms Catala on the Charter on Fundamental Rights, the European Parliament is involved in preparing that.

I would just say very briefly that in our view the Charter on Fundamental Rights is a political issue. However, it will not be included in the Treaties. It will be decided separately whether we go further, and here there is a divergence of views in the EU. Tampere will decide on the composition of the working group, including the question of chairmanship, to prepare the Charter on Fundamental Rights. There are broad divergences in legislation, which is what Mr Watson and Lord Hope touched on. However, at the Tampere meeting we should aim at the harmonization of legislation. It is not sufficient for decisions on rights to be decided on a one-to-one basis. That is one way to decide to build Europe. However, very quickly, we will run into differences in legislation. If we intend to effectively combat international organised crime, then it is necessary to have co-ordination of legislation. For example, there is not a common definition in European

legislation as to what is meant by organised crime. So one could easily understand how such divergences in legislation can hinder efficient co-operation.

On the civilian side of things we have the issue of the functioning of the Single Market which will be a main issue when we begin to co-ordinate.

Cultural differences come to the fore when we talk about family rights, for example. And there are situations of cross-border marriages, custody of children that we have to look at closely.

What we are putting forward is that there should be a high level working group to deliberate these questions of legislation and co-ordination. But we must begin very cautiously and respect national cultural differences. I am very much aware that it is a very ambitious idea. Of course, this shows that one can have very ambitious aims, but what we were looking for is a very pragmatic look at the essential issues where co-ordination and legislation are required.

I would just like to mention a concrete example of how we could improve citizens' rights or a proposal that has been made. This is known as Eurobail - the idea of using a bail system which would improve the rights of suspects of crime moving throughout Europe. We are at the stage in the development of the Union where the National parliaments' and Governments' co-operation is extremely important. We are anticipating results from this meeting.

Coffee break

Mr Guillermo MARTÍNEZ CASAÑ, Spain:

It's been a few years now since the Spanish government launched in Florence the challenge of strengthening the third pillar, and then there was the Austrian Presidency which committed itself to the Tampere summit. I think that the creation of a judicial area in Europe and the asylum and migration policy and the fight against crime are all a logical consequence of the concept of European citizenship, and our concept of freedom and defence freedom. I would like to make a few brief comments to the minister on that note.

First of all, what are the possibilities of reaching substantial agreements on harmonising an asylum policy and the creation of a European fund for assisting this policy? This would allow the host countries of asylum seekers to proceed to integrate them, with all the costs involved and to which we must all contribute in the spirit of solidarity.

Secondly, minister, when strengthening the external borders and drawing up agreements with third countries on issues under the third pillar we need to combine solidarity with realism and pragmatism. I know that we're talking about states and peoples, some of whom are candidates for membership of the European Union, so what do you think about that minister?

And thirdly, in the creation of the European Judicial Area, which is a very difficult, tricky topic and likely to be a very long drawn out process, we need harmonisation of some of the methods of fighting specific crimes. It was a big pitfall under the Treaty of Amsterdam. What should we do about that?

I would like to refer to a matter which has already been mentioned by Ms Catala, with whom I agree. I don't often agree, but I am in agreement with her now on fundamental freedoms. I'm glad that this has been declared to be a political declaration, because any change to that would mean a constitutional change that would have to be approved by our governments and national parliaments. I'm amongst those who believe that the European Convention on Human Rights and the Council of Europe are doing the work very well already.

But I would like to highlight, Mr Minister, one point of the working group: the working method.

I think it is extremely important for the mandate to be absolutely clear. The governments are responsible for this, after all. They're responsible for this inter-governmental policy. And I think it would be very difficult if we were to distance ourselves from this mandate, either through producing a new mandate or adopting a working method which may overstep that mandate. Let's be very careful in implementing this mandate. Let's be very careful in setting up this working group, made up of members of both national parliaments and the European Parliament.

Mr Sören LEKBERG, Sweden: I thought that I would merely briefly comment on the matters that have already been raised when it comes to the proposals for fundamental rights. I think this is a matter that we are very concerned with in Sweden. I think that we have pretty much a parliament that is uniformly concerned about the recent developments - developments now under way. I think that there are major risks of mixing what we already have and what already exists in the Member States, with what we might agree we already have in the Council of Europe's Charter on Fundamental Rights. We do already have the Court. I think that when it comes to these matters and the scope of them, we could end up with two separate courts protecting citizens on the same issue, which could create terrible confusion.

I think that we need to perhaps create a working party, but we realise that it is going to be a rather large working group. It would be very difficult to work with if it's too big. The number of members should be restricted, and it's good that the Council of Europe and the Court will also be represented in that working party. I hope that this working group will concentrate on the question of fundamental rights in the Treaty. I would also seek further commentary from the minister and from the Finnish Presidency-in-office as to their thinking on this matter.

Mr Loukas APOSTOLIDIS, Greece: I would like to thank you for inviting the Prime Minister and for his contribution on the difficult negotiations on peace in Kosovo and in trying to bring forward the agreement on stability in Europe. I think that for the peoples of that area, for us Greeks, Romanians, Hungarians, Bulgarians and the European Union, for us the ups and downs of Kosovo are not yet over and the consequences of Kosovo will be long-lasting. Personally, I feel that this story has thrown up very critical questions for the political and defence identity of the Union. These are questions which have touched all of the citizens of Europe. It has also thrown up critical questions on our common policies and our move towards a union.

We have already heard the Prime Minister referring to the identity, the political identity, the defence identity and the community identity of a united Europe. There were two critical questions which remain for me, namely the security and development agreement in Eastern Europe. It's not just an agreement on economic development and the establishment of democratic institutions, it's also an act which the Union, I think, will be able to use to show its political prestige. It's a way of showing how it

can manage crises at the heart of Europe. This security agreement, the stability agreement is linked very much to the Tampere summit for two reasons. The first reason, as the Prime Minister was saying, concerns solidarity and responsibility in the Union. That of course means the issues of illegal immigration, cross-border crime and securing the freedoms of our citizens in this region. The measures which will be implemented, the policies that will be implemented need to take into account this cost to the Union and we, the countries which are particularly affected in that region, need to give our best to tackle these critical problems because, as my Italian colleague was saying, our borders are particularly long and we live in an area with unstable circumstances.

And the second point I'd like to raise is, as in December we will be talking about employment and there will be recommendations made to the Member States of the European Union, I'd like to know more about these recommendations. Will these recommendations be about the implementation of the national employment plans which the Member States have drawn up, or will it be more general? Will it include general matters to deal with the economic measures that the European Union could adopt to tackle this very major issue?

On that note, I'd like to conclude my brief contribution. I'd like to urge the Presidency to tackle the issues which are so important to our Union. Point four, particularly, talks about a Community based on information and knowledge. A United Europe needs to concentrate particularly on knowledge and research. It has to give of its best so that it can really come out on top in the future.

Mr Georges CLERFAYT, Belgium: I will cover just two points. First of all with respect to immigration and asylum policy, as proposed and defined in Tampere, for the whole of the European Union we should be pleased with the progress made in this area. Hitherto there have been too many disagreements and a lack of coordination within the European Union, so in the proposals there are many positive factors to be welcomed. However, I don't think we should rush into things or adopt too short-sighted an attitude either. There are many dimensions to these matters, we can't just try to deal with the effects of immigration in our countries, we should be acting more preventively to try to get to the root causes and to eliminate those causes where they exist. These causes are poverty, lack of respect for human rights and war or violent conflicts elsewhere. The European Union, therefore, should adopt commercial and development aid policies that are up to that task: a more generous debt-relief policy, a health policy, helping education and promoting human rights and democratic principles in countries where there are such problems, in countries outside the Europe of the fifteen, in the East, in the third world, in Asia, Africa and elsewhere. If we fail to do this in an active way we will never be effective in trying to reduce the flows of immigration and requests for asylum.

A second point, to come to a matter already raised by Ms Catala and other members, the proposed Charter on Fundamental Rights. I think that all democrats can only be pleased if the European Union is often criticized as being a Europe of shopkeepers, and now we want to pay great attention to human rights or citizen's rights and to try to get respect for these rights - a matter from within. But let us not forget that fifty years ago the European countries got the convention along with a number of additional protocols implemented in the Court in Strasbourg that has now developed into a world-recognised jurisprudence. So we should be very careful that we do not create this confusion and legal uncertainty, where, for a given country, you might have two courts of justice, one in Luxembourg and one in Strasbourg, both dealing with respect for human rights, and two separate and rival jurisprudence.

This would lead to chaos, I'm sure you will agree. I think that for those who draft this Charter on Fundamental Human Rights who want to include new rights not yet covered by citizen's rights or political rights or economic and social rights, but those drafting this Charter on Fundamental Rights should avoid creating an institution that is not properly coordinated and harmonized with what we already have today, that is, the Court in Strasbourg, its principles and its jurisprudence.

With this in mind, I ask that we not lose sight of the need in the drafting effort to include an official delegation of experts from the Council of Europe. No Member State could reasonably hope to have overlapping or rival competence or the demolition or setting aside of the court in Strasbourg.

Prof. Dr. Jürgen MEYER, Germany: I shall make only two comments. One is on the migration policy. Prime Minister Lipponen has convincingly enunciated the principles of solidarity and responsibility and common burden sharing. These principles will be without consequence if we do not implement the quota principles. Common principles are not enough. You should also try to get every country to agree to quotas according to its capabilities, otherwise the whole thing is all very much in the abstract.

On the Fundamental Rights Charter there have been misgivings voiced and this is probably because the idea of a European Community of values needs to be made more convincing. It has been shown to be convincing, but we're not just talking about rights, we're talking about the rights for citizens as rights which should be given to the citizens of the European Union, freedom of movement, and the right to vote. There is also the proposal from the Finnish Presidency. The Presidency should lead this working group with sixteen members, three quarters of whom will be members of parliament. We think that this initial attempt to set up such a committee should not be devalued by the executive having too much say. We think that the committee should be able to address its task fully and should be able to decide who's going to be in the chair. That will mean that there will have to be at least three chairpersons so the same person will not have to do the same work all the time. We think that it's also difficult to stick to the timetable. We think that the Council should not lay down the agenda, either. I think we should be able to place our trust in the members of parliament to express their views. We will then have a Fundamental Rights Charter which will then make it clear that the European Union is not just a union of economics but of values as well.

Ms Elisabeth ARNOLD, Denmark: I must say I was very pleased indeed that the questions have been raised by Ms Catala and also by my Swedish and Belgian colleagues. I'm very pleased that these points have been raised on the issue of establishing this Charter on Fundamental Rights. As has been pointed out by the previous speakers, we, in advance I think, already have this convention on human rights in Europe which applies to all of the European Union countries. They've all adhered to it. Applicant countries are also included in the Council of Europe and I think that this is something that allows us to work with the quota in Strasbourg on the area of human rights. I think that it's important that we avoid creating a second system in Europe, an overlapping system. We cannot argue that there is a separate human rights philosophy in the European Union. Our philosophy is already enshrined in the Convention on Human Rights and that's the one that applies, therefore it's important for us. In this working party that's going to work on this Fundamental Rights question, get it clear that we cannot have a two-tier system. There are many speakers today who have already drawn attention to that. It's no accident. We need to avoid making that mistake.

The second point I'd like to refer to quite simply involves the agreement for repatriation once an asylum seeker has been rejected in his or her application. We have a number of Member States in the European Union that have groups of rejected applicants that have not been able to be repatriated to their country of origin for the country refuses to take them back. There's a form of blackmail policy that now exists where one European country plays against another because the original country is not taking these people back. There is a terrific need for EU countries to have a common policy so that they cannot be played off one against the another. I would like to ask the Presidency-in-office to raise this at the meeting.

Mr Patrick CAREY, Ireland: I want to take the opportunity to compliment Finland and the Presidency for the assistance which our Foreign Minister David Andrews has received in Jakarta in dealing with the East Timor situation. As you know, he was the EU special representative there. I was pleased to know that, in terms of Kosovo and other crisis areas, the Presidency has the need for stability in Europe and a greater crisis management capacity as a priority.

I'd just want to refer to two things. First, I was pleased that the issue of employment has been addressed. We in Ireland have been very lucky in recent times, and the fact that we've been able to create unprecedented numbers of jobs means that we are now in the relatively happy position where we have, as near as possible, full employment. The issue, however, of long-term employment still needs to be addressed in our view. I would like to hear some comments on how the employment proposals will address the whole area of skills shortages, as we are beginning to experience them. The whole issue of training and life-long learning is something I heard the Prime Minister talk about, but I think it's something that needs cross-community policy if we are to address the endemic problem of long-term unemployment.

In relation to the Tampere summit, I and the Irish delegation are pleased to know that the issue of organised crime in particular is an area where further cooperation is required. Certainly we believe that we in Ireland have perhaps developed a model which might usefully be replicated elsewhere - our Criminal Assets Bureau, where the police, the customs authorities and the revenue authorities cooperate in a very effective manner to bring some of, what we call, our drug barons to book. But in order to do that, while we're doing very effective work domestically, we need cross-community cooperation. We certainly have very good working relationships with our colleagues in the UK, but we could benefit greatly in our fight against organized crime, particularly drug related crime, if a more uniform European policy were to be adopted.

Mr Wolfgang JUNG, Austria: There are two points I'd like to come back to. One of them has already been referred to by my German colleagues. When it comes to asylum seekers and refugees, I do harbour some scepticism when it comes to solidarity, based on past experience in Europe. I know that people who are farther removed from these crisis-ridden areas, the Balkan war was one example, who are in Finland or in Ireland, I think sometimes we had emphasis elsewhere compared to Austria. During the Kosovo crisis we had 8 5000-9 0000 people coming across our borders.

Yet another point I'd like to come back to, when it comes to the European Community of ideals and values, the EU and Austria have time and time again stressed that as more and more members come, not just looking at the social and economic conditions, we have to ensure that these countries come in line with the democratic and political standards of the Union. One negative example is the Slovak

Republic. I think that when it comes to democratic developments in a country you have to deal with how this country has dealt with human rights.

In the past some states have been guilty of crimes against (humanity). The killing and expulsion of hundreds of thousands of people from the Czech Republic, for example, has never been evoked, and this certainly belongs to the legal domain. The former Yugoslav states also involve people being driven away from their homes. If there are further legal measures which lead to such violations of human rights they must be eliminated and that is a precondition for the accession of such a country.

One final point I'd like to raise is the question of the unsafe nuclear power plants, which is a very serious concern for the Austrian population. With this in mind I would make an appeal to the governments of these states to put an end to the situation and to start thinking about nuclear power plants, otherwise we will have huge problems. The Austrian population will never understand why we would advocate such a membership.

Mr Carlos ENCARNACÃO, Portugal: I have four brief questions. Before I ask them let me say that the position of the EU is excellent in that we want to draw up this basic charter. It's particularly important in the light of East Timor. If there is any example needed, I think that is one.

As far as the basic Charter on Fundamental Rights is concerned I would like to ask a question which I have had for some time: is this charter going to be drawn up to clarify a point which is very important for us, the rights of nationalities in the EU? They're not decreasing, they're increasing. In order to be able to acquire more nationalities we need more protection. Could not the charter include something on not allowing the Member States to ban holders of dual nationality from entering the civil service. Would it not be possible to open up the civil service to citizens with more than one nationality?

The second question: if we're talking about asylum rights and establishing rules and standards for asylum seekers, is this not all to do with the safe third country principle? Is this principle going to be upheld or not? Does the Finnish Presidency feel a need to amend the safe third country principle or do you think that we could keep it in its current form without reducing current rights? There's also the question of cooperation in the area of civil and penal law.

The third question: we've said that this is one of the basic principles needed to link the different issues involved. We also feel that the main problem of the fight against crime is really mainly a problem of the fight against drug trafficking. Is the Finnish Presidency for the conclusions of the drugs observatory and are these conclusions likely to influence the decisions taken within the EU?

I'd like to ask two questions of the Finnish Presidency. First of all, I'd like to know whether there has been any real progress in defining preventive measures in the fight against drug trafficking and the way drug traffickers are dealt with under penal law and criminal law. Is there any possibility for promoting more cooperation between the Member States so that treatment therapies can be coordinated for drug addicts? It must be said that 70% of prisoners in Europe are drug victims.

Mr Michiel PATIJN, Netherlands: I have four brief comments to make. A great deal has already been said on Tampere and the result from Tampere. Just a few more points to emphasize what I think

is important. First of all I would endorse what my Danish colleagues have stressed about the importance of proper community policy in dealing with the countries from which illegal immigrants come who are no longer cooperating in this effort to repatriate. When they refuse to cooperate it's a huge problem. Things go wrong very quickly in Europe, and this is a point on which we should reach agreements at Tampere: what our community policy should be under such circumstances. The same applies in trying to get these countries involved in fighting criminal organisations involved in trafficking in human beings. 70% of immigrants in the Netherlands come through special rings who organize this illegal smuggling of human beings. These organisations are located in the countries of origin of these immigrants.

At Tampere we need to pay attention to cooperation with the applicant countries in getting them involved in our policies. Many of them are on these immigration routes and we're going to need their cooperation if we hope to be effective in stemming this immigration. We'd like to get these countries involved as quickly as possible. When it comes to implementing rules agreed on at Tampere and after that to turn this into an *acquis communautaire*. I don't think we should wait until all countries in Central Europe have become members. This is a good area where we can develop this common *acquis* on both sides of the border of the EU.

When it comes to fighting international crime my inclination is very much along Lord Hope's - to be pragmatic in proceeding. I do think that it is inevitable that in some component parts of this we will have to move towards harmonisation of criminal procedure law. To give you one practical case in point, when we speak, for example, of the Eurobail policy, I think that the phenomenon of bail does not really exist in the Netherlands, so harmonisation is inevitable in some areas.

Thirdly, I establish a link between Tampere and the coming inter-governmental conference. In the last weeks, before the Amsterdam Treaty coming into effect, I think that in Title IV there is a slight error that crept in to the part referring to the free movement of persons. Any majority decision-making has been removed from Title IV and everything has been brought under the realm of unanimity, and the European Parliament abstained on that. I think that at the very next intergovernmental conference we should put an end to this error that was made in Amsterdam.

And finally one question to all of you, particularly to the Presidency-in-office: the Charter on Fundamental Human Rights, the mandate for this will be defined by the government leaders. I really wonder if parliamentarians are bound, in any way, by government policy. I think that's a problem for all of us.

Mr Kari HÄKÄMIES, Minister of the Interior, Finland: On the Tampere summit I will just say that I think that we all agree that this type of meeting, the Tampere summit, should approach matters and make decisions from the point of view of the ordinary citizen of the Union. Refugee and asylum policy and organized crime, which are matters for the Ministry of the Interior of this meeting, they are things which touch on all Europeans whether they're politicians or civil servants or ordinary citizens. Now I'd like to comment on the remarks that have been made and the questions.

Mr Martínez Casañ asked about our view on the harmonisation of asylum systems. This is a long-term goal and as a political question this is not easy. At the Tampere meeting we'll be trying to reach a common asylum system based on the provisions of the Amsterdam Treaty and the millennium

standards laid down there. I do think that in practice we will find that we need a common policy. We have too many differences in national systems, for example, in respect of how long applications can be processed. In some countries it might be a matter of a few days, in others 2-3 years.

As regards external borders, on the one hand this is a question of national solidarity, on the other it is a question of pragmatism. Our aim is to build on Schengen and have an efficient external border system under which legal border crossings can flow freely. This is important for Finland in particular, because we have a 1300km external border of the EU with Russia.

Mr Clerfayt asked a question, I would just say that I very much agree with what he just said. We should try to exert an influence on the country of origin to reduce the pressure for people to migrate. This is not just a question of human rights, but the problem of human rights in the world cannot be solved by people moving from one place to another. We all know this.

Professor Meyer's question on quotas and solidarity in migration: this is a difficult political question. I don't quite believe in the formation of a system where there would be quotas in various individual countries. On questions of mass migration and other similar situations there must be a voluntary element in the system. The Kosovo crisis was proof that we need such a system and we should have this based on solidarity. Prime Minister Lipponen mentioned a fund being set up for these situations where certain EU countries have to take more refugees than others in the case of crises. I think this is something that we should support.

Ms Arnold asked about the repatriation policy. I'd just like to underline that under the provisions this has become a matter of common policy. It's important that we have common repatriation agreements. A very important example of this is Russia.

There was also a question on drugs and the concept of a safe country. The Helsinki summit is due to approve a strategy on drugs. This is part of our programme, the concept of a safe country. It's rather difficult because in the internal legislation of various countries the coordination diverges, but we don't propose to introduce any changes during our Presidency.

Some speakers underlined the importance of getting a handle on the trafficking of human beings.

Mr Johannes VOGGENHUBER, European Parliament: With an overwhelming majority the European Parliament welcomed the Council's decision to draw up a European Charter on Fundamental Rights although it had major reservations about the manner in which this project should be implemented. I'm one of the two rapporteurs for the European Charter for the European Parliament and I would like to run through some of these misgivings which have already been mentioned this morning.

If European secondary law overrules national law, and indeed some of the basic rights, are we going to have this European Charter on Fundamental Rights? If European justice is centralised in Europe is it admissible for EU policy to place European policy under the proviso of the European Charter on Fundamental Rights? If national parliaments are adopting European law and if they are responsible formally for European law, but in practice are actually unable to monitor European policy and

therefore a guarantee for the law for their citizens, isn't it then necessary, because of the centralisation of these policies, to have a Europeanisation of law?

The European Parliament, back in 1989, drew up a list of fundamental rights and, logically speaking, we should welcome this step. We think that it is a worthwhile enterprise at the turn of the millennium, and it's a good thing because of the democratic deficit. Now we would like to ask you for support on one thing. The European Parliament, I think quite rightly, believes that the European Charter on Fundamental Rights is a task of the representation of peoples rather than states. We're talking about the rights of the citizens. The European Parliament needs equal participation in the working party which is going to be set up by you to elaborate this Charter on Fundamental Rights. This is very innovating, but I think at the same time there is a risk that the charter will simply be a proclamation of law that already exists, and there might be a problem of conflict between legislation. They are indivisible.

My final point is: fundamental rights are only worth the guarantees they provide. If there is no access to the European court as a result of this charter then this charter will end up being pointless.

Ms Fientje MOERMAN, Belgium: The most urgent matter on the agenda for Tampere is the impact of the common asylum and immigration policy. We need to place emphasis on a well-balanced, comprehensive approach including the possibility of granting additional protection to those who, for other reasons than those laid out in the Geneva Convention, are being persecuted. I also think that it's necessary to learn the lessons from the past and that there be a common European status granted with burden sharing, I place the emphasis on that, burden sharing between the Member States. Asylum policy must clearly be differentiated from immigration policy. I think that each policy has its impact. Immigration policy has to be recognised and its consequences, and we need the necessary facts and figures. Therefore we need to put a limit on the flow of immigration and to move to a European observatory to study the phenomenon. A number of colleagues have already drawn attention to the interest of an all-inclusive policy to also deal with the root causes for legal and illegal immigration patterns. I don't want to come back to that but I do recognise the importance of emphasizing that.

Second point: the attention that is now given to asylum seeking and immigration should not be to the detriment of the other item on the Tampere agenda, i.e. cooperation in the legal and judiciary area. In that connection I am convinced, despite all the practical difficulties that may exist, that the path may lead to more rapid results than harmonization. A number of colleagues have already drawn our attention to that. There's no way round some degree of harmonization, given the differences in our legal systems.

Third and final point: further development of the European area for freedom, security and justice can no longer take place in a democratic vacuum and the upcoming intergovernmental conference will have to make progress and have more on its agenda than what some people refer to as the "leftovers of Amsterdam". I think we also need to *communauterize* some of these policies, and as quickly as possible to integrate them into regular decision-making in Europe.

In that connection I would like to draw your attention to the fact that in the Belgian parliament we are making calls for democratic and legal control for Europol - extending the competence of Europol. But as is the case for national police services, Europol should be subject to this sort of scrutiny.

Mr Andrea MANZELLA, Italy: This proposed matter, the Fundamental Charter on Rights contains procedural aspects as well as substantive aspects. From the procedural point of view we in the Italian Parliament believe that we need to seize this opportunity to move from intergovernmental operations to inter-parliamentary, and to bring this closer to the regular way of doing things in the European Union. There should be a parliamentary committee with equal parts of national parliaments and the European Parliament chaired by a member of the European Parliament - the President, perhaps. I think we have a different way of considering the technical activities of the Council or the Commission. This should not just be paving the way but contemplating movement. On the question of substance we heard of the various concerns that cannot be underestimated. In the Italian Parliament we think that there are sufficient reasons, particularly in the interest of streamlining, developing and strengthening the principles that are already covered in the Treaties.

First of all, we believe that this charter is necessary to make it clear that fundamental rights cannot be separated from everything else done in the European Union. It transcends the pillars and it involves equal treatment of citizens, not just in terms of policy but also in civilian life and social life. I think that from the Cologne summit the declarations weren't enough to convince us. We also have to recognise the universal nature of these fundamental rights. In the implementation it should apply to both citizens and immigrants. Europe cannot be two-faced and show discrimination to the outside with anything other than a democratic clause.

Fourthly I think the fundamental rights need to be clearly linked to the notion of European citizenship. I think that would be too restrictive when it comes to the treaty. We need to think of proper judicial respects when it comes to fundamental rights. When it comes to European jurisdiction and national jurisdiction we should not allow any gaps, but a smooth, seamless interface between the two, along with the courts in Strasbourg and Luxembourg.

Fifthly, we believe there is a connection, and perhaps this is the most important point, there is this connection between Fundamental Rights and our most basic policies. I think that we cannot have just a list of individual policies. It is the underlying objective of all of our policy. I would like to hear the opinion of the Minister on these matters and ask whether the Presidency-in-office believes that it is possible to get a resolution on the subject matters from COSAC.

Mr Pierre FAUCHON, France: I'll just talk about crime in the EU in three points. I think that often we forget the extent and the constant worsening of the phenomenon of crime in Europe. I will not return to the list of crimes, I think that now we have had the trafficking of prohibited substances, not just drugs, but also substances in foods such as hormones. It's a growing field.

The word "mafia" has not been mentioned, though the Mafia is present, perhaps not in Finland, but certainly everywhere else and its getting worse and worse. We are seeing the development of a parallel economy and we often underestimate it because it's not visible. Given the circumstances, we have to find sufficient means of fighting them. In my view we have not achieved a sufficient level of efficiency, we haven't managed to understand each other properly or reach the necessary level of harmonization because we're dealing with law and differences of texts which do not contribute to mutual understanding. Quite the opposite, they simply complicate things for lawyers. They drag out procedures and that runs directly counter to the idea of efficiency.

I was led to believe that from point 11 of the European Parliament's discussion paper. Certainly in the European areas we should unify things better, draw up European criminal law for international crime with common procedures setting up a centralised public ministry to coordinate the fight against crime. Of course the national ministries would continue to play their role and national jurisdiction would still apply. This is the way in which we should move, especially in situations of war. In the past wars have given rise to a common chain of command, otherwise it's going to be slow negotiations, and it's going to be a long time drawing up any conventions, let alone implementing them.

Subsidiarity also has to be taken into account. Marriage is one of the points we need to include, although, generally speaking, that does not come under crime.

There was also the question of common criminal law procedures. We have to change our methods. These are areas which come under the parliaments generally. Rather than the traditional method of elaboration, which is relatively technocratic, we should think about parliamentary work. We should look at the problem in an overall way in a joint committee which could meet on separate topics. We could have joint committees with both national and European Parliament lawyers that would help draw up a European text. I think it would be very useful because it would allow national parliaments to play a more positive role in constructing Europe.

Mr John VELLA, Malta: The development of an area of freedom, security and justice is most desirable. The Union of countries which are moving towards further integration and where there is free movement of persons, capital and goods, as in the EU, is also desirable. The increase in cooperation among the Member States in the field of justice and home affairs and, more particularly, in such areas as asylum, immigration, the fight against organized crime and judicial cooperation is of the utmost importance. Priority action in the fields of asylum and immigration involves cooperation among Member States and harmonization of the laws of such states. Development regarding asylum has taken place over the years and it refers particularly to the Dublin Convention determining the states who are responsible for examining applications for asylum. Much still remains to be done, especially in view of the *communaurisation* of the subjects in the Amsterdam Treaty. Naturally, when one speaks of asylum seekers one needs to distinguish between those who make their way to a EU territory to seek better fortunes, and those who are in dire need of protection from persecution in their own countries. Concerted action could perhaps address the problems in these countries of origin so that one could identify areas where assistance could be given with a view of minimizing the need of such nationals to leave in the first place. In any case, emphasis should be put mostly on the humanitarian aspect of this whole issue and thus the need for respect for the fundamental rights of individuals. Such principles should be accorded in the EU preparations of the Charter on Fundamental Rights.

In addition, issues of immigration and control of illegal immigration constitute a priority in the area of freedom, security and justice. Measures regarding entry, stay and employment of immigrants, and the removal of illegal immigrants, where necessary, are required. Coordination, not only among EU Member States, but a certain amount of cooperation could also be established with prospective members of the EU where possible. This is not to mention cross-border crime, which can perhaps become easier in an area without borders. Only close cooperation among Member States themselves, as well as with the prospective members of the EU, can enhance the fight against such crimes. Special attention to the fight against trafficking in human beings and the sexual exploitation of women and

children is most recommendable. Only constant, well-organized action based on a close cooperation and exchange of information can produce results in the fight against crime.

The function of Europol in this gambit cannot be left unmentioned. The issue of European judiciary may be at the preliminary stage at the moment. It may be difficult to achieve in view of the legal systems existing in the various EU Member States with their different cultural backgrounds. Notwithstanding this, a certain amount of cooperation has already been achieved at international conventions aiming at facilitating judicial cooperation in civil as well as penal areas. Further cooperation has yet to be developed, but the ideal that individuals should be given adequate access to justice remains the main goal.

Finally, it is hoped that following the developments made in the Vienna Action Plan to create an area of freedom, security and justice, as well as developments following the Amsterdam Treaty, further cooperation and harmonization will be achieved and clearer guidelines regarding the EU's priorities in this area will be set. This will benefit not only Member States, but, perhaps even more, applicant countries whose cooperation with the EU in the field of justice and home affairs will be rendered easier and more effective.

Mr Jerzy JASKIERNIA, Poland: Immigration, asylum, cross-border crimes and a European judicial area are really very important for Poland, and we are eager to have better cooperation in that area. As a former Minister of Justice of the Republic of Poland I would like to stress that cross-border crime is a European phenomena which cannot be solved individually. With such phenomena as money laundering, drugs, banking crime and car theft, we have certainly a better exchange of information through the existing organs in Europe. Because without improving the technical possibilities for combating crime there will be no progress. I think that area should be stressed in further development. From the paper of Ms Ojala and Ms Brax I would like to stress that the European external border control should be developed in line with the Schengen *acquis*, and, because of the forthcoming enlargement, they should also be better integrated. You are already preparing the technical, legal and logistics manner to assume responsibility. When Poland joins the EU, we hope in 2003, we should be ready to have a very broad eastern boundary of the EU.

But let me also address the issue of the European judicial area. We heard with great interest the comments by Madame Catala and other colleagues from Spain, Sweden, Belgium and Denmark, and it is very difficult to understand who lies behind the initiative if so many parliamentarians raise so many questions. I agree with Mr Voggenhuber from the European Parliament when he says that there is a risk that the new charter would only be a proclamation of already existing rights. But what kind of rights would you like to offer? Does it mean that we should have a better execution system of rights through the government, through the parliaments? If, for example, and I'm asking the minister from Finland, you are supporting the Council of Europe, in the Budapest meeting you stressed the importance of the Council of Europe in the future... there is already the European Commission of Human Rights and now it would seem desirable to add another institution.. What will be the role of the Council of Europe if it were not a major centre for defending human rights? If you have two courts, two system, do we have enough money for that? Several leaders said we should avoid overlapping the jurisdiction because we have not money enough. But we have not money and we are going towards a great overlapping in the 21st century. What is the real reason for creating competition with the Council of Europe? Do you not believe in the Council of Europe? If not, we should openly say it - we don't need the Council of

Europe, we have the EU, we have the new face of European integration, but to duplicate the system could create problems.

Ms Mariana STOICA, Romania: Just a few words about the Tampere European Council meeting. Because of its geographical location, Romania is one of the countries directly affected by the illegal immigration as well as all the other forms of cross-border crime that has considerably proliferated since 1990. Unfortunately, this negative phenomenon moves fast from one country to another and a quick response is not the result of measures taken exclusively at national level or by national authorities. In our opinion, an effective fight to counter this phenomena in Europe can be achieved only by a concentrated action, and this requires, first of all, improved cooperation among authorities of all European countries. It is in this context that we attentively follow all the relative developments at EU level among which the Tampere summit is a highly significant event. Since one of the aims is to create an integrated policy for the enlarging Union in a specific area like asylum and immigration, the EU *acquis* in the field is also subject to our preoccupation.

Improving overall performances in the field of justice and home affairs as a whole is a priority reflected in Romania's national programme for accession to the EU. Speedy improvement in the above mentioned areas will be beneficial, not only to internal security, but the securities throughout Europe. All measures undertaken by the Romanian authorities have constantly aimed at achieving conformity with EU relevant standards and practices. We are determined to further these efforts so as to achieve a progressive convergence with the Union. As one of the objectives of the Treaty of Amsterdam is to place citizens' rights at the heart of the Union by establishing an area of freedom, security and justice and the Charter for Fundamental Rights, we express our confidence that EU Member States do understand the rights of our own citizens. A fundamental right is to be able to interact freely with the cultures and mentalities of the Union they want to join, and in this area it is a reciprocal right they deserve when wishing to travel to EU Member State.

Mr William CASH, United Kingdom: To come to the point on the question raised by our Polish colleague, he asks who lies behind it? Well, the European Commission, in its recent proposals, stated that they wanted a Union global policy in the administration of justice. They wanted a European public order and a European-wide prosecutions policy. Quite clearly that is what lies behind those who are promoting the laws and therefore it is just another instance of a move towards European-wide government and the European Court of Justice to supplement that by its decision-making process. I personally am very much in favour of the idea of cooperation on all the matters that have been mentioned: drugs, money laundering and criminal questions. The problem arises, in my opinion, because once the charter is defined inside the Treaty, the new Treaty which is proposed, the competence will be adjudicated by the European Court. We've had a similar situation with the Brussels and the Lugano Convention already and that will displace Strasbourg as sure as anything. It will not simply be a matter of confusion overlap, it will become a Community-wide jurisdiction in the Supreme Court of the European Court of Justice, and Strasbourg will be quietly dropped. That will become a matter of European law when the Treaty, which includes this proposal for a fundamental charter, is ratified by national parliaments and there will be no way in which it will be possible to avoid judicial activism by the courts in this field. So, on specifics I believe that we need a paper which should be published for the people at large and not just behind the scenes for the lawyers, although I am one myself.

On the question of the comparative legal procedures and the principles which would be governing the issues in relation to criminal law and the fundamental charter, we cannot have different arrangements for different aspects of criminal law.

Lastly and specifically I would give a few instances of the problems that arise in comparative international and European law. What is a political crime? What are the rules of evidence? What are the rules for cautioning in different countries with regard to the role of the police, for example? What is the burden of proof? What do you do about *habeas corpus*? What are the different criminal procedures? What is the age of criminal liability? What legal assumptions and concepts apply? These are essentially practical questions and I think if we just generalise about the idea of a vision of a European-wide system of fundamental charters and criminal law, we are going to get into a deeper and deeper morass. I think we need to have a fully published paper on the principles which apply in different countries so the man in the street, which is what this should be all about, could understand what differences would be implied if it was all rolled into one Treaty and then applied by the Court of Justice.

Mr Patrick MORIAU, Belgium: Europe was created on the basis of the ideal of peace. Since the war in Kosovo the distance of our populations vis-a-vis the European ideal has become even greater than it has been becoming over the last decade or so. Europe has to be based on specific acts - the charter on European identity, the basic rights charter- there may be a need to make a few improvements here and there. The same thing goes for a common policy of employment, and why not tax on capital flows, which will allow us to tackle the problem of funding for all the policies that we want to implement.

Where Tampere is concerned, immigration policy, I won't repeat what my colleague Clerfayt said, but it's true that the text deals with repressive measures alone. It's as if you're banging your head against the wall and when you stop suddenly you feel better. But are we going to reinforce policy at the borders? How are we going to stop young people from hiding in a train to get into what they consider wonderful, rich countries? We can't do that. We have to intervene always at the source, and to do that we have to revise our cooperation policies. To dig a well in Mali you only need \$10 000. If you imagine there are 700 regions in Mali, with a little money therefore you could help people not only to survive, but you could also implement projects where you see the creativity that these people can demonstrate. It is not as simple as that, of course. I don't want to caricature the situation but I think there is plenty of room for a common policy on immigration, but before we do that we need a common cooperation policy.

As far as drugs are concerned, along the same lines. If we try to do away with this scourge with repressive measures alone, then that is clearly nonsense. The drugs observatory has recognised that there too we are facing a problem of economics. In the reef area of Morocco there are around 70 000 hectares under hashish. Clearly drugs trafficking is going to continue even if we have a common policy. Maybe we should look beyond policies. It's certainly very necessary because in the Member States there are people with varying attitudes. There are drugs which are actually recognised in some countries, there is *de facto* penalisation. We are going to take softer drugs over lunch in the form of alcohol. There are all sorts of ways of tackling this problem and it is very difficult to see how we can tackle this problem on the basis of repression and prohibition alone.

Finally, the problem of sexual exploitation of children. There is a UN resolution on this and certain states, sometimes for legitimate reasons, for example the age of consent, or for other reasons that are less legitimate, some of the countries are refusing to sign this resolution. So when talking about harmonization we have to take this further. I would agree with my French colleague on that note. I'm particularly convinced that we need to change our ideas and wording when talking about cooperation. If within COSAC, in cooperation with European Parliament, we were to set up parliamentary working groups on specific topics, as we said in the Madrid COSAC, we are making some progress. A group on coordination efficiency of international cooperation policies and on criminal law, as other people have said, is very necessary otherwise Europe will simply be a group of states that often fall back on a nationalist idea.

Mr Achilleas KANTARTZIS, Greece: Let me clarify that the views that I am expressing are positions of my party, the Greek Communist Party. There is a lot of discussion about human rights in the European Union, but the way things are developing under the Amsterdam Treaty and the Community action in the area of justice and foreign affairs will only cause uncertainty and concern about individual rights in the European Union. This is clear from the content given to this area of freedom, justice and security. These moves seem to be leading to a fortress Europe. Therefore, we have to try to re-establish the Geneva Convention on refugees in order to establish a convention on proper protection for asylum seekers, and also to strengthen the Dublin Convention on asylum in order to make it clearer. I don't think the flow of refugees will be tackled by repression, but by a completely different policy which supports economic development of third countries, rather than today's policy which is ruled by the interests of big capital which simply promotes poverty and war, as we have seen in the criminal intervention by NATO in Yugoslavia and what they did to the people there. As far as police and judicial cooperation is concerned we think this has to be linked to Europol's action. At the moment we see further risk to the security of Europe because of the way they are trying to fight against organized crime and because of the measures being taken under the Schengen agreement.

The creation of European public order and the way in which organized crime is being fought is just an excuse. Obviously organized crime cannot be fought with measures of this sort because the real causes are not being tackled. What we need to do is to take into account the real struggle of our peoples because otherwise we're going to see a breakdown of the democratic principles of our peoples. We cannot agree with these developments. We are radically against them, and we believe that the workers and the workers' struggle will be able to overcome these developments because they are jeopardizing basic democratic, fundamental rights of our citizens.

Mr Johannes KOSKINEN, Minister of Justice, Finland: Most of the discussion centred on the Charter on Fundamental Rights, and we should underline very clearly that at Tampere there will be no deliberation on the content of this. We will simply be organising the work. We'll decide on the process, what kind of preparatory body, based on the Charter on Fundamental Rights decided on during the German Presidency. As the representative of the Netherlands said, this mandate should not be extended during the preparatory body. Its work should be defined. The idea is to clarify European Fundamental Rights and not to confuse them.

Many speakers expressed a concern that the Charter on Fundamental Rights shouldn't lead to a lack of clarification in human rights' standards and that the monitoring of fundamental rights should not become less clear and less easy to coordinate. We shouldn't have this two-track approach. We should rather stress the importance of the European Convention on Human Rights in the future. The

expectations are very diverse. The European Parliament is looking forward to a new part of the European constitution, but that is not what has been decided upon, rather it is a political declaration in the form of a summary. The representatives of the European Parliament and national governments and national parliaments are involved in that work. The idea is also to hear the Council of Europe so that we avoid overlaps in the construction of these standards. A good idea in this type of project is to try to modernise the European thinking on Fundamental Rights as regards those countries where perhaps there hasn't been this type of declaration on social rights.

The internal organisation work at Tampere will deliberate whether we will have a rotating chair from the country holding the Presidency or whether there will be a fixed chairperson for this working group or preparatory body.

Secondly, Ms Catala spoke on the situation on the ratification of existing Treaties. The situation is that all treaties that have been approved, including those in the third pillar, have to be ratified by the national parliaments, even though in future Treaties will be made in a slightly different way after the new authorities given by the Treaty of Amsterdam. Unfortunately, ratification of some agreements is pending, as has been said here in the Council of Justice and Home Affairs. This is an item that keeps coming up - most recently on 4th October at the Council meeting in Luxembourg where the Member States were called upon to ratify the agreements on the transfer of criminals made in 1995-96 which has only been ratified in certain Member States. At the request of some Member States the agenda of Tampere should include some higher goals regarding the handing over of criminals. However, only a third of Member States have ratified these less ambitious treaties that are up to four years old. The progress of ratification will be a matter for concern and I would call upon the Member States and parliaments to redouble their efforts in that regard.

On the European area of justice, there were fewer speakers on that, but here too, we should underline that in the resolutions that are likely to come out of Tampere the whole area of freedom, security and justice will be based on fundamental rights, to the extent they are guaranteed under the European Convention of Human Rights and the various constitutions of the Member States. We'll be trying to raise the standards we are looking for in the European rule of law. Also, the Tampere list of decisions will try to speed up the development of the rule of law, particularly in the applicant countries.

The Portuguese representative asked about action against crime and, in particular, drugs. We're trying to harmonize procedures on crimes so that they are dealt with in the same way in all Member States. We're trying to reinforce the forms of cooperation in the form of further powers for Europol, and cooperation between public prosecutors by building up a network of courts, and possibly, with the addition of a new body, Eurojust. In building an area of justice, we'll be trying to map the way in which matters of harmonization may be progressed, and in crime and the action against drugs and the trafficking of human beings and action against economic crimes. These are the areas in which we need the most rapid action.

Lunch

ENLARGEMENT OF THE UNION - ECONOMIC AND FINANCIAL IMPLICATIONS, INCLUDING EMPLOYMENT

Mr Kimmo KILJUNEN, Chairman, Finland: The next item is the enlargement of the European Union and the economic and financial implications including employment. Our first speaker is Ms Suvi-Anne Siimes, the Second Minister of Finance, and our second speaker is Mr Erkki Liikanen, who is a member of the Commission.

Ms Suvi-Anne SIIMES, Minister, Finland: The enlargement of the EU is a topical issue because this week we are expecting the Commission to publish its own view on the progression of the enlargement process and the progress made by the applicant countries. As we wait for that it's a good idea to discuss more broadly various questions related to enlargement. My own topic has to do with the economic effects of enlargement, in particular the financing coming from the Community budget. All the key decisions have already been made. Now we ought to speak about how these funds can be used in the wisest way.

The economic effects of the enlargement process depend very much on the economic progress made by the applicant countries. If economic growth can be secured in the applicant countries, the income gap between the Member States and the applicant countries will gradually disappear. Therefore it is in the interest of all that the preconditions for economic growth are reinforced.

The reforms of the economies of the applicant countries depend crucially on investments. The applicant countries have to maintain conditions which create a positive atmosphere and environment for productive investments. Therefore an effort must be made in training, research, creating a positive atmosphere for competitiveness and stabilizing social conditions.

Maintaining stability is key. A lot has been done, for example, in reinforcing the key institutions for economic and social stability. The market economy and the rule of law have taken root in most of the applicant countries. Economic stability requires the correct economic policy, reforms of the public finances and price stability.

In addition, economic growth and stability have to be on a firm footing. Creating this firm footing requires structural reforms from the applicant countries. Many of those traditions include protective structures and other things which slow down economic growth and distort competition. These include the role of heavy industry, agriculture and the public sector and the poor state of services. It could be that rules and intervention by the public sector, as a result of these traditions, go too far.

It's important that the applicant countries adapt their structures as early as possible, which will put right these distortions and reinforce the competitiveness of their economies in the long term.

The further we achieve progress in this process before the accession of new applicant countries, the fewer distortions, and the lower the costs we'll be able to carry through enlargement. Also, the benefits coming from the opening up of new European-wide markets and more efficient economies

will become bigger, and the stage during which the new Member States have to await membership of EMU will shorten.

The EU is investing significant sums in the enlargement process in the coming years from the Community budget. The central question is how this money is to be used and how any upsets can be alleviated, both in the applicant countries and in the current Member States.

The effects of enlargement on the Community budget were sealed in March 1999 in an agreement between the European Parliament, the Council and the Commission. The Heads of State made initial agreements on the issue in March 1999 in Berlin. The agreement was signed last May and will last for the next seven years.

In that inter-institutional agreement the framework was agreed upon within which Community-level financing can be directed for the pre-accession phase and the needs of new member countries. Even though the number of countries that will accede during this reference period and the date of accession can only be guessed at, the sealing on the appropriations directed at this has been decided upon.

On the other hand, the finance for the period after that framework period has not really been discussed yet. However, we can assume that the biggest financing effect of EU enlargement will only be upon us after that period, after the current financing period. One sign of this is that during the current framework period the structural funds or agricultural subsidies received by the countries will not decline significantly.

When the total payment appropriations for 2006 is about 1.09% of the GDP of the Member States and the appropriations set aside for enlargement represent about a fifth of this, the funds set aside in the EU budget cannot be said to be massive, from the point of view of the overall economy.

The preparation of the applicant countries for the conditions of EU membership and the approximation of their economies to the Western European level is, of course, quite a different question than the limited framework of the EU budget. We must bear this in mind when the costs of enlargement are related to the benefits that we derive from it. On the other hand, the input of the EU, from the point of view of the economies of the applicant countries, is very significant, so the way in which the funds are to be used is not inconsequential by any means.

In the inter-institutional agreement a negotiation period was decided for countries preparing for accession. This includes the former PHARE programme for the ten CEECs and new agricultural and structural and cohesion funds. Malta and Turkey for the time being receive their financing from the external relations heading of the EU budget.

In the protocol to the Treaty there was an indication of the financial framework based on the assumption there would be 5+1 new members by the year 2002. For the acceding countries about 58 billion euros were set aside for various commitment appropriations to be spent out of different parts of the Union budget. At this stage of membership negotiations it appears clear that the timetable assumed in the financial framework is unrealistic because of certain transfer periods and delays in the

negotiations. What could happen is that not all the appropriations set aside will be spent in the current financial period.

As regards structural funds, it was agreed in Berlin that the total financing may be, at most, 4% of the recipient country's GDP. Funds have been set aside corresponding to this and structural funds represent about 70% of the whole kitty set aside for enlargement.

The funds set aside for enlargement are around a quarter of the structural funds set aside for the next period by the Union. Agriculture gets about a quarter of the funds set aside for enlargement, whereas, at the moment, agriculture still represents about half of Union expenditure. The Union's agricultural policy, the development of the applicant countries' agriculture, the results of the WTO negotiations and various provisions will have a significant effect on agricultural spending.

Under the internal heading for the financial framework about 4 billion euros have been set aside for the applicant countries for the years 2002-2006. This would mean that in 2006 13% of all funds set aside under this heading would be used in those countries.

At the moment, during the preparations for the Union budget for the year 2000 it has become clear that various crises and natural problems in neighbouring areas impose significant pressures on the EU's funding. The type of financing used on external crises will not, however, endanger or jeopardize the enlargement process.

The central position of enlargement as regards external relations is that subsidies for accession and other external relations financing have been separated in the financial framework. The weighting of European and other programmes is the subject of debate among various bodies for the year 2000.

The view of the European Council on this has been that the reconstruction of the Western Balkans should be funded out of the planned financing framework, whereas the European Parliament has suggested opening an inter-institutional agreement on this. I naturally defend the position of the Council, and this gains support when one considers the positive aspects of the current inter-institutional agreement.

A few words now on the employment effects of enlargement and the questions related to that. The problem in the debate surrounding enlargement financing is that the debate has been maintained within financial frameworks, and not how the funds set aside for enlargement should be used. What we can see is that the focus of enlargement is moving from agricultural to structural support. This is correct and understandable because, to further the applicant countries' adaptation, we need reforms of the economic structures.

In recent times we've heard words of warning. It has been said that the enlargement of the EU will become more expensive than is thought. References are made to environmental protection, where achieving common goals will require enormous efforts from the current Member States. We're not just reaping the harvest of the past, but we're trying to grasp the future challenges, and one of these looming up in the near future is the obligations made under the Kyoto memorandum.

The biggest individual economic challenge in the Union is the improvement of employment. The price of adjustment to EU membership must not be poor development in employment in the applicant countries. The pressures for putting off enlargement if we assess that, will only be prolonging the misery in this regard. Proposals for long transfer periods for liberating the labour markets are an example of this kind of thinking.

Improving employment is a long-term development. The problem of the current Union within 10-15 years will be more the availability of high-skilled labour rather than high unemployment and this is caused by the age structure. Long-term solutions shouldn't be based narrowly on the current situation.

We must also remember that economic integration brings the most benefits when participating countries' own resources differ from each other. It could be that when we implement enlargement we will notice that Europe has in fact received a new possibility. This new possibility is based on the impetus that the new Member States and their labour forces can give to economic integration.

The key question here is how we spend during the coming years and the funds available for enlargement. It is clear that these funds should be guided by economic reform and in particular to increasing the human capital.

We have many positive experiences of how Community financing has been able, in the best case when directed properly, to take developments forward and to support the reform of structures in the current Member States. On the other hand, we also have experiences of support measures which just maintain the current structures and problems.

We must learn from these experiences and press for change. That is the way in which we can progress social cohesion and to narrow the gaps between the current and future Member States and to increase the economic and social dynamism of the whole area of the EU. It has been said quite correctly that the enlargement of the EU is in fact the biggest challenge that has faced it so far.

Mr Erkki LIIKANEN, Member of the Commission: I would like to underline three things just to begin with. First of all the Helsinki summit will be very important because then the EU will decide with whom, and how, membership negotiations will be conducted after the turn of the millennium. The Commission on Wednesday will adopt and publish a report which depicts the progress made by applicant countries towards membership.

Secondly, when we speak about the pre-accession strategy it has become more and more evident that social institutions, and the significance of social institutions and the judicial institutions in the applicant countries, will become more and more important. It is important that the applicant countries make political commitments and accept the EU's legislation. But at least as important, is the applicant countries' ability to implement legislation, to monitor it and to sort out any points of dispute. Therefore the pre-accession strategy, a very important part of this, will be civil institutions and reinforcing the judicial institutions.

Thirdly, as regards investments and support for those it is clear that the EU is making a significant input based on the inter-institutional agreement, but it is equally clear that this is not sufficient for the

applicant countries. Rather, we need broad cooperation between the EU, the applicant countries, and European and international financial institutions. What we should be aiming for is the support coming from the EU being mostly support for investments, but also that the applicant countries and the financial institutions put in more capital, so the add-on effects of the pre-accession strategy are as big as possible. This happened in 1988 and 1989 where, for example, environment and communication investments received 250 million euros from the FAO. In addition, international financing institutions financed the same projects to the tune of 1.5 billion, so the effect was considerably larger than the first investments.

Mr Tino BEDIN, Italy: I want to draw your attention to two points in particular when it comes to enlargement. The Presidency-in-office and the commissioner, I think, should consider the following.

The first point involves formally agreeing to dates for enlargement - for the accession of the applicant countries. Clearly the problem is fairly complex and the solution cannot be seen just in black and white. The applicant countries, in particular those that have already been designated as being in the first wave, need to know in terms of their own organisation and also in their government relations with other countries, where they stand with specific dates for the time when they will come into the European Union. It should also be said, however, that procedures for enlargement, that is, in successive stages, makes it very difficult in groups. It's even more tricky for the countries in the second group to justify public opinion.

The second point I would like to raise concerns the geography of enlargement. It is beyond debate, I think, that it goes eastwards, but at the same time, we, as a Mediterranean country, cannot overlook the fact that we also have the Mediterranean basin. We should also be paying attention to that in the European Union. The change of position that we welcome quite warmly when it comes to Malta's position on enlargement should only encourage us even further to consider this scenario, because alongside Cyprus, we now have Malta. With the upcoming European Council meeting we might even be able to include Turkey amongst the list of applicant countries and I think the Mediterranean context is now better balanced. When it comes to enlargement, costs are often referred to, but at the same time, we also have to make sure we need certain financing for the Mediterranean programme and the Barcelona process. So these are the points that we'd like to bring to the particular attention of the Finnish Presidency-in-office and we would like to hear their comments.

Lord GRENFELL, United Kingdom: We have heard from Ms Siimes and we are thankful for her very explicit statement. Key decisions on financing the enlargement have been made firm, now giving us the financial perspective 2000-2006 as set at the Berlin Council. The question is were those the right decisions? We are told that the funds are there to cover the pre-accession period. The trouble is we don't know how long that period will be, nor do we know how many countries will be added to the list.

Commissioner Liikanen, who I am delighted to see here, and who has twice given evidence before my committee, told us that is something we will get a clearer picture of when we get to the Helsinki summit. The political pressures to lengthen the list of applicants, and quickly, is perfectly justified, but what does it do to pre-accession financing? I was very interested to read the Presidency introductory paper by Ms Piha of the Grand Committee of the Parliament of Finland. Two of her statements struck me as very pertinent. One was that the budgetary assumptions reflect an optimistic view of the cost of

enlargement and are not shared by all commentators. Secondly, and more controversially, that Mr Verheugen, the new enlargement commissioner, has recently estimated that the costs of enlargement will be considerably higher than estimated by the European Council. Maybe Mr Verheugen's colleague, Mr Liikanen, can tell us whether this does, in fact, strictly reflect his view.

The next point I wanted to make, Mr President, is the question of the financing of the South-East Europe Stability Pact. We have been told that this will be kept separate from the enlargement funding, but surely it will put pressure on the EU budget as a whole, and that raises the question of whether the assumed margin at the 1.27% ceiling will not, in the end, prove inadequate. We are putting a great deal of faith in the estimates of growth figures: 4% for the CEEC countries, 2.5% for the fifteen. It seems to me that there is a bit of a risk. The House of Lords in 1997 (the Select Committee) produced a report entitled *Financial Consequences of Enlargement*. I'll simply quote from it. It said, " We think that the Commission's suggested margin between total payments and the own resources ceiling is so small that the ability to fund enlargement as proposed is at risk." I have no real reason to change my mind on that. I still think there is a risk, though I've been slightly encouraged by what we've been told this afternoon by Ms Siimes and I hope that it is right.

Finally, could I ask a question? We will be reaching a crucial stage of the WTO negotiations in the year 2003. The EU will be forced to make some difficult decisions in order to satisfy countries like the United States and Australia. The reforms that may result from that will have to be fed, presumably, into the negotiations with the applicant countries. I would like to know if you have any ideas at this present time, if it does come in 2003, how that is going to be done.

Mr Ben FAYOT, Luxembourg: I listened closely to the words of the Finnish Presidency. I noted that beyond the purely financial aspects that there is a possible worsening of the job situation in the applicant countries. There will be an economic shock when they're immersed into the Single Market and I've noted that the minister was saying that we should do everything we can to try to stem the worsening of the job situation. My question to the minister is: what does she mean by "do everything necessary"? The question of employment policy is a very delicate one in Europe at the moment. The states believe that employment is a national responsibility. On the other hand, the employment summit in Luxembourg in November 97 tried to fix a number of objectives. However, the employment policy has hardly got off the ground in Europe. In the applicants countries I think that the employment situation is likely to be very difficult. I'd like to know whether there have been any further thoughts about that in the Commission or the Council, other than what the minister told us.

Mr Elmar BROK, European Parliament: Well, we're going to live some exciting days because the Commission is about to make its proposals on Wednesday as to what the next steps will be for enlargement and what will be consulted on in the Helsinki summit. I think we need to quite clearly state that the Copenhagen criteria shall apply in the future from the begin to the end of the negotiations, and the results will also be bound by that criteria. If rumours that we are about to start negotiations with all candidates are true, we should make it clear that a differentiation in negotiations can be the result, and those countries that have made the furthest progress cannot be held back as delays of this sort would be unacceptable. Both sides doing their homework is generally known, and we really need say no more on that subject, but it's extraordinarily difficult and important to say that, given the critical attitude of the people in the Member States and in the applicant countries, when it comes to the tactical considerations in negotiations I think we need to draw attention to the beneficial result for both sides.

Accession is not just a matter of more political stability and more security. This pre-accession strategy is very useful in order to allow for a restructuring effort to create employment, and to allow better access to the market, and it is in our mutual benefit to avoid, for example, migratory flows. I think in the countries of the EU we have to make it clear that the benefit that we have enjoyed, a surplus in trade from the EU with the applicant countries, will continue to increase. It will increasingly be the case that we have benefited. It will not just be true to say that enlargement is going to cost us. The truth of the matter is quite clear. We are going to have to make it clear to the public if we are going to expect them to support this further enlargement process. Ladies and gentlemen, I think it is important within the EU to take the necessary steps forward, and I think that the preparation work done by the (inter) governmental conference, this Charter for Fundamental Rights, and also enlargement, should be of a majority decision-making in order to allow the Community to take decisions effectively.

We also need to recognise in this discussion, when it comes to the accession status of Turkey, the question will have to be raised sooner or later, how far should the EU go? What are the limits? How far should we set our sights? If the Turks are given accession status, which is something that we can discuss for a number of tactical reasons, but the question raised is whether, in two or three years, the Copenhagen criteria might not be fulfilled. Their frustration might be greater. What about Armenia, Georgia or the Ukraine, if they were to make applications for membership to the EU? Is that the sort of vision that we have of the EU of the future? In the long run, it would just become a free trade union, arguably, or do we want to continue to push towards a political union? I think that daily political convenience will not help us in itself. We need to face the facts and consider the future that we want. I think the Commission and the Council should have the courage to face these facts and not just to play into the hands of political convenience.

Mr Hubert HAENEL, France: Should we turn away from certain alarmist visions of enlargement? If yes, why? There are two studies carried out by the Assemblée Nationale that have confirmed that enlargement will have positive effects economically speaking, not just for the new Member States, but also for the Europe of the fifteen. I don't want to conceal the difficulties but I don't think we should be alarmist. As far as the budget is concerned it is a difficult issue, as has been said, but I don't think that we should cry that there is going to be a catastrophe. I think we should be able to finance accession without amending the ceiling of own resources. The Member States have been able to respect the Maastricht criteria so there's no reason they shouldn't be able to do so in this case.

There are two questions. Ms Piha's report insists on the need for the applicant countries to prepare for accession. The aid of the Union has been important, considerable, but not efficient enough, so the Commission has a great responsibility in this area. It has already started making an effort in improving the efficiency of aid and those efforts must be redoubled, and I'm sure this will be the case, Mr Commissioner.

And secondly, migratory flows: some people are saying that enlargement will increase migration, but I think that is not a justified point of view because of course Europeans are very attached to their respective countries, there are language problems with migration within Europe. This should not be considered as a threat. We should not be alarmist but merely vigilant.

It is of capital importance that free circulation in a wider area should not promote cross-border crime either. The applicant countries should continue to reinforce their control mechanisms and adjust their

judicial and police institutions so that enlargement does not lead to a greater feeling of insecurity. We all know that this issue looms very large in public opinion. The entry of certain countries should not be seen as synonymous with a weakening of the EU because of an increase in cross-border crime. A final question: has that been taken on board by the Commission?

Mr Antonio COSTA, Spain: Just a few comments on enlargement. I think we all agree that enlargement in itself is a political objective which everyone shares and at every one of our meetings we should underline that objective. The reason why everyone shares the objective is that we all firmly believe that enlargement will not be negative, but that it will open up new opportunities. Our citizens will, as a result, gain more benefits, that is the citizens of both the current Union and of the applicant countries. Now I'm saying this from the point of view of a country that has had big differences in income with the rest of the Member States in the past. But it's not just an economic question, there's an exponential growth factor both for the countries of the Union within the Single Market and for the applicant countries. The question is what can we do to encourage the applicant countries to join the Union as rapidly as possible and to join the common institutions of the Union?

It's true that in our view we don't have enough tools to help them. The problem with the financial perspectives which were adopted in Berlin, everyone who worked on those figures will agree, is that they are not enough for the challenges ahead and that we're also opening up possibilities of reviewing the negotiating formulas. We have to change the negotiation terms for those who are already fulfilling the terms which were negotiated in Copenhagen. As Elmar Brok was saying, that is the way that we should go, those are the efforts which should be made by the applicant countries. In all of this the answer, of course, has to be a political one with a capital P, not just transferring questions without looking at the global picture, without looking what enlargement means politically speaking. So if we must have a political response to this, the question is when should we enlarge, given the current context of the European Union? Any inter-governmental conferences will have limited objectives, but surely it must be possible for the Union to continue to get its institutions to work towards enlargement.

These are the questions which are of concern to us and which we want to share with all the parliaments of the Member States and the parliaments of the applicant countries. We think that we should start applying ourselves to resolving these issues.

Mr Eimert VAN MIDDELKOOP, Netherlands: The Helsinki summit, as colleagues have already pointed out, is slowly but surely becoming the summit on enlargement. I don't think you can overemphasize the thoroughness with which it should be approached and we should avoid rushing in and referring to specific dates. Of course, there's no objection if the applicant countries make a commitment themselves to be ready by a certain date, to come in line with the *acquis communautaire* by a certain date, but the most important thing is that we continue at an appropriate pace, that we continue to make progress and that we discuss things strategically. The EU, in turn, is obliged to bring the IGC through to a successful conclusion so we know what the new institutional scheme of things will be in this larger European Union. I would agree with my colleague from the UK and raise questions about the pre-accession support, and I would like to ask Commissioner Liikanen to address that please. I point out to Minister Siimes that not all of the appropriations available have been used, money is left over, but at the same time Commissioner Verheugen says that accession is going to cost much more money than the Berlin summit had forecast. Could you clarify, please?

Another question for Minister Siimes: in the Netherlands we think that taking over the *acquis* is an absolute precondition *sine quo non* but there's another problem, the opening up of the labour market. I don't think that there is real concern that she expresses. Does that mean that accession will only take place once the level of prosperity of the acceding countries is more or less in line with the European average? Then you don't need to worry too much about your labour market policy. I think that accession probably will be quite some time yet in coming.

And then Turkey: if it ever were to become a member of the EU, Turkey would probably be a rather different country and the EU would be a rather different Union. In any event, Turkey is a rather special case and can hardly be compared with any of the other applicant countries. We think that the Copenhagen criteria must apply to all accession countries, including Turkey, but it would be good if, at the very least, we could achieve clarity on this and not every six months say something entirely different. In this connection I think it would be interesting, and here I note that my Greek colleagues, perhaps could comment on this, because a lot of money has been released. Could I ask my colleagues to please comment on that?

And finally, in the Netherlands it was decided that available money for Kosovo, as part of the broader stability pack, shall not be at the expense of the money that the Netherlands has made available for development aid in general. So I would make an appeal to colleagues in their own countries and in Europe to adopt a similar code of conduct so that later on Africa will not suffer as a result of what we are trying to do here.

Mr Albrecht KONECNY, Austria: An important point is, as Mr Brok has already said, that something has to be done now. The costs of enlargement are of course a budgetary problem, but overall, economically speaking, the process is underway. Member States of the Union are to profit considerably from it, although to differing extents, and if we start now that factor has to be taken into account.

The second clear statement which has to be made is that the call for deadlines is an impossible one. We're dealing with criteria which the applicant countries have to fulfill. During the period of talks and negotiations we have noticed clearly that positions first, second, and so on have since altered. There's no question about that. During future negotiations some of the applicant countries are going to make more rapid progress and are going to move more rapidly towards accession than others who might even fall back. We can only therefore warn against giving people a sort of flat rate accession package. There are all kinds of conditions that every individual has to fulfill. We can't put countries in groups, one group which has to wait and another which doesn't. It's up to the capacities of the individual applicant to decide what deadline is realistic for them. We all agree that it's a necessary process, but let's be clear that the process itself is a positive thing. There are economic advantages to the members of the EU, and a different investment climate for the applicants has also created positive effects. The question of the labour market - migration is also important for Austria for we are geographically near. In that connection I'd like to ask whether transitional periods which have proved themselves institutionally, we had them already when the Community enlarged to the south, would that not allow us to be flexible in trying to adjust to the practical changes?

Finally, perhaps I should say something about our domestic policy. Colleagues from our neighbouring countries will have to get used to having to listen to representatives from Austrian politics. This isn't a majority view of the Austrian Parliament.

Mr Lars TOBISSON, Sweden: When it comes to enlargement the EU must necessarily make demands on the applicant countries so that they adapt their economic, financial and legal systems, but we must also put our own house in order. About half of EU expenditure goes to agriculture, as everybody knows. In my opinion the outcome of Agenda 2000 does not go far enough in deregulating agriculture and bringing down subsidies. Agriculture in the applicant countries is, on the whole, less regulated and less subsidised. It would be a bit ironic and unnecessary to force the applicant countries to regulate their agricultural policies only to have to start deregulating again as a consequence of the WTO Millennium Round. I think we should aim for convergence here, with lower subsidies in the 15 member countries in order to meet the lower levels in the applicant countries. One third of EU expenditure goes to structural funds. In many cases this means that the member countries, the well developed countries, send money to Brussels only to have it returned with provisions of how it should be spent. I think that more of the structural funds should be directed to the applicant countries, our future members, who have a lot more catching up to do.

Finally, the upcoming IGC might lie a bit outside the economic and financial field, but I would like to ask the Finnish Presidency and the representative of the Commission about the scope of this conference. There are proposals to bring up many more issues than what has been called the "Amsterdam leftovers". I fear that would make for a considerable delay to making the EU ready to receive new members. These three matters that are left over from Amsterdam are complicated matters. That's why they were left over in the first place. I think we should concentrate on those and set a deadline, not for the new members, but for ourselves to be ready to receive new members, let's say 2003, when everything has to be ratified. And if we accomplish that then we wouldn't broaden the scope of the IGC. On this last point at least I am sure I speak on behalf of the whole Swedish delegation.

Mr Tunne KELAM, Estonia: I appreciate the introductory paper by Ms Kirsi Piha which appreciates, not only challenges which applicant countries have to face, but also possible positive contributions to the EU, and I certainly agree that applicant countries should not be seen only as net receivers of EU financial aid. I think an important point is that the EU has not yet been able to thoroughly discuss all complexities of economic costs of enlargement in looking at applicant countries. These costs include, not only harmonization of legislation and enhancing administrative capacity, but also addressing very serious social problems which emerge during the accession process. I would like to draw your attention to one point which is very important for me, and that is that benefits as well as challenges of the enlargement process should be fairly balanced between each applicant state and the EU. There are three problems I would like to draw your attention to.

The first problem is that all too often there seems to be no satisfactory timing of national and EU contributions to pre-accession programmes, and sometimes foreign aid deliveries tend to be late. This means that implementation of joint programmes is being delayed.

Second, for applicant countries it is very important to successfully complete the pre-accession transition. Therefore EU contributions could be more concentrated to the first 2 or 3 years of the forthcoming period, so-called front loading, rather than to the latter part of this period.

My third point is that sometimes there seems to be a disparity in mutual trade between applicant states and the EU. Estonia, for example, has already unilaterally implemented very liberal trade policies towards the EU, abolishing all import duties and quantitative restrictions. Furthermore, beginning from the first of January import tariffs for agricultural products from third countries will be established in Estonia, thus further improving favourable market conditions for EU producers. We expect a similar approach by the EU Commission initiating, next year, an abolition of export refunds and import tariffs in trade with agricultural and processed agricultural products. As the situation stands now, imported agricultural products from EU countries distort, especially as a result of export refunds, Estonian domestic equilibrium and price level, which makes it almost impossible for domestic producers to cover their costs.

Finally, I would like to welcome efforts of all our colleagues from the applicant states. We would be especially happy to see Latvia and Slovakia who have made good progress to join the round of preliminary negotiations. At the same time it's important for you to adhere to the principles that each applicant state should be assessed on the basis of its own merits relying on objective criteria. Any delay in this process would just delay incentives for applicant states to make maximum effort to be integrated into the EU.

Mr József SZÁJER, Hungary: Now for budgetary constraints. The European Parliament wants to cut down the time of this meeting from the traditional one and a half or two days to 3 or 4 hours I would like to ask your support for our fight to use the parliamentary source and the parliamentary channel in controlling executives to help you in this process and trying to encourage the European Parliament to keep it in mind, especially in a very intensive phase of the negotiations. But let's turn to the subject matter which is enlargement. However, the previous one was also connected to enlargement.

We in Hungary welcome very much the decisions of the Berlin summit, particularly the budgetary one. We understand the EU is very much working on the language of the budget and on the numbers. The numbers it presents to us show very clearly that this is already becoming routine. Of course the negotiations will be difficult. At the same time we have found an answer to the calendar problem. The timing is uncertain but not the fact that the applicant countries will become members. For Hungary it is very important to have these decisions already because it shows that our goal, which is to be a member by 2002 or at least be prepared for it, is a very ambitious one and not completely impossible.

We would also like to welcome and support the decisions which are going to be made in the next few weeks and months, also here in Helsinki, about opening negotiations with the other applicant countries, particularly with our neighbours Slovakia and Romania. We also expect to reinforce the idea and the principle that the negotiations will go according to the respective merits and performance of the respective countries. You in the EU very often use the metaphor of doing homework, but you cannot imagine a more depressing thing than someone doing their homework and not getting any points or any grades for it. I think it's very discouraging. So it is with the process of opening negotiations with the respective countries. It could also mean that the ones ahead shouldn't be kept back by the ones behind. Hungary is making very serious steps in the preparation. Also the discussion is about financial

issues. The Hungarian inflation within a one-year period has been down by 10%. This is the first time that we have a one-digit inflation since the end of communism.

I think the problem of the negotiations is also how the new applicant countries could use the structural funds and the different funds, for example, the PHARE programme. In that sense, I would report that this year's results are far better than any of the previous years, and the applicant countries could really fulfill the necessary requirements.

Mr Giampaolo BETTAMIO, Italy: First of all I'd like to briefly take a step backward and to state how much I appreciated the report we heard from the Prime Minister this morning illustrating the programme of the Finnish Presidency-in-office and I think really shifting attention away from monetary affairs to justice affairs. I think that's a bold step and an important step which I can only hope will be followed up by action. I would say this is not so much a new approach but definitely a more determined approach in trying to build up this, the third pillar of our treaties. I would like to see the same kind of courage demonstrated when it comes to dealing with the other problem, i.e. that of enlargement.

From what the Minister said I thought our countries were going to have an easier path ahead because economic integration and commercial relations already have been made possible for them, therefore, the new countries are going to be able to come in over a briefer period. I think that here we have to move away from the mere economic discussion towards a more political one. Unfortunately we've tried it in the past and it hasn't always been successful. But I think that the real change should involve the constitutional and institutional set up of the EU. We can no longer afford to manage things in the year 2000 and beyond if we have 25 or 30 Member States with the same decisional set up, basically dating back to the 1950's, when there were only 6 Member States.

The different Council summits, Copenhagen, Florence, Amsterdam, Cardiff, Luxembourg, and let's even add Agenda 2000, all that we've seen really are criteria and problems of an economic nature that applicant countries must come in line with to become members of the EU, without examining problems about those countries that are receiving the applicant countries. What about our structures and the basic prerequisites we must organize to ensure liberty and democracy. We have been talking about these for years We need the courage to take that next step, to move towards this new dimension and I think that really is the step that needs to be contemplated. I'm aware of the importance of some of the more technical arguments to make the current European Union work: majority voting in the Council and shifting power between the Council and the Parliament, and we've managed, we've coped with the daily situations so far. But that's not enough.

Economically there's not a lot of additional cake to share out because sometimes we've seen shifting from one part to the next, but if we increase to 25 or 30 countries I don't think anyone can seriously argue that we can have 250 to 500 million inhabitants with a budget that barely grows by 5%. So huge financial contributions cannot be promised, let alone provided for. This means we have to determine how we can manage to conceive of the institutional architecture of this Community of this EU that is about to take this bold step forward, this very significant step. I can only hope that the final resolution that will come from COSAC will refer to that problem, which I think really is one of the decisive and defining moments of the year 2000 and beyond.

Mr Jaroslav ZVĚŘINA, Czech Republic: For us in the Czech Republic the integration process is a great challenge and a great opportunity mainly for political and social improvements in all systems which are responsible for the better function of our society. We have started modernisation in our economic, justice and social systems. We are ready to make reforms in civic law and public administration. There has been a very serious economic recession over the last three years which has, of course, affected our integration process because it had social and economical consequences. It has been, however, a great experience for all of us.

I think that we have already discussed such topics with our friends from neighbouring states. We discussed it just now with Germany in a special discussion forum, and I see no reason for not discussing it with our Austrian friends. Of course, these legislative acts are terrible and currently not acceptable, it's true, but it's connected with the end of the Second World War, and we all know it's very difficult to repair and finish these laws.

Concerning our nuclear power station: I think that we have built our new power station in close collaboration with international nuclear institutions and we used the latest modern technology. We keep to high internationally accepted safety standard and we take such principles as normal and without problems. Of course, we are not against nuclear power stations in principle, but it is a political problem of some opponents of these stations.

Some of our politicians think that membership to the EU itself is going to automatically solve all our social and economic problems. Of course it's not true. We are realistic in accepting that we must work hard on our transformation. European integration is not easy for us and not without problems, but I think that our people are able to learn very quickly and overcome all our future problems. We all thank the EU for the substantial and effective help we have received in helping us to join as soon as possible. Of course we must be universally ready for such membership. Believe me that we do not want to be a free-rider in the EU.

Ms. Mimi KESTELIJN-SIERENS, Belgium: With respect to enlargement, first of all I would like to emphasise my country's position along with that of France and Italy, and the position that they've adopted on Amsterdam, i.e. prior to this new enlargement taking place we first of all need to strengthen the Community institutions. This position, as you are aware, has been worded in a protocol that was added to the Amsterdam Treaty. It is beyond doubt that enlargement is a very complex decision-making process and particularly where unanimity rules apply, for example, when it comes to fiscal matters. It's already difficult enough to reach agreement between 15. It will be even tougher between 20 or 25. Therefore the interest and importance of this IGC needs to be convened to amend the Treaty. If you consider what happened with the previous IGC we must ask ourselves what went wrong.

A second point I would like to address is the problem of enlargement and immigration. It has already been referred to by a number of colleagues before me. I think that we can assume that there are going to be considerable wage differences between, not just the EU countries but also in Eastern Europe, and this will play into the hands of further migratory flows. I think that it's going to involve mostly unskilled workers, but we cannot even rule out the possibility of skilled or trained people moving. We have to look at the transition conditions. If they are to keep certain restrictions I think that these differences will slowly become less and the pressure will decrease. But I think we need to take other

factors into account, for example, the fact that too many people are employed in agriculture in Poland. A lot have lost their jobs in agriculture. This situation means there is a potential source of immigration.

I think it's important that we find the appropriate space for security, freedom and justice that we've already discussed. I fully agree with the European Parliament which states in its resolution that the 5-year period should be seen as a definite deadline so that European policy in the area of immigration and asylum policy be agreed before the first accession takes place. I hope that the Council in Tampere will include a reference to that deadline in its decisions.

Mr Edvins INKENS, Latvia: Today's political realities indicate that all of us are going to belong to the same club, and it does not matter if this is going to happen after 3 or 4 years or after 7 or 8. That is why we have to build, right now, relations that are going to exist in the future.

Like my Estonian colleague, concerning the applicant countries, I should also put the emphasis on the common agriculture policy. This is quite acceptable to us. In saying this I'm referring to the 2-0 mechanism which, as a matter of fact, is a good mechanism for market development in future EU Member States and a good foundation for further development of barter relations. This EU mechanism for trade with agricultural products without export subsidies and with a zero import tariff set by the importing country will stimulate local production without discriminating against the products imported from EU Member States.

Accession to the EU will provide a powerful stimulus for the development of national economies. To a large extent this will become possible through the use of EU financial instruments during the pre-accession period, and will very much depend on the countries' capabilities to observe these financial resources. At the same time we are aware that becoming an EU member will be a very costly process for ourselves. This includes the implementation of EU legislation. We will have to take various measures, which previously were not required. One example, and this is a very small example, is the Directive concerning river navigation which requires the establishment of a relevant institution for this purpose, which Latvia does not need because we simply do not have rivers suitable for this purpose. Nevertheless, we will have to regulate the problem and enforce all the relevant provisions. The EU should be aware of the fact that a small country with more limited resources has to fulfil as many functions as a large country.

Finally, we are hopeful that at the Helsinki meeting all the candidate countries will be invited to start accession negotiations. This means partly turning to the regatta principle - but unfortunately the first group of yachts are already beyond the horizon. In this context we would like it very much if the schedule for negotiations and the time for starting negotiations in our particular subjects should not slow down a country's progress in the accession process. Candidate countries of the second group could possibly overtake countries of the first group. This also means that the speed of accession for each country would depend on the country's own abilities and not on any decision taken in advance.

Ms Dolores CRISTINA, Malta: There is a general awareness that the prospect of the opening of the EU doors to accommodate new members brings to the fore a number of complex issues that need to be ironed out in order to guarantee that the next step of the integration process is carried out to the benefit of existing and future members alike. Economic and financial concerns are cases in point.

From the financial point of view the necessary groundwork appears to have been sufficiently prepared to safeguard future sustainment. The Berlin European Council in March laid down the Union's financial perspective for the years 2000-2006. However, in my view, this constitutes only a starting point which is admittedly nonetheless indispensable if the set targets are to be met. Any efforts and initiatives undertaken in relation to the candidate countries must be characterised by one common goal, namely that of raising standards in all spheres and at all levels in an attempt to approximate them to the EU average within the shortest possible time frames. This will ensure that the toll on EU resources does not exceed limits which are strictly necessary, and that the prospect of EU membership comes across in the candidate countries as a stepping stone leading to a gradual but steady rise in living standards.

One must not forget that the process of enlargement entails a substantial adaptation exercise by the candidate countries themselves, aimed at bringing about a multi-faceted rapprochement: economic, legislative, social, administrative, operational, and so on. The measure of financial burden is therefore also borne by the applicants themselves, not only at the level of central government, but also by the private sector and by the average citizen. For this reason it is of crucial importance that any financial assistance made available by pre-accession funds be commensurate with the magnitude of the tasks involved in the run up to accession. To this end, access to EU programmes should also prove vital in progressively integrating the various economic and social operators, familiarising them with a way of doing things that may be somewhat innovative. Tackled in the right spirit, therefore, economic and financial considerations should not pose problems of an insurmountable nature. It must be underscored at this point, that any difficulties encountered in the short-term should far outweigh the benefits accrued in the long-term. As the EU prepares to extend its reaches eastwards and southwards it should be in a position to explore into the next enlargement process by deriving enhanced economic and political strength from the increased numbers within its folds, and from the potential an expanded EU will undoubtedly have for the benefit of present and future members alike.

Mr František ŠEBEJ, Slovakia: I would like to start with a short comment on what was said by one of our Austrian colleagues. I understand very well, and I share some fears of our neighbours concerning the not quite safe nuclear plants. But we also have to explain to our public and do everything to gain support of the Slovak public for our integration efforts. This means that it's quite unrealistic to try to explain to the Slovak public that we are going to immediately close down a nuclear plant in which we invested, just a few months ago, 9 billion crowns in its safety. It is now considered safe, according to the International Agency for Atomic Energy. But we decided, because we understand all concerns, that we are going to close it down as early as 2006. As far as I have been informed, this decision was greeted by the European Commission as very courageous and very bold.

Let me address another question. I would like to start with an old debate between people who believe like Jean Jacques Rousseau, that all people are good, and those who believe like Thomas Jefferson, that people are both good and bad and what they need are good laws. This is especially valid for civil servants. As you know, in all post-communist countries corruption of civil servants is probably one of the most serious obstacles to a functioning market economy. I know we have to fight it of course by ourselves, for example with new rules of public procurement and state aid, but we need some external help as well. With external help I also mean countries of the EU. I would like to remind you that on December 17, 1997 ministers of 34 countries, of which 29 are members of OECD countries, signed an agreement aimed at eradicating bribery of foreign officials. The agreement encourages the signatory

countries to introduce legislation making payment of bribes to foreign officials no longer tax-deductible and making the payment of bribes to foreign officials illegal. The agreement is limited, however, as it does not apply to the payment of bribes to foreign political parties or private individuals. Moreover, it must be ratified by the legislative bodies of each signatory country. Colleagues, I would like to stress that it would be quite necessary for the EU to adopt some very strict rules for private companies and financial institutions of the EU for dealing with state authorities and civil servants of the applicant countries.

Finally I think that, in the future, our environment is going to be the environment of the EU. I think it deserves protection in advance.

Prof. Dr. Jürgen MEYER, Germany: I would just single out one aspect that I think deserves emphasis on enlargement. The particularly difficult and much debated subject of setting a date or target deadline. I can only reflect my entire delegation's opinion and report to you that, when discussing this in our European Affairs Committee, we have observed that there is an agreement with our federal government and the Commissioner in charge of enlargement, Günter Verheugen, with whom we have had lengthy talks. We assume that nobody can question the fact that enlargement will happen. There is no question of it, and those going into some of the legal arguments must learn from the experience of Kosovo. They should have realised that we cannot have a divided security. Enlargement will make a much safer peace throughout Europe.

As regards the deadlines it cannot be controversial that in setting a deadline we do create an impetus, an incentive to move ahead. People aiming towards a target will have to try particularly hard to create the conditions for accession. However, it's a two-sided coin. The other side of the coin is that we have to set a deadline for that. We can imagine that by the upcoming conference in Helsinki that the year 2002 could be referred to. The EU must be willing, though, to make itself able to take on these new candidates. The other side of that is the ability of the candidate countries to accede. And I must agree with those that have already spoken that you can't expect one candidate country to sit and wait just because others have not fulfilled the conditions for enlargement. I think that we're going to have to very painstakingly look at each individual candidate country and ascertain whether or not the prerequisite of the *acquis communautaire* has been respected from the economic and legal point of view. I don't think 100% respect can be demanded. As was the case in the past we will be working with transition periods particularly when it comes to the freedom of movement and that right. So, our ability to enlarge and the target date, please agree on those things in Helsinki. The EU must be ready and prepared to welcome these new candidates. We should also refer to a date that will then encourage everyone involved to do their part. When it comes to the ability of individual candidate countries, that is their own decision once they come into line with these prerequisites. I think that from Helsinki we could send off this incentive to move as quickly as possible towards enlargement.

Ms. Suvi-Anne SIIMES, Minister, Finland: As I said in my speech, the economic growth in the applicant countries will have significant effects on the costs of enlargement, also on the timetable of enlargement, which, as we all now, is for the time being open. So economic growth should be advanced in the applicant countries. This will decrease the costs of enlargement and also improve the support for enlargement, both in the applicant countries and in the EU countries.

As I said, investments play a key role and the EU supports these in the candidate countries. I agree with the view put forward by Commissioner Liikanen that in the role of international financial institutions, financing investments is important. Through that we can ensure that the incentives related to investment projects are geared towards economic growth and changes in the structure of the economy.

Investments in human capital, in particular training and cohesion, are also important because these enable us to ensure the support for the process in both the applicant countries and the current Member States, and this will also improve the ability of the labour force to benefit from the structural changes.

Coming back to employment effects: we should take into account both the long-term and the short-term employment effects and it is clear that the structural change in the economy before membership would be welcome from the point of view of employment. This has been taken into account in the Community budget, for a lot of it will be given through the structural funds. On the side of the Union it is important that the ability to change also in the labour markets can also be found in the Member States, and that the current Member States invest and conduct their training policies with a view to the enlargement of the markets and to the broader structures required by the integration.

In the long term, it will be a challenge to the whole of Europe to deal with the change in age structure and the growth in efficiency. Change will be required especially in those areas where the lack of labour will be a bigger question than unemployment, which is the biggest problem at the moment throughout the EU.

As regards the WTO, which was brought up by the UK representative, I cannot give you an official Presidency view on that at the moment. But it appears clear from the point of view of the applicant countries that the WTO process, over time, will necessarily lead to a decrease in agricultural support in the EU. The WTO round can speed up those changes which will necessarily be required in agricultural policy from the view of enlargement. So this can be seen as positive for the applicant countries, because, as became clear in the discussion, the agricultural habits in the applicant countries are different from those in the EU. Of course there are pressures for efficiency, but globally the process will be speeded up. This is not the official view of the Presidency but just a general comment on what the effect of the WTO will be on the Community's agricultural policy.

Coffee break

Ms. Mariana STOICA, Romania: Concerning the enlargement issue I would like to mention the Helsinki European Council, where EU enlargement is a top priority on the agenda. As far as my country is concerned, it is our strong belief that an invitation will be extended to Romania to start negotiations alongside other candidate countries. In our opinion such a decision will be in line with the enlightened vision of the founding fathers of the European Communities who saw the integration process as the most effective way to ensure peace, stability and prosperity throughout Europe.

On the national level it will induce a positive motivation to all society in mobilising its effort to overcome the current transition difficulties and will bring confidence that the EU will further support Romania in bringing her closer to the Union. Romania is a pillar of stability in the region and it contributes to developing good-neighbour relations, democracy and the rule of law in Southeast Europe. This role has been assumed and strictly observed during the Kosovo crisis and its aftermath. Despite the losses we faced, our country has reassessed its solidarity with EU policy and action. Romania has lost about 1 billion dollars during the conflict and keeps bearing considerable losses due to the halted Danube traffic.

Regarding the economy, despite the present decline, a number of measures and achievements in economic reform come as a plus to the fact that the Romanian authorities do have the political will to meet the economic criteria for accession. In order to speed up the economic reform, notably the restructuring and privatisation process, the Romanian government has assumed responsibility in parliament by promoting a package of laws aimed at sustaining further effort to overcome the current difficulties and to improving the investment environment in Romania. Recently important privatisation has been carried out, mostly with investors from the EU. A standby agreement was concluded with the IMF at the beginning of August this year, as well as an agreement with the World Bank. Both institutions are of the opinion that once fully implemented the reform programme will be a major step towards Romania's attempt to build the basis for a sound economic growth.

I should mention, however, that the economic reform under development in our country implies high social costs, and Romanian authorities have to make significant effort to cope with such costs.

The unemployment rate has increased to 11.7% and will keep rising until the end of this year. Aware of this situation the Romanian authorities are implementing measures aimed at developing effective operational mechanisms for the labour market. We are confident that the labour market in our country will manage to absorb, in a relatively short time, the highest possible percentage of the present unemployment.

I would like to emphasize that there is a strong commitment of the Romanian authorities to pursue in a more dynamic and purposeful way, radical transformation at macro-economic, administrative and social level and to create the appropriate legislative framework required by the accession criteria.

Mr Assen AGOV, Bulgaria: I'm just very satisfied that there is a breeding of a common philosophy here towards enlargement. We're touching one of the issues that relates mostly to our voters, because we are sent here by our voters and we have to report to our voters on the cost of reuniting Europe. That's why I think, Mr Chairman, that we have to make clear - do we have integrated messages also in the way we have integrated economies and integrated judiciaries? Do we send the same kind of messages to our voters both in West and East Europe? Are the approaches of the Western public towards enlargement the same as they are in Eastern Europe? This is a fundamental philosophical question. While we have a lot of enthusiasm in Eastern Europe about enlargement, I'm not sure that this is the same case in Western Europe. And I'm not saying this to accuse our Western European friends, because I see people here around this table who are very positive towards enlargement. But I'm not sure if all these candid words that we speak here can be relayed back to our voters when we get back to our respective countries.

I want to congratulate the Finnish Presidency, because for the first time, in the report of our colleague Ms Piha and in the reports of the Minister of Finance Ms Siimes and the Finnish Commissioner, we have a kind of common positive philosophy towards enlargement. I think during the next COSACs we have to think how we can send integrated messages to our respective voters in our respective countries because we are here representatives of our national parliaments.

Speaking of integrated messages and about the mutual benefits of enlargement, I would like to stress one thing which is very sore in my country and that is the still existing wound of the war in Kosovo. We all spent or invested a lot of money to find a solution which we are not sure would be a lasting solution. If you calculate this money it can run into billions of euro. And now we're talking of 80 billion euro we have to spend in a seven-year period. And this is one very important message we have to send to our voters. We're now investing 80 billion euro to prevent, to avoid crises like Kosovo in the future.

In Ms Piha's report there was mention at the end of the "lose-lose" scenario. Is it possible to have a "lose-lose" scenario in the enlargement or reuniting process? I don't think there is any interest amongst the Eastern European or Central European nations to see a Union that is formed because of political decisions. No country, or at least I can speak for my own country, is interested in compromising the Copenhagen criteria, having political decisions which could substitute the functioning of the Union itself. It's against our own interest. So we don't see why we should have any fears that a "lose-lose" scenario might happen.

It wouldn't surprise anybody if I insist on Bulgaria starting negotiations as of January 1st, 2000. I don't think this would be too much of an insistence here. Everybody knows the position in my country. But I would insist that from then on, from the new millennium, we start to work on our common integrated messages to our voters in order to win them over to the enlargement process.

Mr Tadeusz MAZOWIECKI, Poland: When listening to this discussion I get the impression that we have already entered a new phase in the discussion on enlargement. We're no longer at a time of making very general declarations, but we're addressing specific problems. That is how I understood the statement made by the Finnish minister and the way she addressed the issue, and I think that is very much to be welcomed - not just sticking to general declarations but moving towards a very real, specific problems.

We should not, however, lose sight of the fact that this process of enlargement must be considered from two different angles - from the political point of view and the economic point of view. Both must always be borne in mind at all times, not only in the interest of the accession countries themselves but also in the EU's interest.

We understand that it is a very important that the EU needs to indicate clearly what period will be possible for welcoming the new countries. In fact, I think we should quite simply say that what we must go through in our countries in order to become a member of the EU is no easier than what the EU must do itself. So on both sides, if we are on different sides, if we both take this task seriously politically we need to show similar measures of determination as to the sorts of necessary reforms that we recognise in order to join the EU. Perhaps not all of them will be 100% true, but I think we must usher in reforms together, jointly. The time of willingness to receive new members must be made

clear. We've always had that hope and we still hope that in the course of the Finnish Presidency-in-office that will be clearly stated.

My second point that I would raise is starting up further negotiations with more countries, no longer just the 5+1. In Polish politics, from the very outset, we said that when we contemplated the EU the doors for discussion must remain open. We think that other countries should also quickly become members of the Union, for instance, Slovakia and Lithuania - we have favourably spoken for them. But one word of warning, however, one should not oppose this group of 5+1 and then the newcomers. I would warn against what some people might be implying with political thinking that the EU will invite a greater number of countries to the negotiation table making the step towards further enlargement and thus slowing down the negotiations with the 5+1. That would not be good and I would warn against that.

Thirdly, we have been introducing reforms. The fundamentals of our market economy are now deeply rooted and we are pushing ahead with further reforms, even though it is not an easy process for us. We very much appreciate the resources we have received from the PHARE programme and aid for the Polish economic reforms. I would like to state that all of this is subject to parliamentary scrutiny in Poland.

Mr Nicos KLEANTHOUS, Cyprus: After having listened to the comments of the Finnish minister, Ms Siimes, I have the impression that the preconditions for accession are increasing from one COSAC to the next. It would appear from the positions of a lot of the colleagues around the table that this impression is one that others would share. The institutional changes in Europe have always been a precondition for enlargement. Today two further conditions have been added to do with employment and the GNP levels that will be necessary for enlargement. I think the biggest cost of enlargement will be paid by the candidate countries themselves. That's certainly true of my country. But I must say that positions like those of Mr Brok and the European Affairs Committee are very encouraging and I welcome them.

We are expecting the Helsinki European Council to give a clear message to the applicant countries that all will be included in the accession process. I think it's only natural that we should know which applicants are being considered even if fixed dates are not given. I think this is necessary. We need to have clear steps towards enlargement because if you have clear steps then you can actually lay down the economic strategy for the future. The message which is being sent to the people of the applicant countries is not being received clearly, because apart from the cost that they will have to pay, at the moment they're getting the wrong message. They're not sure what's on offer. I think what are being created are unnecessary reservations and hesitations and at the end of the day this will only increase the cost.

I agree with all those who have said that the matter of enlargement is very much a political objective. It is a vision which is linked very closely to European integration itself.

Mr Gérard FUCHS, France: I would like to address two matters, both of which involve the current 15 members of the EU: the problem of transition periods and the problem of institutional reform.

The transition period: the first enlargement of the Union demonstrated just how important they can be, and for enlargements yet to come, arguably even more necessary. Whether it comes to freedom of movement of persons, checks at external borders of the Union, common agricultural policy or the competition policy, in all of these areas there's no way we could possibly expect the candidate countries to be at the same level as the 15 from day one. If politically they are to accede, the only solution to this contradiction would be to agree on a transition period. This principle is in the interest of the Member States and the candidate countries equally. Just one example is the common agricultural policy. Without such a transition policy, either the implementation of the common agricultural policy would lead to unmanageable costs to the Union, or it would lead to job losses, totally socially unacceptable for the candidate countries. And in this area, as in the others I mentioned, we are going to have to be open to this broader time frame.

On the institutional front, my country has always said that we have to get this right before any new member can come in. I think that our objective is clear - to avoid paralysis in the EU already threatening. There's a risk with 15, even more so with 21 or perhaps 30-odd members. It's not so much a problem of just the composition of the Commission. I'm convinced that with one Commissioner per Member State we can probably manage to find the appropriate hierarchy between Commissioners as we do with ministers in our individual countries along with prime ministers and secretaries of state. The problem lies rather within the Council and majority decision-making.

In the Council I've always been in favour of a straightforward proposal that the European Parliament has always defended: a two-tiered majority, a majority of states and then a majority of population. Why? For an obvious reason that I'm sure candidate countries will readily understand. If we establish such a rule we need not renegotiate the weighing with each newcomer. We will have an automatic procedure that will apply definitively and clearly.

The central problem is that of the Union's decision-making capacity and majority decision-making between us. That should be the rule that guides us in such sensitive areas as fiscal matters or internal affairs today. Also, there is the question of the constructive abstention that should be considered rather than the rule of majority.

Enlargement should reinforce, not water down the EU, and this strengthening should lead to more effective management of our internal affairs and strengthening our role in the world scene. Now and during the transition period for the candidate countries and in trying to come to grips with our institutional problems following the first accessions, we have to determine what our own role should be amongst the 15. We're very demanding towards the candidate countries when it comes to the *acquis communautaire*, let us be equally demanding of ourselves.

Mr Loukas APOSTOLIDIS, Greece: A couple of years ago the central issue, the dilemma which we were discussing here in COSAC and elsewhere, was a question of deepening or widening. Some people were in favour of deepening, others of widening. I think that today we all agree, politically speaking, that enlargement and deepening are two sides of the same coin. The medium- or long-term benefit will be mutual both for the Union and for the peoples of the applicant countries. There is undoubtedly a cost to be paid. How are you going to finance the pre-accession procedures? I think that once a global political decision has been taken this procedure is accepted, not just as a vision that we all share but as a procedure which will serve the interests of the Union: that is economic, social and

political interests and above all the interests which are linked to peace and security in the region. I think that is the point of view from which we should address this issue.

First of all, I believe, as other colleagues have stressed, particularly our colleague from Germany, that we really need to push this a little bit more. We need further encouragement for the pre-accession procedures, we need to lay down a time period on the basis of which the countries in the first wave, at least, can be admitted. I think that politically and socially speaking this will be a very clear element of encouragement for the people who are struggling to harmonize, to bring themselves into line with the *acquis communautaire*.

I don't think anyone here would claim that pre-accession is an easy period. It has social and political costs. There are all kinds of upheavals that are not just institutional reforms. There are all kinds of differences to be achieved per section, economic changes, development and all kinds of other things which cannot be ignored.

The second element which I think we need to start looking at from the beginning of the year 2000 is the start of negotiations with the remaining countries. I'm particularly referring to South-East Europe, Bulgaria and Romania, Malta and other countries which have already been mentioned today. The position of Greece from the outset has always been that there should be an equal point of departure, and from then on they should be assessed.

The third point is Turkey, which has already been mentioned. I think there is something paradoxical about this. We have the Luxembourg criteria, we have the Luxembourg decisions and the Copenhagen criteria. I don't think that for political reasons we should apply a new procedure to be interpreted. I've heard a theory, for example, that we're going to have some kind of road map in order to judge the progress of Turkey, but I think there is a central issue that has to be addressed here. These criteria, today for Turkey, tomorrow for the Ukraine or for any other country. Should these criteria be changed according to the political circumstances? Human rights, the question of the Kurds, the question of Cyprus, those are questions for all.

Mr Regimantas „ IUPAILA, Lithuania: I'm going to speak along the same line as my colleague from Bulgaria. That means speaking about an integrated message. Earlier this morning an honourable parliamentarian from Germany raised the question: it is the rights of whom we are speaking today? The answer was quite clear: the rights of people. From this point of view we are on some kind of threshold today.

Until now, at least it seems to me, integration was as two different, if not separate, processes: enlargement and accession. Both of these processes have their own motivation, their own constant benefits. If you want an example I can refer to the strike of farmers in Brussels late February of this year. Their demands were to raise subsidies. At the same time the farmers in Poland and Lithuania were on strike over the government raising taxes, tariffs and other custom duties. That means that the tendencies of both processes are sometimes opposite in different countries. But we are speaking today about financial and economic issues, not moral and psychological understanding.

If you speak of our people, we can just promise them some kind of prosperity in the future. And then they speak about the costs of that, of moral costs. They should say it openly - the most expensive thing in the country is independence. And of course, sometimes politicians should take courage. If you go to Lithuanian streets and ask what do you think about closure of the nuclear power plant in Ignalina, almost every person will answer, "never". But Lithuanian politicians showed courage and political understanding and solidarity to all European nations who understand this fear and danger, and promised to close the first unit of Ignalina. It's already been done and welcomed by the Commission.

Earlier this morning we heard of some kind of dispute between Austria and Slovakia, which was a protest. If you want to jump over this threshold and unify the process of enlargement and taxation to one process of integration they do not need protest and force. They need solidarity from both sides of understanding and sending the messages to our voters, to our people, as it was very significantly stressed by my Bulgarian colleague.

Mr Lojze PETERLE, Slovenia: In today's discussion the stabilisation of South-East Europe was mentioned. It is of great importance that some foundations for peace, stability, normalisation and democratisation, and we hope also, for the Europeanisation of this part of Europe are reached. The South-East still remains a very sensitive and demanding issue which needs a lot of international attention and assistance.

Slovenia with its clear Central European identity but also its 70 year long Yugoslav experience, welcomes and participates in the stability pact. I would like to emphasise that the implementation of the stability pact should not slow down the enlargement process of the European Union, not politically, not financially. On the contrary, I'm sure that the faster Slovenia, or the other candidate countries, approach the EU the more we will be able to influence developments towards the south-east.

A short remark on the date of enlargement. I still think we don't need exact dates at the moment, but a clear readiness, a clear message from the EU that the EU will accept new countries when they fulfill the necessary conditions. Of course, this issue is connected with the institutional reform of the EU. It would be more than useful to find appropriate ways to include the candidate countries in this crucial debate on the future common European house.

Mr Francesco FERRARI, Italy: Why is it possible for enlargement to be conceived? I think all efforts everywhere from all political forces and economic entities at all levels have to be used. I think if we had done that before, the Balkans might have looked different today. Unfortunately very often we just allow tragedies to happen instead of trying to prevent them. Given the development of enlargement, that is our number one discussion, things can only benefit if we look at it.

There will be costs involved but we cannot afford not to focus the energy of our nations legislating together and trying to act in the interest of our citizens. If we just proceed as slowly as usual, it will have a disastrous effect, for example, when it comes to agriculture. I would say do not be afraid, because it's a matter of moving ahead. I think it's only the European Union that may dictate adequate rules for the world. In Dublin it was decided to create this common front against organized crime and drug trafficking. That is a thing, which should be also done on the economic side. We need a community approach, even a world-wide approach.

If together we are going to be able to do a bit more, to be a bit more bold to do whatever endangers those who are entitled to a job, we don't want to fall back on a fearful conservatism. Freedom of movement of individuals should not fill us with apprehension, particularly as there have been many studies carried out. I am sure that EU will find rules which make it possible to overcome obstacles. I think that, following the Amsterdam Treaty signed by the EU countries, through solidarity it should be possible to build this pillar with the appropriate solutions in mind. That is the task of our meeting and I think we should be able to give this additional push towards speeding up different procedures of cooperation, not to hold things up. We should not focus too much on different technical problems and difficulties. We need to act on a joint task together to get this policy - this policy for the common good.

In a few days we will be starting the Millennium Round discussions where we will be dealing with the whole issue of freedom of trade for 138 countries of the world. If we are not a united and strong Europe there is no way we can get that fairness guaranteed, and there's a real risk that Agenda 2000 will be called up to question, everything will be challenged. The funds released in Agenda 2000 won't be of much good after that.

Mr Alain BARRAU, France: I agree with Tadeusz Mazowiecki on the political, human and cultural reasons for enlargement. Indeed, it's the basic reason for defending enlargement.

Secondly, an appeal to the delegations of the 15. Let's not underestimate the considerable work being done by the applicant countries. They have already adopted the idea of the *acquis communautaire*. It's not just a free trade zone and let's not be in any doubt about it. We don't want Europe to enlarge into a free trade zone. They're in favour of the common policies, be it agriculture, environment, monetary policy, common trade policy or employment, and we're even going to be adding more aspects, for example, foreign policy and defence. We don't want the EU to turn into a pale copy of a free trade zone.

So just because there's enlargement doesn't mean that the EU will be diluted. On the contrary, we should all participate in the construction of the EU. It's not a free trade zone. Just to give you an example, and there are many, at 15 we had many difficulties and the German Presidency made a great effort to reach an agreement on the Agenda 2000 at the Berlin summit.

Mr Patrick MORIAU, Belgium: When it comes to the common declaration of Belgium, France and Italy to strengthen the Community institutions we don't want things to come to a grinding halt in the EU. It's difficult enough with 15, you can imagine what will happen with 20 or 25 with the importance of majority decision-making that we insist on.

The second point: I think there's an absolute need to look carefully at what is happening with the Euro-Mediterranean Forum. How can we conceive of considering policy and making proposals on matters such as drugs and terrorism and immigration and unemployment if we do not consider, at the same time, how the countries in the Mediterranean basin will react? I think the enlargement aspect should not just head in one direction, towards the northeast if you will, given the sure scope of the problems before us, particularly at the beginning of this Millennium Round.

Mr Erkki LIIKANEN, Member of the Commission: This is a very interesting discussion. I would like to conclude with 4 points. First point, what should the EU do to implement enlargement effectively? Secondly, what should the candidate countries do to have a successful enlargement? Thirdly, what should we do together? And fourthly, what still remains outside this enlargement on our agenda?

First, what should the EU do? The question of institutional reform has been mentioned here many times and it must be mentioned also in the future. We know that we are perhaps able to start enlargement with a number of the candidate countries if we solve the "leftovers of Amsterdam". But to conclude it we need deeper institutional reform. So that's the real test on the member countries on the issue of enlargement. We need institutional reform before we can become an EU of 25-30 countries. Secondly, what we will also have to do is implement major policy reforms in agricultural and structural funds to create financial margins for enlargement. That has happened in Berlin. Agricultural reform has taken place and will be implemented from next year on. Secondly a reform of the structural funds has taken place and will be entering into force from next year. Let's not think that we can re-open these reforms now. They have been worked on for many years, now they are on the table and ready to implement. How much of a margin do we have for enlargement? One question has been put: whether we have enough money or whether we would need more. On financial and budgetary issues there are always two matters on the table. One is the will to receive more and the other one is the will to pay less. That is always the problem we have with the member countries. We just had a long negotiation process which ended in Berlin. We tried to find the balance between the two, and it was that we create a margin that is on the level of about 3% of recipient countries' GNP for this period of 7 years. Whether that is sufficient or not I don't know, but that is a major contribution. I think that what we should now do is to start to implement effectively our strategy to use these funds as effectively as possible. It means from next year on we will double the pre-accession strategy funds. From the day of enlargement the new member countries will be fully inside the structural funds.

Secondly, what remains for the candidates to do? In the report on Wednesday, without revealing major secrets, you know that the Commission will concentrate on the implementation of the *acquis communautaire*: what is the state of implementation of the candidate countries and secondly, which is equally important, what is their administrative capacity to apply the accepted laws? What is their capacity to have independent judiciary? What is their capacity to have an administration that is not corrupt? These two issues, first, accepting Community law, secondly, implement that effectively are the issues which remain in the hands of the candidate countries. The more quickly they move here, the more quickly we can implement the first change of the enlargement.

Thirdly, what should we do together? Of course, one issue is that we must negotiate seriously and constructively. In that respect I hope that the reports of the Commission on Wednesday will be substantial, honest and transparent. There will be positive news, there will also be critical remarks, but that's the way it must happen and that's the way it must function. Secondly, on the pre-access strategy, it is now very important that EU and candidate countries focus on the areas which are weakest and try to create systems of financial management which are based on good financial control. I say "good financial control" knowing the crisis that the Commission has had inside the 15 member countries. You will see that the tax payers, the Court of Auditors and the European Parliament will follow with great interest what happens to the money that has been used for enlargement. So together we must have constructive negotiations, an open spirit, transparency, but also that the objective is

clear: to realise enlargement as soon as possible. Secondly, use effectively and in a focussed way, all the funds we have for the pre-accession strategy.

Fourthly we must still remember that we must also prepare mentally for a Europe of 25-30 countries which has many other political problems around us. We hope that all the candidate countries join, but there are also countries in the Balkans who are not candidates. We must create a constructive relationship of cooperation with them. The second issue is the whole Mediterranean area. We know that the Europe in the future must create stability also on the other side of the Mediterranean, with our African neighbours. Thirdly when we are in Finland we know that Russia and the Ukraine will be a part of European destiny also in the years and decades and centuries to come. These must also form part of the global European strategy which we must also take into account when we try to go through this difficult enlargement process which is anyhow important politically, economically and culturally for all of us.

Mr Kimmo KILJUNEN, Chairperson, Finland: Ten new member countries from Eastern Europe would imply that the population of the Union would expand by 30%. The agrarian population will be doubled but the GNP will increase only by 4%. So obviously we are emphasising here the economic consequences for the Union and for the countries themselves who are joining the Union. I nevertheless appreciate very much that we could relate the figures, that we could see that this is a historical process and that's why it's inevitable for us.

We remember very well the old saying that people usually overestimate the short-term impact of changes and underestimate the long-term impact. And here I would like to refer to the Prime Minister of the UK, Winston Churchill, when he once said when asked what is the difference between a politician and a statesman. He said that a politician is thinking of the next election but a statesman is thinking of the next generation. I'm very pleased that we weren't here only as politicians today but we were already thinking of the future generations. In that regard I would like to end the session.

TUESDAY 12 OCTOBER, 1999

Mr Esko AHO, Chairperson, Finland: The Troika had a meeting this morning, during which it examined the communiqué propositions submitted yesterday. In this context we formulated, on the basis of a first draft, a text that will be distributed to you, in French and English, in about 30 minutes. We have tried to include the essential points of our discussion in this draft communiqué. We have also taken into consideration the propositions made yesterday during the general debate. I'd like to propose that we discuss this text after examining the Rules of Procedure of COSAC, in other words, as the last point on the agenda of our Conference.

Mr Alain BARRAU, France: I trust the Troika completely to prepare a text that includes yesterday's debates as well as a communiqué of those debates. I haven't seen the text, but I don't see any particular problems. According to the current rules of COSAC, we submitted yesterday, in what is already mentioned in our current Rules, I insist on this, a contribution concerning the employment problem and a contribution concerning problems of justice. I expressed to you yesterday the wish that we could conclude yesterday's debate, an adoption or rejection, on the basis of the current Rules, of these two

texts and others, if other texts were submitted by other delegations, after the end of yesterday afternoon. You said, very well, that you wanted to do this after the Troika meeting, and I personally understood that we agreed that, after the Troika meeting and before the other points of the agenda, separately from the communiqué problem, we could adopt or reject the two contributions - the one on employment, the other on justice. This is how I'd like to do things.

Mr Esko AHO, Chairperson, Finland: Yes, of course. We must first handle the points on the agenda of COSAC, then we will certainly distribute the proposals submitted yesterday. I have to tell you that we have tried to include in our draft communiqué the points submitted yesterday, and we have tried to polish it at the Troika meeting this morning. We have thus taken into consideration the draft contributions submitted yesterday, and you will see, as soon as you get the text, whether you can agree with it.

But now I'd like to go on to the next point on the agenda - relations between the EU and Russia.

THE RELATIONS BETWEEN THE EU AND RUSSIA

Ms Tarja HALONEN, Foreign Affairs Minister, Finland: First I'd like to say something: Russia has been Finland's neighbour for centuries. Russia is still an important actor. It is also one of the Finnish Presidency's priorities. We have put a lot of effort into that, because stability in Europe presupposes good neighbourly relations between the EU and Russia. This is not possible, in our opinion, without a deeper dialogue between the EU and Russia.

The democratisation in Russia was one of the big changes in the beginning of the 1990's. Several parliamentary and presidential elections have been held in Russia. We are now approaching, in December, the elections of the Duma, that is parliamentary elections, which will be followed by presidential elections. Municipal or local elections follow each other all the time and let us follow the state of the democracy. The importance of local leaders has been great from the point of view of democratisation. There are problems, of course, at the level of relations between the centre and the provinces. You have probably noticed that many leaders depend on a very strong support in the regions.

You know that one of the fundamental features of democracy is that it is never complete. In this sense it differs from communism, which thought it had won forever. There is reason to support the democratisation in Russia and the institutions that support democracy. In this sense, the most important for our work is an independent and free media.

We have multiple channels at our disposal. If we want to help the democratisation, we can make ourselves heard via the parliaments, make contacts between political parties, form connections at regional level. Of course the EU governments also have their channels of influence. At the same time, we must remember that the civil society and the non-governmental organisations have an important role in this matter. I wouldn't like to forget, in this context, that the business world certainly has very strong connections. This aspect should not be neglected.

When it comes to democratic development in Russia, we can certainly see shortcomings. The general direction is correct, but we are still very far from our goals. The respect of human rights does not yet conform to the commitments Russia made as a member of the Council of Europe, and these past days we have been surprised to see the way in which Russia treats its own citizens. This applies to what has happened in Moscow as well as in Northern Caucasia. The EU recognizes the territorial integrity of Russia and its right to act against those guilty of crimes, but this shouldn't be done by causing inhumane suffering to the civilian population. I think that in our discussion we will come back to this point. I'd like to tell you that I'm very, very worried about the situation of Northern Caucasia and the general stability of that area. The decision-making in Russia has been decentralized and it is a question of an event that has also influenced Russia's external relations.

During the 1990's, Finland has had very close connections with neighbouring regions. We have very positive experiences. I can say also that this applies to all countries bordering on the Baltic sea: they share this positive experience. The Northern Dimension also highlights the cooperation with Russia's neighbouring regions. In this context I'd like to mention that a ministerial conference, with the Northern Dimension as its theme, will be held next month here in Helsinki.

In Russia, governors are elected by direct vote. The governors and the councils of the federation have proved to be an institution contributing to stability, and their position is strong. To prove this, the President cannot dissolve the Federal Council, but it is a measure he can use, however, towards the lower chamber, the Duma. Governors have a central role in the next election of the Duma. The principal groups try to obtain the support of the governors who certainly have an influence on the electoral behaviour of the Russian citizens. Why? I think that they are responsible for the everyday life of their citizens in the different regions of Russia.

Now about economical questions. The economy has undergone a metamorphosis. The military-industrial complex that supported the Soviet economy has crumbled, and we have moved to the construction of a market economy. In the beginning of the 1990's, the hopes were not however met, because old structures have vanished very slowly, and also because the radical reform wasn't possible in the way we expected. In modern society, if you want to safeguard the welfare of citizens, the demands are certainly very high. This is a challenge in terms of the market economy. To create a market economy and, at the same time, respond to the citizens' needs and try to introduce a new political system in a country, democratisation as well as the construction of the rule of law, are challenges that have to be met simultaneously.

Many problems have been perceived in the West only after what happened last August. The banking system collapsed and because of that it's difficult to invest in the economy. 75% devaluation of the rouble has restarted the economy. The production capital is already over 20 years old and we all know that, on this basis, we can't expect a durable economical growth and a rise in the standard of living of Russian citizens.

In the United States it's been asked in recent times whether the West has lost Russia. I don't think that this is the right approach. Even if we have supported Russia's efforts concerning the reform of the Russian system, we have not lost Russia. Russia, of course, answers for its own policies and choices, and all we can do is support her in what she does.

In the EU, we have done everything in our power to support the democratisation process and the economical reform. Our tool has been the TACIS programme, which has let Russia make use of Western technological skills. Of course, we still need to wait for results much longer than with smaller countries. The reason is the size of the country, but also the isolation of Russia from the rest of Europe. Even during the czarist era, foreign travel and contacts with the outside world were strictly regulated for all but a few brief exceptional periods, and at times they were forbidden altogether.

Thus to break this isolation has certainly been one of the most positive achievements of the 1990's. We also remember that the Soviets couldn't listen to Western radio stations. Now they can do it like all other European citizens. All principal political groups can make themselves heard, more or less.

We can also see this diversity of opinion on the level of a scandalous question these past days, that is, concerning money-laundering and the conflict in Chechnya. We also see that repression of the political opposition has not been imposed.

Russia has become more open also from the economical point of view. The EU countries are Russia's main commercial partners, but through enlargement this will certainly double. When it comes to the interdependency between the EU and Russia, I think that it will influence Russia's role in Europe. For economical reasons, Russia has had to give up the illusion of being a great power. She must accept the role of a great actor at the European level. At the decision-making level, it remains to be seen how decision-makers will use this possibility that offers itself to Russia.

The Finnish initiative on the Northern Dimension is based on the interdependence between Russia and Finland, because the main commercial route passes through the Baltic Sea.

As the EU enlarges, trade and other co-operation between it and Russia will be given added momentum. Four candidate countries, Poland, Lithuania, Latvia and Estonia, are Russia's neighbours. To this we can add Kaliningrad, a Russian enclave inside the EU. This new situation presupposes that we have a new and coordinated policy toward Russia that will meet the challenges. The enhanced commerce and exchange presuppose also a functional communications system and open crossing points at borders. We expect a lot of effort in the fight against criminality.

As I said in Helsinki in November there will be a Foreign Affairs Ministers' conference on the Northern Dimension. In this conference we will look for answers to our common problems.

If it's true that the Northern Dimension is one of the principal aspects of our Presidency, it only addresses part of the work done at the level of improving the relations between Russia and the EU.

It is not by accident that the first common strategy of the EU concerns Russia. The strategy involves all questions relating to the relations between Russia and the EU, and it aims to improve the coordination of EU action towards Russia. As the Presidency-in-office, Finland has drafted a programme on the basis of this strategy, a programme that has worked well. We will present a report to the Council of Helsinki in December.

The strategy towards Russia doesn't create new tools. The Treaty on Partnership and Cooperation, perfected at the end of 1997, is a large tool that will be felt in our relations also in the years to come.

The institutions created by this Treaty are functioning today. Last week an officials group visited Brussels, and on 22 October a EU-Russia summit will be held here in Helsinki. Also expert working groups meet regularly. The Treaty on Cooperation and Partnership contains elements that make possible future development of relations between Russia and the EU. This is based on the idea that we must achieve the signing of a free-trade agreement between EU and Russia. We must be realistic however. For the moment the Russian economy is far from ready for this. To start negotiations at the WTO would be too soon. Having said this, we aim at a long-term, lasting cooperation with Russia. Russia has shown that she is interested in relations with us, she has made a strategy towards the EU and will tell us about it at the Conference in November.

I have followed with great interest the fact that the governors of the provinces in Russia participate in preparations of meetings about the Northern Dimension. Last spring, when Foreign Affairs Minister Ivanoff invited all the Baltic countries to St. Petersburg, to a conference on the Northern Dimension, all governors from the regions in Northern Russia were invited. They had even put together propositions for this conference. This leads us to say that, since these efforts are being coordinated, and this is done under the supervision of the Foreign Affairs Ministry, I think that in Moscow, they are ready to accept direct connections between the regions and foreign regions or countries. These things have shown that Russia and its relations with the EU develop on a solid base.

I would like to say, as a conclusion, that if it's true that the EU is a very important element in this cooperation, we can't be happy with what has been achieved and imagine that we can monopolise evolution in Europe. It is right to keep in mind, at the Council of Europe, cooperation with the OSCE and remember other actors and organisations that act at the European level, but I'm sure you have already done that.

Mr Guido PODESTA, European Parliament: I have to say that Ms Halonen was very precise when presenting the problem of institutional relations between the EU and Russia. This report is vital at a moment when the Union is growing. I think that the Union must find a good balance between support for the Russian democratic process and the follow-up of noted results. We must thus follow the democratisation process very closely. Russia is an extraordinary country with its potential, the treasures offered by its territory, but also with its high level of education. It's a country remarkable for the level of its scientific research that has given birth to many technological innovations. The complexity in this country has grown because of what has happened these last few months: the financial crisis, Chechnya, Northern Caucasia. There is a whole series of problems also that are related to the credibility of institutions that are at the top of the country, at the Republic level or at the Federation level

There was a system in the Soviet Union. That system wasn't democratic, not a system of freedom. The new system isn't quite yet fully implemented, and for the Russian citizen, as the new system has not given yet all its fruits, there are steps backwards in terms of the living standards in the system. There are thus objective difficulties. The democratisation process started 10 years ago, has not yet given happy results. We certainly can't say that. The Vienna Council has asked to prepare a common strategy towards Russia, anticipating a little what had been planned in the Amsterdam Treaty. The common strategy lets us implement all of the EU pillars. The European Parliament, with a recommendation adopted in the plenary session of 5 May 1999, has raised a certain number of points very closely related to the common strategy. I'd like to remind you of these common points to clarify the European Parliament's view on Russia's situation. This recommendation highlights the need to address, in a

high-level political dialogue, in the framework of the Partnership and Cooperation Agreement, questions related to security, defence and disarmament, to reinforce peace and security on the European continent. It is a fundamental point, but it is a critical element at the actual stage of our relations. From this point of view, the fact of associating Russia with what's done in a crisis period, as in the case, for example, of the Kosovo crisis, can help us prepare a solution for problems perhaps even more serious.

Other than that, the EU will support efforts that aim at reinforcing the authority and credibility of the state. There is a real risk that we will see the credibility of the Russian Federation crumble. With the respect of the democratic demands of the rule of law, of course, we must join forces with the Council of Europe to develop the civilian society and anchor the democratisation process to a process of diffusing the new political culture.

The third point of this recommendation is the contribution to the modernisation and the development of the Russian economy. The fourth point is the particular attention that must be given to nuclear security and the environment, without mentioning all that concerns the third pillar: money-laundering, etc.

Finally, cooperation in the cultural, scientific and technical field. I'd like to finish by reminding you of the conclusions of the Presidency of the European Council, highlighting that the common strategy can fortify the strategic partnership between Russia and the EU, a crucial element in the safeguard of peace and security on our continent.

Mr Frans TIMMERMANS, Netherlands: I think we have circled the issue a little too much these past few years. I'd like to raise some issues about Russia and then talk in more detail about Chechnya.

First Russia: as the Presidency document says, there are serious failures in the transformation process. We thought that the market economy would automatically take care of the transformation that Russia needed. In the past we have underestimated the importance of ensuring the accountability of our own principles, for example, as established in the Paris Treaty of the OSCE stating that the market economy is part of a broader picture of democracy, the rule of law and human rights. We thought too much that the market economy alone would automatically lead to this kind of change, which is not true.

The next fundamental fault in our relations with Russia is that since the end of the 1980's we have always bought Russia off. When it came to German reunification, of whether you talk about a reunited Germany in NATO or when it came to the enlargement of NATO, time and time again we have bought the Russians off without conditions. We sent the money in that direction and that has been the basis of our relationship. Subsequently we have given so much support to the leadership in Russia that our whole idea of democracy has been perverted or has been perceived in a perverted way by the Russian population. They think that democracy is just one of many options. They don't see it as being the foundation for their society. Today I think that we can say that we have contributed to that distorted picture because far too much we have been supporting those in the Kremlin and have not been critical enough. Since we do share that responsibility I think that we also need to recognise our responsibility in finding a solution.

My ideas would fit in very neatly with Finland's ideas on regional cooperation. The Northern Dimension should be far more important when it comes to the common strategy of the EU, rather than this comprehensive approach. I don't know if you've read it, but only if you suffer from serious insomnia would I actually ask you to pay attention to the full text of what should be a very important subject. So does Finland see a real chance, a real opportunity to act usefully on the fundamental points of its strategy in dealing with Russia?

So far 150 000 people have been made refugees and many have died in Chechnya There has also been massive destruction. Russia, it's true, is entitled to fight terrorists but what is now happening is totally out of proportion, has nothing to do with the fight against terrorism anymore. What is happening in Chechnya has its origins in the political battles in Moscow; far more in Moscow than in the Caucasus. How are we going to deal with that? What are we in the EU going to do? Why are we remaining silent? What about the OECD with its mechanisms, why hasn't it become active? The Council of Europe, why hasn't it been active? What is happening with the next tranche of IMF?

All these questions I raise, Minister, because what we gained in international relations with Kosovo, the achievements there, are at risk of being lost because we have unlimited access to sovereignty by whatever means possible. Imposing this on the population, this is something that the international community achieved. Well, what we got in Kosovo might be lost if we do not speak more clearly and more firmly on Chechnya.

Mr Peter SCHIEDER, Austria: My first question is about Chechnya. I assume that behind the scenes the EU has sent a few signals to Russia which are pointing at the summit, in other words that Russia is being invited to come up with a solution by the summit. If it doesn't then hopefully it is being negotiated in the margins. If this is so, then what sort of signals has the EU been sending? I found a newspaper at the hotel which said that old councillors of Gorbachev say that diplomacy rather than warmongering is what is needed in Chechnya.

My second point is, as the previous speaker said, whether we haven't handled things a little bit wrongly with Russia. It was right to welcome them to the Council of Europe and to hope that, because of this mixture of recognition and pressure, things will start to move. But the question is whether we haven't concentrated too much on the president and individuals, and haven't concentrated enough on the parliament as a body in our contacts with Russia for many reasons - because the world leaders tend to talk in tête-à-tête. Partially, of course, there's the reason of the large number of communists in the parliament, but I'm wondering what the consequences of this will be. You have to look at Byelorussia, for example, and the problem of the President there. But if you look at Moldavia, the President, he also seems to be acting alone rather than with the parliament, so I'm wondering if all this might set a rather unfortunate precedent.

Mr Michael ROTH, Germany: Colleagues, you all know that relations between Germany and Russia are of a very special sort. Mr Timmermans and Mr Schieder have already gone over some of the arguments and I'd like to pick up on some of their points.

The first point: the joint strategy of the EU under the CFSP. It's an area that is very much connected with Russia and that is a point very much worth bearing in mind. I think that underlines the importance that the EU attaches to Russia. I am grateful to Finland for having tabled a work programme during

their Presidency on this joint strategy because it was high time. I hope this will contribute to stabilising the situation in Russia.

On what Mr Timmermans was saying - that gave me a lot of food for thought as a German, but I would not agree that we have simply been "buying Russia off". I think that the financial contributions made by some of the Member States, including my own, have actually contributed considerably to stabilising the situation, but I will concede to critics that, from the very outset, we should have made it much clearer that democracy and the state of law are directly linked to economic prosperity. That should have been made clearer, that I agree. Perhaps the Finnish Presidency, against the background of the present conflicts in Russia, could move things along a bit in two ways. On the one hand within the EU the financial burdens should be distributed more fairly, and secondly we should insist that human rights, basic rights and the state of law are all preserved in Russia. There's no way around that. It must be made clearer, and if, as the Finnish Presidency has already done, we can hold talks with citizens' groups rather than just the President, then I think that is a positive example of how democracy can be placed on a much broader footing. I would like to thank you for that

I would say that the stabilisation of Russia isn't just in the interests of individual Member States of the EU, it has to be our common interest, otherwise I fear the worst if, in the medium term, we do not manage to build a partnership or to foster democracy and the state of law and to place it on a much broader pedestal. This has to be done, not bilaterally, but the EU has to take it on board as one of its main targets in the context of the common foreign and security policy.

Mr Tunne KELAM, Estonia: I fully agree that problems with Russia are of special concern, not only to EU Member States but also to many applicant states. It is very clear, as was said in Mr Kiljunen's report, that Finland has more than 1 300km of common border with Russia which represents the deepest income gap in Europe. In a way Estonia and Latvia are extensions of the same border to the south, and we too have to face such a situation. Therefore I think that it is important that countries neighbouring on Russia should find their permanent and rightful place in the structures of democratic Europe - the sooner the better. This will not only strengthen stability in regions west of Russia, but also contribute to overcoming problems of the recent past - loss of an empire seen through Russian eyes, occupation and Russification seen through the eyes of Russia's neighbours- and help these neighbouring countries to be actively involved in helping to build up a democratic society in Russia, based, not just on a free market economy but a market economy following the rules of honest competition. I agree with my former colleague from the Council of Europe, Ms Halonen, that the direction in treating Russia is right. I think there is no other option. Now the discussion about methods.

One of the main problems seems to be that much Western aid, through Russian government structures without sufficient control over the use of money, seems to be not properly used. Recent bank scandals present very clear proof of it. That brings me back to the two main problems to address in relations with Russia. I think one key problem could be that we should focus more in developing these relations from central government to local authorities, because a major deficiency in Russia seems to be the lack of grass-root democracy and the lack of initiative from the side of local self governments. One good example was 8 years ago when there were initiatives by some German MPs and also some Estonian MPs to create a free trade zone in the Kaliningrad area. The local authorities were very much interested in it but they never got an answer or permission from the central authorities, and it was abandoned. Ms Halonen pointed out the increasing role of governors in Russia. I think all relations

which could be developed at local level, between communes, between regions, between NGO's, would contribute to a sound and healthy democratic development in Russia.

The other problem is using the instruments and capacities of the Council of Europe. Three years ago Russia was accepted as a full member of the Council of Europe through very great political credit, one might say, in the form of some 25 commitments to build up the rule of law system and a democratic society. However, control over these commitments has been rather insufficient and hesitant. There are too many problems and too few people to effectively exercise this control.

I think we must much more constructively and energetically make use of commitments given by Russia to the Council of Europe which will help Russia to prevent also negative legal initiatives, like the recent law about compatriots abroad. I think it was a very unfortunate law, and the international community has not turned enough attention to it. So I agree that the permanent aim of the EU in developing Russian democracy should be concentrated on developing social and political institutions.

I would like to add one thing and that is to contribute to the development of citizen's initiatives and NGO's and, of course, we should not neglect the Ukraine and the EU strategy for the Ukraine.

Mr Wladyslaw BARTOSZEWSKI, Poland: What Minister Halonen said was quite right. The experience of my country in cooperating in the Council of the Baltic States for several years now is a confirmation of the trend that Minister Halonen presented, and I think it confirms that the trend is the correct trend. I think the Northern countries are taking the lead, not just Finland but Norway who had the Presidency in 1999 in the OSCE. I'm delighted because these Scandinavian countries are very sober in the way they think about relations with Russia and they also have long experience with Eastern Europe and its problems. I think it was an error on the part of the European Union when they took a decision in Cologne on what their strategy should be. I think it was an error to neglect the experience of the Baltic States and Poland. We're not all members of the Union formally, but the experience of Estonia, Lithuania, Poland and so on is worth a lot.

I think the problem with Russia and cooperation between Russia and the EU cannot be dealt with in a naive frame of mind. The Russians don't need naivety. They don't want to be taught any lessons, nor do they want sympathy. They want a proper dialogue. I know you have to have certain principles, and I agree with Mr Timmermans on that, but you must be flexible in applying future methods. You must bear in mind, as has already been said, that Russia has to bear its own responsibilities for its decisions. Clearly it would be a good idea to fight organized crime and money laundering together, but it would be equally nice for everyone to keep the ten commandments in the world. You cannot draw a political programme out of an altruism. Russia is not the country of Solzhenitsyn and Dostoevski. It's a country in a specific economic situation and the concept of democracy in Russia is very different to our own here in this room. In fact, I remember what was written in *Paris Match*, *Spiegel* and *Time* what General Lebed said - and he's not even the worst - he said he doesn't even know what he can do with the term "democracy". He is one of the senior officials and he's saying that. So that is certainly worth thinking about. The Finnish approach to this, their step-by-step attitude to relations with Russia, is the right one.

The Northern Dimension also has to take into account the north-eastern element because from the Finnish point of view Lithuania and Poland are to the south, but from the Polish point of view Finland

and Lithuania are to the north. From the Polish point of view post-Soviet states such as Byelorussia and the Ukraine are also in an important position. With Loukatshenko in power, Byelorussia will of course remain a question mark.

It's been said that there are countries which have borders with Russia, but Poland only has a border with the Kaliningrad enclave. I think that the Finnish proposals are quite right and the Polish delegation supports the thinking about developing the Northern Dimension.

Mr Edvins INKENS, Latvia: So far the EU has had difficulties in establishing constructive long-term relations with Russia because of the unpredictability of the political and economic situation in Russia. Therefore the EU-Russian Cooperation Councils that have been developed so far, as well as the Partnership and Cooperation Agreement, are difficult to apply in practice. There are links with Russia through trade, transit, investments and Russian people who live in Latvia. However, we think that Latvia's platform is rather close to that of Finland's. In contrast to the EU, which has no applicable concept for practical action, Russia has a strategy for practical action. It also has aims which it wants to achieve with regard to the EU. This strategy of Russia has not been declared publicly. However, it has practically been implemented and it is used in mutual relations between the EU and Russia. As an illustration one can mention Russia's attempts to restructure its debts to the EU countries because of the introduction of the euro, as well as to create for itself more favourable trading terms with East European countries.

We think that Russia is trying to use our accession to the EU as a tool for political bargaining. This is a new foreign policy instrument which Russia has recently been demonstrating in its dialogue with the EU. The essence and aim of this instrument is to speak with the EU about the potential consequences that EU enlargement could have on the Russian economy. In fact, Russia wants to receive compensation from the EU for its enlargement to the East. Russian claims for compensation are unfounded. Indeed Russia is losing, for example, the Latvian market but this process started when Russia introduced economic sanctions against Latvia. Since then the volume of Latvian trade with Russia has decreased from 27 % to 7 %, but it was not because of the EU.

Latvia has no ready-made prescriptions for building its relations with Russia, but it has accumulated considerable experience which has been shaped in the course of many years. Before our relations with Moscow deteriorated, we tried to make contacts and establish political and economic relations with the Russian regions. Such diversification of activities will make it possible to develop a wide range of relations with a certain part of the Russian political elite of the second tier, which from their own regional position can influence, to some extent, Russian foreign policy with regard to Latvia. If international financial organisations had used this kind of regional strategy the world community today would probably not be facing the situation where a small group of Moscow elite has been involved in a money laundering scandal. In such a case, even if there were grounds for saying that, the resources of international financial institutions have not been used according to the purposes intended. These funds have, nevertheless, been distributed more widely among different users which could have been more beneficial for Russia. In this connection I value very highly the Finnish initiatives as regards the Northern Dimension project. This project will give the EU and Russia common economic interests and will provide a common area for cooperation. Therefore it's very important that we continue to propose specific projects in developing the action plan of the Northern Dimension.

Mr Alessandro BERGAMO, Italy: On the subject of enlargement: obviously this will have a lot of influence on Russia, on commercial dealings with Russia and Central European countries. I think that in these countries, when it comes to Community effort to harmonize the legislation, if we see for example, this shifting of the Russian produce coming and the full respect of Community law, I think that there will obviously be repercussions for the overall economy. Therefore we need to step up our cooperation between the EU and Russia to alleviate the serious consequences this will have on Russia. It is therefore necessary to shore up their economy and to encourage the Russians to create a favourable legislative environment in order to create incentive for foreign investment.

In our discussion on Russian debt we need to move in order to usher a bolder reform process in this country. We also need to take common initiatives, working with Russia, to prevent conflict and to manage them where they exist and to create this confidence in Russia. Our political effort in this sector, I think, is an obligation for the Union to guarantee stability of the European continent. Furthermore, this cooperation and security agreement with Russia and the Atlantic countries and NATO should help us in this enlargement process to include Central and Eastern European countries.

In the framework of security, another priority should be the fight against organized crime. The EU is proposing a common action plan to combat money laundering, drugs trafficking, prostitution, illegal immigration, etc. As far as consolidation of democracy and respect of human rights are concerned, there are real difficulties in going beyond politics and the economy. The state is highly centralised, dominated by a single party and that really adds up to tremendous difficulties, very serious problems. We have to try and help them shore up their democracy and the rule of law, and to support all efforts within Russia to build up a state that will guarantee a smooth ushering in of democracy. Our Dutch colleague is quite right when he refers to the embarrassing shared guilt of the EU, particularly given what is happening in Chechnya. We too, need to achieve clarity and to realise that in the upcoming conference in October that will take place here in Helsinki between the EU and Russia, we have to raise these matters with the Russians.

Mr Kimmo KILJUNEN, Finland: You have been given a paper on the relations between Russia and the EU. In my speech now I would like to explain my feelings on this paper. An English writer, Bernard Shaw in fact, compared idealists and realists. He said that idealists are persons who want to change the world. Realists know that changing the world is not possible. Idealists don't believe this. Rather they change the world. Without doubt idealists were in the fore when the European political map was changed and significantly, about ten years ago, the deep change in Europe can even be said to be a revolutionary change which deeply affected Russia. This change took place on at least three levels: at the political level, at the economic level and at the state level. Is the final result what we wished for? Well, that's a matter for speculation, but the change at any rate has been revolutionary. We're not certain that Russia is ready for political democracy, but we are certain that the monolithic political system changed and became a pluralist reality, and the change is indeed revolutionary. Whether Russia is ready for a managed market economy we are unsure. We often refer to robber capitalism but what we are sure of is that the central planned economy is history. This change, too, is history and equally the state structures changed. Sovereignty in today's world is a relative term, but the Soviet Union is history, and in place of that we have 15 more or less independent states, and there too, the change is revolutionary.

The fourth level which significantly affected things is the social structures, and the changes that took place there. Here, too, the development process has been significantly more problematic. In any

revolution there are social upheavals and the background to a revolution is the hope for better conditions. What is the hope motivating Russian citizens at the moment? Differences in incomes, growing criminality and the social structures in ruins. The mortality rate in Russia is increasing all the time. The average life expectancy of men has dropped from 67 to 57 years. This is the most shocking change in human demographic history, this change in life expectancy, leaving aside wars. This collapse in social structure threatens the democratic process and therefore Russian society has its responsibilities. We mustn't isolate Russia and we must not humiliate it. The complexity of a major state combined with the status of the underdog is a dangerous one. We can compare the situation with the Treaty of Versailles. Democracy is the best path and the best way to support Europe.

Mr Joel HASSE FERREIRA, Portugal: For us it's a very important issue - the need for the democratic stabilisation of Russia and to support economic growth. But to be honest, I think we have to be very careful. We should allocate the support very carefully so that the resources are not diverted to other less desirable destinations. We need stronger guarantees that these support measures are being properly implemented, and at the same time we need to foster democratic dialogue with the leading powers in Russia. It's very important for the applicant countries. Many of them are neighbours of Russia, or at least are very close to Russia. The applicant countries are actively involved in the application of this common strategy. The Northern Dimension is of great importance.

As far as the current conflict with Chechnya is concerned this is not a one-off, but it has to be seen in the context of other potential conflicts for ethnic, cultural, historic or other reasons. Development in the neighbouring Caucasus could give a new impetus to this question. We need to realise that Russia has great difficulties in getting international support, both from the EU and from its neighbouring states in the north. In this case it's very much a volatile political situation with the risk of military conflict exploding constantly. In the south-east of Europe it's very difficult for us to accept this. We must try to understand the historical background, the national characteristics of Russia. The economic weakness of Russia should not detract from its status as a major world power.

In conclusion, let me say that there is a need to deepen the dialogue with Russia and the cooperation initiatives must be stepped up. Relations with the Duma should also be deepened and there is an urgent need to use the most efficient economic means to influence the whole process positively, which means using diplomatic ways of supporting the peaceful powers in Chechnya and elsewhere.

Mr William CASH, United Kingdom: I wanted to draw attention to an issue that has not been raised so far, which is the relationship between the common strategy in Russia, the WEU and NATO. Very simply it's clear, under the Amsterdam Treaty, that arrangements have been made in relation to the question of joint action plans that there is a possibility of qualified majority voting applying in relation to the arena of peace-making and peace-keeping. I don't know whether this is accurate but I did notice that during the Kosovo crisis there was a very serious problem which arose in relation to the airport, and I did wonder whether some confusion had arisen as a result of a misunderstanding about the legal position in relation to the Petersberg tasks. Therefore it seems to me that there is a strong case for looking at, during the compilation of the next Treaty, for looking at this whole business of qualified majority voting in relation to Petersberg and in relation to the common strategy with Russia.

It seems to me, too, that if one is to look at the question of the Baltic States, including Poland and Hungary, and all those who have an interest in matters relating to the development of the EU as

prospective members, that the question of majority voting in relation to the WEU, and the Petersberg tasks in relation to the common strategy with Russia, could become extremely important indeed. So I'd simply put down a marker that I believe very strongly that we should act only by unanimity and not in the context of majority voting in this arena.

Mr Achilleas KANTARTZIS, Greece: Clearly this discussion on relations of the EU with Russia should be seen on the basis of the common strategy that was adopted at the Cologne summit. I don't think that anyone would object if the prospects were to develop equal and mutual beneficial relations between the EU and third countries. A question in this area is whether this is indeed the basis of the common strategy of the EU with Russia. I think it's pretty obvious that it is not. The declarations on apparently mutual beneficial relations are obviously ignoring the political developments in Russia. The only idea is to impose the regime of the free market and privatisation.

There have been references to Byelorussia and its President who is an obstacle to these objectives, and I think that underlines what the real objectives are. A lot has been said about what has been done in the past in Russia but I would only underscore one thing - nothing will erase from the mind of the workers the huge contribution of socialism to the people of these countries and to humanity as a whole. The changes which are being fostered in Russia under the common strategy are being brought forward by multinationals and big capital so that they can get a share of the cake in the division of the market so that they can get their hands on the huge reserves of raw materials. There's nothing in it for the people of these countries. There's nothing in it for the Russian people, nor is there anything in it for the people of the EU. On the contrary, the result will be to sink people into more poverty and despair. We've seen this already in other countries. I think it's clear that these plans are there to serve multinationals and profit alone. The struggle for the control of the Caspian region is only going on to serve the interests that I've mentioned, and at the same time jeopardising peace and security in our region. We've seen this already in the unacceptable attack by NATO on the Yugoslav people which was nothing to do with protecting minorities, as was hypocritically claimed, but for other reasons in order to get rid of all the obstacles to their objectives.

In conclusion I would like to say that the people are quite able to solve their own problems without the interference of the major powers which are simply worsening the problem so that they can obtain their own personal objectives.

Mr Assen AGOV, Bulgaria: Let me be the first to congratulate Ms Halonen who went out of the ordinary line of thought and was very constructive in her report to our national parliaments. We touched all issues like money laundering, the quicksands of the Russian economy in which the money of the World Bank and the world community were disappearing.

Finally we haven't touched the reasons why all this happened in Russia. I think the whole approach towards Russia was completely wrong because there is no system of control of how all this money that was poured into Russia for the last 10 years was spent. Since we're parliamentarians and since we have quite a well-structured parliamentary system and a system of political parties I wonder if any of the national parliaments here can say who is his political partner in the Russian Duma. I wonder if the communists who are present here would say that the Russian Communist Party is their political partner. I wonder if some of the EPP members can say that they have a partner in the Russian Duma.

And I even more wonder if our socialist friends would say they have a partner in the Russian Duma. So this is a generic deficiency of Russian political life.

The EU and the applicant countries, who happen to know more about Russia for some very sad historical reasons, I think we should work, and we should devote the means of working, to establishing a parliamentary controlling system over the financial system of Russia. If my political family, the EPP, has to spend some effort in promoting political parties which are sharing the platform of the EPP (and of course the socialists and the liberals do the same), I think we'll have a much more reliable political system in Russia. This will allow us to have much better understanding of political life in Russia.

So my very clear message here is: let's concentrate on building up platforms. From our very bitter experience in Bulgaria I know that platforms do not appear by themselves. We need the methodical help of our Western European friends in order to build up our programmes, in order to build up our political philosophies, and to offer to our voters the platforms that will provide them with long-term political development and economic development. I think that this should be the kind of grassroots effort that we all have to make. I appeal to national parliaments to start working to find their political counterparts in Russia, to help them build up their political platforms, to help them win elections through a campaign that goes along the patterns of our own campaigns.

Mr Jerzy JASKIERNIA, Poland: First question: would you be so kind as to present the position of the Presidency of the European Union towards the so-called Commonwealth of Independent States. From time to time we forget that such a structure existed and I would like to know whether the EU connected any important role with that structure. I also heard that a kind of "GUAM" was established: the Georgia, Ukraine, Armenia, Moldavia type of regional cooperation. Do you think there is any perspective with such a regional cooperation inside the former Soviet Union?

My second question is dealing with your very interesting point in your speech when you said the EU is very important but we are not alone, we should see all the structures including OSCE and the Council of Europe. Maybe you are familiar, Madame Minister, that during that session we discussed the very interesting conception of the Charter on Fundamental Rights of the EU. Some people have some doubts about that initiative because of the European Convention of Human Rights and the Council of Europe probing in the human area. It is the impression in Europe that we are going step-by-step toward overlapping the jurisdiction of several European organisations, and if you say that we should see all the structure could you be more specific, in the name of the Presidency, what you mean by that? What kind of role do you perceive for the OSCE, for the Council of Europe, vis-à-vis Russia. But not only Russia, because we hear in the Senate in Budapest that European countries care very much about the Council of Europe. After the summit it is very difficult to establish in what practical way it could be done. Of course, some people can support European integration through the EU and through the European Parliament and say that is the most important goal, and we should care about that goal, but if you are serious about other structures we should be familiar with other organisations. I am raising that question, first of all because you are the great figure of the Council of Europe, and your name is very symbolic, considering all you have done in the Council of Europe. Secondly, because we're now in Helsinki where the OSCE process was started. I suppose Finnish people are very proud that the process was started here. I would like to hear your approach to that theme.

Mr Wim VAN EEKELLEN, Netherlands: I did want to react to two comments that have been made. First of all, to our last Greek speaker, to him I'd like to say that communism did hold Russia back in its development for 70 years, and the majority of Russians agree with that. And to Mr Cash, I believe the EU now has an opportunity for a constructive relationship with Russia, particularly because the factor there does not play such a big role. I think that Russia will have to recognise both in dealings with the EU and towards NATO and the western border of Russia, that's where the lesser risks were found. But they will only do that if we no longer treat Russia as a psychiatric patient, which unfortunately all too often we have been guilty of in the past.

And my final point: why has this Northern Dimension taken on such importance? I think we need to dig a bit deeper beneath the surface. The very reason is that there's been a certain decentralisation due to the administration in Russia, and I would like to ask the Minister how she sees the future for Russia in that respect. I get the impression that the strategy that has been formulated by the EU is focussed far too much on the current snapshot of Russia, the current situation, but given Russia's problems on the southern border and perhaps even towards China, how will this develop in terms of the administration? Is it not, in view of this, important for us to consider what Russia might look like in ten years' time and to adjust our strategy more towards Russia in ten years rather than the general statements that we have heard in the strategy of the EU today?

Ms. Tarja HALONEN, Foreign Affairs Minister, Finland: The first principle that I'd like to raise is that you've asked about relations with the Council of Europe and the OSCE - why do I consider them so important? I could just as well have added the Baltic Council, Berents Council and many other similar bodies. The biggest reason, in my opinion, is that in the basic principle of democracy people and states are not simply objects of power, they are also the subjects of power, and therefore it's a better opportunity to influence the other if one is a full member. Russia is not a member of the EU, but Russia is a good and important strategic partner. I don't mean to downgrade the significance of the EU, but I'd like to point out that it is not perhaps correct, from the point of view of democracy, that depending on the venue of our meeting, we forget the others.

As regards the economy, there were some very apt comments. The macro-economic development, as I said, at the moment and perhaps absolutely at the moment, is very difficult. In the Finnish debate there has sometimes been some generalisations, saying that privatisation isn't robbing from the state, rather it is creating new entrepreneurship. However, it is a very important principle also when we're speaking of Russia. It is not a unique phenomenon in Russia, rather it has been observed in many other situations. But because of the size of Russia this is seen very clearly. The relationship to official groups in the state is very important and it's important to analyse them. Everything that is not in the official economy is not necessarily criminal. Of course crime is a very important and serious phenomenon and I'll be returning to it in a minute. I'd like to point out that much of Russia gets an important part of its income from sectors that are not measured in the national economy. A little bit of help from the neighbours in cultivating the crops is important in the Russian day-to-day living, and it's important to remember that when we want to help Russia with food aid or by other means. We might have good will but it might be that, at the same time, we are causing harm. Therefore we must remember that by globalization alone, Russia cannot be excluded from Europe, rather it has to assume its international challenges and that entails hard competition.

As regards the rule of law which many of you spoke about, I could not agree more that this is one of the most important priorities in the development of Russia, and in that regard Russia unfortunately has a lack of something very important - and that is tradition. In almost every respect the rule of law is starting from zero. The Council of Europe I think in this regard is very important. The Soviet Union participated in the OSCE during the cold war. That was one of its main fora. On the other hand, the Council of Europe, this was something to which Russia had to apply for membership and commit itself to fulfilling a whole list of requirements and submit itself to public criticism both in Western Europe and within its own borders. Why do I consider the OSCE and the Council of Europe important for other reasons? Everyone sits around the same table and is subject to the same control. Nobody says things to people on the outside. People have to commit themselves to the same rules. Therefore I think the partnership is important in developing the rule of law. I'd like to give my very clear thanks to the EU for financing part of the projects that have been conducted between the Council of Europe and Russia.

As regards Chechnya, we must ensure that these organisations can function under the rules also when it comes to Chechnya.

As regards parliamentary relations, they are extremely important and if this wasn't such a serious meeting I could tell a few things about the ways in which the Russians..what the Russians consider to be conservative in the parliamentary assembly of the Council of Europe. I could have some reflections on the comic situations that arose. Our own words of democracy contain some democratic assumptions which are not necessarily so clear to the other party. I would urge you to use the experiences that you have in your own parliaments or within the Council of Europe or the OSCE.

I was asked what is the meaning of this cooperation in this connection. You are supporting the same parliaments that have experience with the Duma. I know that Russia is very interested in the EU and nothing would be more attractive to them than to convene under this roof, but maintain contacts in your own country.

I think it was said very aptly by Mr Schieder that it was the fault of the west that we like to see Russia in the form of just a few personalities. Of course Russia is very much centred around the President, and the Duma is not the parliament in the sense that the parliaments are in your countries, but we have a tendency to simplify things. We would like to know the telephone number we should call to maintain contacts with Russia, but we must be ready for more complex and more shaded contacts. An example of this is regional, legal and parliamentary relations, which I consider a correct and modern concept of cooperation.

One more thing that I'd like to comment on, and this is the question of important everyday things. It's important to get to know a person. Many speakers mentioned this by the by. I have also said that when speaking with my ministers. I have referred to old Russian classics and to Gogol and to his book *Dead Souls* which describes what many Russians feel 100 years later. They don't truly accept us. This way of thinking that the EU and Russia have a long and stable friendship, that's very important. I would like to point out that Russia is not a member of the EU, rather it is a strategic partner.

The question of Chechnya: I was rather disappointed, but at the same time pleased, that all the work that we did last week in Moscow when the Troika visited and the discussions we had in Chechnya - I

had the impression that all the news was full of our discussions. I heard the following week that "Why were you so silent?". This shows the relative nature of things. When one is involved and speaks to dozens of reporters you get the impression that the whole world will know about it, but that is not the case.

So the work has to continue because our goal, of course, is to encourage Russia in negotiations. To begin with, the legal regional leaders must consider what are the roots of the situation and what it's leading to. The political situation is always the right one. I think that the Russians themselves know that. They haven't said it out loud, but I think it'll take some time for them to take it on board. As I've said, I'm concerned about the situation and there isn't a whole lot of time. We have to act in future in a very skilled way to be able to scale down the conflict taking place at the moment, and to make sure that it doesn't become a regional conflict.

I'd like to come to the final question. Russia is a huge house where everything is not quite in order, where some windows point to the west, some to the south, some to the east and we are here, we are more or less those people who see Russia from the windows on the west. I agree with the person who said that we ought to see relations with Russia in a more broad perspective globally, and draw conclusions as to the way in which Russia acts in our neighbouring regions.

The question regarding the CIS: we are following this with interest but of course our relations are country-specific, and in that sense CIS is a subject of debate. It doesn't look very strong at the moment but let's see. That isn't something that has to be decided by us directly. I hope that you'll follow the fruits of the meetings on Russia still to follow during the Finnish Presidency.

Coffee break

REFORM OF THE RULES OF PROCEDURE OF COSAC

Mr Esko AHO, Chairperson, Finland: As you know the Berlin COSAC entrusted the task of the preparation of new Rules of Procedure to a working group and this working group had its meeting in Helsinki on 20th September. This meeting led to long discussions but in a very constructive atmosphere. The group was able to find unanimity concerning the proposals for the revised Rules of Procedure. This text adopted by the working group and a short report of the meeting have been distributed to all delegations, and I have also consulted all the applicant countries on this matter. My wish is that we could adopt the revised Rules of Procedure in this meeting on the basis of the compromise we reached in Helsinki. This means that we use this limited time available as effectively as possible. Therefore, all proposals for modifications to the draft should be presented in writing - in English or French. In that way it is possible to record them accurately on the basis of simultaneous interpretation. Now I will open the discussion and I hope that you will express yourself in as detailed a way as possible and then we can go through the whole text paragraph by paragraph. The floor is open.

Mr David MARTIN, European Parliament: The new rules, of course, do represent a compromise. No delegation was 100% happy with it but every delegation at the end of that meeting felt they could more than just live with the new rules, felt that the new rules were workable and produced a good framework for COSAC's future work.

My concern about the procedures that you've just outline is that if we start to go through the rules one by one, once we start to unpick one compromise another compromise could be in danger. So I'm hoping that we could be able to adopt the rules as a package.

I know, for example, that our German colleagues were very keen to add German as an official working language, but in their spirit of compromise recognized that there was no unanimity on this. They were prepared to not insist on that demand. Likewise, in paragraph 10.5. the Danes and Portuguese expressed concern about declarations. I've spoken to both the Danish and Portuguese delegations and we've come to a compromise that would stop short of having to change the rules but would contain within the rules a unilateral declaration by the European Parliament which would clarify our rule on communications. I hope that would be acceptable to all delegations.

In short I think we've got a workable compromise that I hope we can accept as a package and not alter line by line or rule by rule.

Mr Andrea MANZELLA, Italy: I'll tell you straight away that our delegation can agree to the proposal made by Mr Martin - to approve this compromise as a package - but I think that in our upcoming meeting we are going to have to take account of at least two comments. I would also say that we find ourselves dealing with a text that contains very slight changes, very slight in terms of quantity, but quite considerable in terms of quality and substance. These changes lead to a constitutional turnaround. A turnaround that I think we can actually see in the Amsterdam Protocol on the national parliaments. And in that protocol there is a specific definition of COSAC: the conference of the Committees for European Affairs of the national parliaments. We know that this definition is very restrictive in scope. We would like to maintain the practice where the European Parliament from the outset has been seen as an essential component and a lively operative part of this conference, I would say an indispensable factor, in getting the constitutional balance right in Europe. In this conference what we are achieving is a proper parliamentary scheme of things with representative rules. The national parliaments fit in neatly and necessarily with the representative rule of the European Parliament. For these reasons we would have preferred that our Rules of Procedure underline this need to coexist in this conference, not just with national parliaments but with the European Parliament.

My second point now: this coexistence does not mean to say that the institutional set up is the same. When it comes to the final approval of any contribution we make, it is quite clear, in the letter and in the spirit of the protocol, that there is a different position as regards the national parliaments and the European Parliament. The national parliaments in COSAC make their contributions and pass them on. The European Parliament receives these proposals. I think that our Rules of Procedure should spell that legal situation out clearly. They are on different institutional levels as far as that is concerned. We can't just stick to the questions of intent. It's in the interest of both the national parliaments and the European Parliament to get that clear. So to confirm what I said at the outset, as an overall package we can agree to the compromise but subject to that reservation for upcoming meetings.

Mr Tino BEDIN, Italy: We can largely agree to the ideas that are contained in this document from the Finnish Presidency. The Camera dei Deputati and the Senate of the Italian Parliament attach keen importance to these Rules of Procedure giving the political content. I think that, as of now, we have to ensure that our work will lead to the proper result and to ensure that the national parliaments can work based on the Amsterdam Treaty. This political content, along with the content of the preamble to the new Rules of Procedure and also with the Protocol of Amsterdam, particularly Article 7 that establishes the link between COSAC's work in the second part of this protocol, I think that all of this becomes operative with the new Article 10 that calls for COSAC to make contributions for the institutions of the EU. In this respect the Italian Parliament attaches importance to a slight change in paragraph 1.1. which involves the degree of binding decision in COSAC.

When it comes to the Rules of Procedure and having an earlier date, we think that at our meetings this should create the possibility of having direct contacts with whoever is holding the Presidency at that time. We've had very positive experience and useful experience with this today and yesterday during the meeting that took place virtually half way through the Finnish Presidency. And we in Italy thought that we might include a rule stating that it should be in the first half of the Presidency. Of course, it is quite largely left up to the responsibility of individual parliaments, what their choice should be. But each parliament, I'm sure, will make use of these possibilities so that they can establish contacts directly with their governments.

The second political objective is based on Amsterdam, and this new set of Rules of Procedure is to help us move ahead from Amsterdam. We hope that this path ahead of us will ultimately lead to overcoming the one-off nature of COSAC meetings. We can ensure greater continuity and through the preparatory meetings and in particular in paragraph 3 of article 4 (the creation of working parties) and in article 1.5. These are the first steps in that direction, the direction we want to head in, setting us an objective particularly increased in the democratic nature in the way the European institutions operate.

The Italian delegation will vote in favour of the new Rules of Procedure.

Mr Jakob BUKSTI, Denmark: From the Danish delegation we can very much endorse the comments that have been presented already by David Martin at the beginning of this discussion. There are many things that we might have liked to have seen different, but we believe that the compromise before us now is such a clear improvement in all respects that it is worth supporting. We also think that at this meeting, and the excellent meeting that we had on the 20th of September, and throughout the entire series of meetings, we were able to hear from various quarters stressing just how useful it has been to have all these meetings that lead to this compromise now before us. So we in the Danish delegation quite clearly would stress the fact that what we are talking about is an improvement.

We think in paragraph 10.5 it shows the willingness of the European Parliament to meet us half way. We're quite keen on this. We would have liked a stronger text but we think it is quite strong, and instead of trying to go into further considerations there's mutual understanding and flexibility basically from all sides.

We would very strongly recommend that we take the Rules of Procedure as an entire package, not to take it apart, and have an open discussion in that frame of mind.

Mr Jimmy HOOD, United Kingdom: This is about the 15th COSAC in my term as chairman of our European Scrutiny Committee in the UK and I can't think of any COSAC where we haven't discussed the issues of having to review COSAC rules. In fairness, this is probably the best opportunity we've had when we've had a strong consensus to make sensible improvements where we can build on.

There are areas where there was some give and take, there was some compromise, but those colleagues who would like to see improvements in any of the rules, I suggest would have a better opportunity because of the present rules that we are proposing to change today. Our Italian and Danish colleagues raised issues at Helsinki three weeks ago when we sat in a working group.

I can only support what has been said before from the UK's point of view -we think this an improvement, a sensible improvement, and we would hope that there would not be an attempt to take apart and maybe destroy the good work that has been done by the Finnish Presidency, and by those who sat here three weeks ago and went through long and thoughtful deliberations. I hope that the package will be accepted as a whole.

Ms. Helen KLEOGH, Ireland: We believe the revision of the rules is very important, which will give COSAC the opportunity to begin to make the contribution to the activities of the EU which is envisaged in the Treaty of Amsterdam. And I think colleagues will remember, as has been mentioned, that the Joint Committee of European Affairs of the Irish Parliament has been pressing for reforms since early in 1988. Our Joint Committee referred to a report to our Houses of Parliament about the unrealised potential of COSAC, and called for COSAC to have the flexibility to hold special meetings to deal with urgent issues as they arose. I think now the rules, as drafted, provide for a COSAC which is more flexible and responsive to parliamentary demands and, of course, we welcome, in particular, the proposed urgent procedures in relation to extraordinary meetings of chairpersons. So, finally, we believe the package of reforms contained in the working group report, provide a firm basis for making progress and developing the role of national parliaments in the process of creating and reviewing EU policies and laws.

Mr Joel HASSE FERREIRA, Portugal: I want to remind you that the Portuguese committee was one of the first to raise this problem of the 10.5 participation of the European Parliament delegation in the COSAC votes concerning matters concerning the European Parliament. We would prefer a stronger compromise established in the regulations concerning the vote of the European Parliament delegation subjects concerning the European Parliament. But we accept the compromise if the European Parliament delegation can accept this stronger inclusion. If the European Parliament delegation can accept the inclusion now in this meeting, we will be in favour. If they are not able now to accept, and we will keep the compromise that is proposed by the Presidency, but we are free to act in the next conference to support the inclusion in the regulation. We think that it will be preferable in the future.

Mr Loukas APOSTOLIDIS, Greece: I'm sorry that I was unable to attend the President's meeting on the Rules of Procedure here in Helsinki, but looking at the results of their work I and my delegation, apart from Mr Kantartzis who speaks on behalf of the communist party, can agree with the amendments. I would like to underline that there are three points that are of particular importance to us.

The first is the introduction which talks about the upgraded role of COSAC in the European process with the signing of the protocol.

The second point is point 10 on the specific contribution of COSAC. This was missing in the past and this has often been the point of some friction in our discussions here in COSAC every time we held a meeting about the amendment of the COSAC Rules of Procedure.

Finally I would like to thank my colleagues from the European Parliament for their compromise proposal and my German colleagues, too, because I think the compromise that they have come up with gives an overall cohesion within COSAC and I think that these Rules of Procedure have taken us quite a lot forward. I think it allows us to make a more essential contribution to the European process quite apart from the general problem of sensitive political and economical problems in Europe. On the basis of the Amsterdam Treaty and the change of the Rules of Procedure, it now makes us more able to make specific proposals.

In conclusion I would like to make an appeal to the European Parliament as far as participation is concerned. I think that via the European Parliament we have a good chance of informing the national parliaments better.

Mr Guillermo MARTÍNEZ CASAÑ, Spain: I do believe that we need a reform of the Rules of Procedure. I have participated, on behalf of my Parliament, at quite a few of the meetings of the group dealing with the reform. I remember an excellent meeting we had in the Italian Parliament last year. I know how difficult it is to reach a compromise.

The Amsterdam Treaty involves a substantial change to the roles of the national parliament in the whole process of European construction. The Amsterdam Treaty gives new competencies through COSAC and allows it to look up proposals for legislative acts in the community and make recommendations to the three community institutions, which are mentioned in Protocol no. 13, Annexe to the Amsterdam Treaty - the Parliament, Council and Commission. It also gives competencies to examine everything to do with the principle of subsidiarity and matters which are of interest to all the national parliaments.

I recognise the fact that the work which has been done in this proposal to reform the Rules of Procedure has been huge and many compromises had to be struck. The result is a text which I think is quite balanced. It is a substantial advance of what we had in the past, a substantial step forward. I think it does reflect correctly the new responsibilities given to national parliaments through COSAC in the process of European construction.

But having said that, I would like to underscore the most sensitive point of this draft, which is 10.5. Why do I say it is sensitive? Well, the essential reason is that it is a very difficult topic. Perhaps we are not even responsible for it. Perhaps the draftsmen of Protocol 13 Annexe to the Amsterdam Treaty, are responsible. Perhaps it is badly drafted. But the reality is that, legally speaking, there is a contradiction here in that an institution is judged a party to the process which concerns it. I think this regulation has to reflect this special position of the European Parliament as a member of COSAC and as the recipient of COSAC's recommendations, which is why I would like to pick up the Portuguese

amendment. I would like to table it again myself. I think it is essential for us to insert in the reform of the regulations, specifically to point 10.5, the obligation for the European Parliament to abstain in any contribution which may concern it. I agree that these Rules of Procedure are a step forward, but I think the time has now come to ensure that the step forward is not just that, but does not at the same time place us in an awkward legal and regulatory position.

Some of the speakers have said that maybe in the future we will continue to work on the Rules of Procedure. I think you know that you cannot continue to perfect things at some vague point in the future. The time is now. If you leave this for the future, we will never obtain a concrete abstention of the European Parliament.

On the amendment of the objection raised by Germany on languages, working languages, which is in Article 9, I am very much in favour of including German as a working language, as long as you accept Spanish too. We are all Parliamentarians, we are all used to working in our own language. Why should we change, why should we change the status quo just because one delegation is insisting on its language being included, rather than anybody else's? I would agree for all community languages to be working languages, but I do not think that we should distort the current equilibrium in favour of one language or another. Particularly, during the Finnish Presidency, which has been excellent, my government has had huge problems in using a language which is not a working language, in some of the informal meetings of the Council of Ministers.

For all these reasons I would make my support dependent on the fact that in 10.5 it says that the European Parliament should abstain from voting on any matter in which it is involved.

Mr Achilleas KANTARTZIS, Greece: Before I refer to specific matters, I would like to make a general comment: what is the procedure we should apply to change the Rules of Procedure? Under the current Rules of COSAC, it clearly states that in order to take any decision, unanimity is necessary. Consequently, under the current Procedure it is only with a unanimous decision that any change can be made to the Rules of Procedure or any of its provisions. If we are going to use a majority, then we are infringing the current Rules of Procedure. That is my general comment.

And now to deal with the individual issues. I think that before we deal with these issues, we need to clarify the matter of the decision-making procedure for the Rules of Procedure. I repeat, if we use a majority decision procedure I personally will disagree. I will disagree, because it says "unanimity" at the moment. There are certain provisions on which we agree, for example the right of delegations of the applicant countries to speak at COSAC meetings, or another provision which refers to public meetings and also the setting up of working parties with, of course, the clarification that these working parties should not be able to play a decision-making role. They should only be part and parcel of the general COSAC meeting.

But where I disagree is the way in which decisions would be taken, which is already laid down in the current procedure. It says "delegations should be unanimous", rather than the unanimity in COSAC as a whole. What we are going to end up with this change in the Rules of Procedure? It will mean that the meeting will be turned into a Presidency meeting. They will express the governmental majority view, what will that mean? That will mean that the presence of the remaining members of COSAC is being downgraded. I repeat, therefore, that I disagree with the way in which decisions are going to be taken,

because you are calling for a majority decision. And there are other problems, such as with the Presidency meeting. Will that meeting be able to take decisions? I do not think it should. The current Rules of Procedures were entirely sufficient on that point as well. I repeat, if you want majority decision-making, I would disagree.

Mr. Esko AHO, Chairperson, Finland: Have I understood it right? Can everybody accept the compromise of the working group as a basis for our discussion?

Ms Nicole CATALA, France: All I would like to point out is that the procedure that is referred to in the proposed Rules of Procedure, although I understand the reasons for it, does seem a bit rigid. All proposals have to be considered beforehand by the meeting of the President and the Troika and this, I think, stands in the way of any spontaneous proposals that might otherwise spring from the COSAC meeting itself. As far as that is concerned, at least on a personal level, I think that is very unfortunate, because I think that as we discuss matters, it could happen that proposals might come forward, there might emerge proposals or texts, and I do not think that we should slam the door on the possibility of a spontaneous contribution in the future. I could mention, for example, the appeal that was made in Berlin in favour of citizens' participation in the election of the European Parliament or situations that call for urgent decisions. That might justify a declaration from COSAC without it having been prepared beforehand. I am not going to say this will be a stumbling block in agreeing to the proposed Rules today.

The French delegation would fully support the request that has been made during the preparatory meeting by Portugal and Denmark, which is now being reiterated by the Spanish delegation, to make an addition to Article 10. We would like it to be spelt out specifically in Article 10 with the addition of an additional sub-paragraph that the European Parliament shall abstain during a vote on a contribution if it is one of those receiving the contributions. We think it cannot be conceived that a Union institution that is actually to be receiving contributions adopted by COSAC be allowed to vote during any voting procedure on these contributions. You cannot be on both sides of an issue. And that is why, in the amendment, we support the Spanish delegation. We feel it is indispensable. The way that goes would determine how we are to vote.

Mr Willi STÄCHELE, Germany: It is very important that the exchange of information is improved at the same time that there is more transparency and the meaning of our meeting underlined. We are also happy about the applicant countries being tied in more strongly than before.

I regret that our application for the inclusion of the German language has not been agreed with. In 9.1 and 9.2, besides French and English, we would have liked to see German. This can be justified by the large number of German speakers in the EU countries. We will continue this, keep it on the agenda, and also to placate our Spanish colleagues, of course, we will agree with the compromise that has now been put forward.

Mr Michiel PATIJN, Netherlands: One thing puzzles me with the Rules of Procedure from the legal point of view. I was always under the impression that COSAC was a meeting of representative of national parliaments. I find myself a little bit puzzled by the fact that we are now having a row over the voting rights of the European Parliament. I can understand the sensitivity of it, but I do not think it should stop us adopting and concluding the Rules of Procedure. I have a specific question to my

colleagues of the European Parliament: why do they insist on having voting rights at all? Why would they insist on having voting rights at all in the meeting of representative of national parliaments? And I hope the European Parliament representatives can take away my puzzlement.

Second, I have a procedural proposal to make. First of all we accept your proposal for the draft regulations as they stand now, and we open the debate on the voting rights of the European Parliament, with or without any amendments, during our next meeting in Portugal. I assume that would be the most sensible thing to do. But I repeat my question: why does the European Parliament insist on having voting rights in this meeting at all?

Mr David MARTIN, European Parliament: This is not just a meeting of national parliaments and select committees, it is a meeting of national parliaments, select committees and the European Parliament. And that is what it has been since the beginning of COSAC. The European Parliament has been, since the beginning, a full and active member of COSAC. As far as I am aware, over the years that full participation has been welcome by the vast majority of the select committees of the national parliaments. What has changed, and I fully accept that this is a new situation, what has changed is the possibility of contributions provided for under the Amsterdam Treaty. That is why, unilaterally, the Parliament has been prepared to offer the declaration, which we would wish to be annexed to the Rules. What we do not want, because we do not want the sort of question we have just had to become the norm in future discussions, what we do not want is the Rules themselves to differentiate between the European Parliament and the national parliament. As far as we are concerned, we sit round this table as equals. We are very committed to the COSAC process. Without the work of the European Parliament the initial COSAC meetings would never have gone off the ground.

If I may, Chairman, reply to an earlier comment, I think it was the Greeks who asked if we could give further technical assistance. In fact, we discussed this at the Troika this morning. The European Parliament is looking into taking over the provision of a website for the European effort for COSAC, which would include minutes and other information about COSAC. We are also looking at making provision for the Rules of COSAC to be published through the official journal in all the languages of the Member States. So we are, of course, happy to make a contribution in many ways to the work of COSAC, and we are keen to remain full and active members in its work.

Mr Michiel PATIJN, Netherlands: I thank Mr Martin for his answer, but it does not satisfy us 100%. The reason is because I am one of the drafters of the Treaty of Amsterdam and when we drafted this particular protocol nobody in the room in Amsterdam imagined that if we invited the representatives of national parliaments to address itself to European institutions, representative of the European Parliament could veto it. So that brings me to repeating my request to the representative of the European Parliament to reconsider its position. To reconsider its position and that we continue the debate in Lisbon, and we adopt the Rules you have drafted so cleverly now.

Mr David MARTIN, European Parliament: Firstly, I think the protocol in Amsterdam shows the danger of drafting Treaties in the middle of the night, because it is not a particularly well-drafted protocol. But put that to one side. I am of course happy to go back to the European Parliament on the basis of what Mr Patijn has just raised. But in terms of today's debate, frankly, I have gone as far as I possibly can in terms of my mandate from the European Parliament in offering this declaration. I make

it clear - it is not a threat, just a simple statement. I cannot move any further. That is the reality of my position.

Ms Nicole CATALA, France: I would like to reply to Mr Martin. COSAC was created by the Presidents of the Parliaments of the European Union in Madrid in 1989. At its first meeting pursuant to the conclusions that were adopted by the Conference of Presidents, only the national parliaments participate in the work of COSAC. So it is an initiative taken by the national parliaments allowing it to exchange points of view of its national parliaments on matters of European importance, regardless of what the European Parliament may do elsewhere. It was in that spirit that COSAC was created. I know that subsequently the European Parliament has been invited to be associated in our work, but the original spirit that led to the creation in 1989 of COSAC was, as I put it, the meeting of representatives of national parliaments to deal with European issues.

Mr David MARTIN, European Parliament: I am really sorry, but that is so inaccurate I have to respond. I am unfortunately old enough to have been around in 1989 and a party to the discussions. It was Mr Enrico Barron of the European Parliament, responding to concerns of national parliaments that they were not engaged in the European procedure, that they first called the meeting of the Chairman of the national parliaments and then facilitated the first COSAC meeting.

Mr Esko AHO, Chairperson, Finland: I think it is time to finalise this work and to make conclusions. I thank you for all the comments you have made. I understand that we have agreed everything else, but paragraph 10.5. I think that now it is question of testing COSAC. If we are not able to make the Rules of Procedure, how can we influence the substance? I think it is completely impossible to imagine that we can have the role the Amsterdam Treaty is giving to us, if we are not able to make a new Rules of Procedure in a situation where we have agreed upon almost everything.

I understand that today we have only two ways to continue. First option is to say that we have not reached an agreement and to continue this process and to live with the old Rules of Procedure, which I think is not good for COSAC. The result of it can be that we are living without new rules for a very long period of time.

The second option is that we accept the original text from the working group amended by the declaration by the European Parliament concerning rule 10.5. I think that these are realistic alternatives today. As Chairman, I ask all the delegations to consider if it is really reasonable to leave this work now and to continue this process without knowing what is going to be the future, or to take this compromise and continue the discussion about the role of the European Parliament in this context. We are open to that discussion, on the Presidency's behalf at least.

So I am asking you now if there is any delegation opposing such a compromise package - the proposal made by the working group amended by the Declaration of the European Union, which we have got in written form on our tables.

Mr Guillermo MARTÍNEZ CASAN, Spain: Yes, Mr President. My delegation opposes it.

Mr Esko AHO, Chairperson, Finland: So this means that our work has not been successful. I have to say personally also that I am very, very disappointed. If that is going to be the result of everything I cannot see that in future we are able to reach an agreement, but that is the case.

Lord TORDOFF, United Kingdom: I have not spoken in this discussion, although I was an active participant in the working group. I really do say to our Spanish colleagues that it is a bit rich that we had a full day in Helsinki three weeks ago, really working very hard, and as I said at the time, under your inspired chairmanship, with the Spaniards not there. They now come breezing into the meeting and say "No. We are going to wreck the whole thing." And I do really beg of them to think about this, because if we can accept these Rules as they stand, it does put us in a position where it is possible to amend them in the future without the veto really having the powers it has today. It only needs one delegation to wreck the work of everybody else and I really do ask my Spanish colleagues if they can live with this until the next meeting when the new Rules will be in operation. If they want to come back to the question of the European Parliament, then well, so be it. We can make progress in all the other things for the moment. Otherwise, the whole of our efforts, a full day and most of this morning, are going to go down the pan, and that will be very sad.

Ms Nicole CATALA, France: COSAC has understood that the French delegation shares the position of the Spanish delegation at the outset, but I would like to propose a conciliatory solution. Could we not accept the preparatory work done for the new Rules of Procedure but suspend its adoption until Lisbon? So that this point, which divides us, i.e. the obligation for the European Parliament to abstain on matters pertaining to it, so that point can be discussed again between now and the next COSAC meeting, with a hope of an agreement over the next six months. We note the work done on the Revision of the Rules of Procedure. We are suggesting that the vote be postponed until Lisbon so that the points of view can mature.

Mr Michiel PATIJN, Netherlands: I would just reiterate my proposal to adopt your preparatory work as it is and explicitly decide that we are going to regulate the voting rights of the European Parliament as a matter of principle in Lisbon. I think that we can always amend then your regulation as proposed by the working group.

Mr Guillermo MARTÍNEZ CASAN, Spain: I think that this is a very tricky situation. Ms Catala's proposal picked up by Mr Patijn of the Dutch delegation is an intelligent proposal. I would accept it. I am happy to accept the conclusions of the working group as an important contribution as long as it is indicated that there are differences on Article 10.5 and that we will postpone the vote until the Lisbon meeting. In that way you would be giving the European Parliament delegation and Mr Martin time to discuss it with his colleagues of the European Parliament to see what the different possibilities might be to get out of this dead end. A dead end which nobody wants.

Mr Jacob BUKSTI, Denmark: I must say that I think this is very serious, this situation that has now emerged. I agree with Lord Tordoff that what we are looking at is a situation that is quite simply unacceptable. In the Danish delegation, for some time, we have been working towards this and we support this compromise. We need to make a decision now, otherwise there is no reasonable way of continuing with COSAC at all. I think we need to take a decision. When it comes to something so essential as the Rules of Procedure for COSAC, I think that if we cannot get that right there is no point in COSAC. It has no relevance. I think that there is no reason to continue, because we will not get

anywhere. I would like to say that either we have a vote now to change the rules, otherwise there is no other reason to carry on. It is totally unacceptable for us to participate in a working group where everybody stretches themselves to the limit and then come back and someone who did not participate, torpedoed our work and then this happens. If we put up with this it is going to be very hard for us in the Danish delegation to continue. We think it is unacceptable and we need an agreement now and finish with it.

Mr Antonio RUBERTI, Italy: I must say, having contributed to the work in a very committed way, I am very upset by this conclusion. In fact, the Amsterdam Treaty entered into force on 1 May and quite clearly there is a problem of coming into line with our Rules of Procedure. Well, we cannot postpone this. We cannot afford to postpone this. The Rules of Procedure that will allow us to act in the spirit of the Treaty that all of our Parliaments have now ratified. I do understand that for a number of delegations there is a delicate issue of relations with the European Parliament. We too have our concerns. Perhaps even greater concerns, which involve not just the voting procedure of documents sent to the European Parliament. This entire subject that has been specifically introduced into the Treaty, all calls upon us as national parliaments to act. But it strikes us that, in any event, there is this unchanging need to make it possible to implement the Treaty. It would seem, therefore, only reasonable to approve anything that will help us along that way for COSAC to work as a collective body of the national parliaments. This delicate matter remains open-ended and we can only hope that the European Parliament will reflect on this. In this offer that has been made of just entering this reserve, only that one clarification, is the bare minimum and I think it is going to be very difficult not to turn this declaration into an amendment. The fact that has been initially interpreted as holding up the Rules of Procedure, I think that is really where the problem is. What is at stake is the role of the national parliaments. And it is not possible for the European Parliament not to realise that in so doing it is making use of a sort of a veto, showing no flexibility towards COSAC, which in any event has stated that it is possible. I think that we all need to make an effort. It is in the interest of the national parliaments to approve anything on which we have already reached an agreement. I think we must put an end to this dispute with the European Parliament. We do not want to see this become more harsh, which is what would happen if we do not reach a compromise today. Speaking on behalf of the Italian delegation, we see this problem in very harsh and very general terms.

Mr David MARTIN, European Parliament: I really do regret that the meeting has taken such a turn, but just an initial response to my Italian colleague. The European Parliament sees the role of national parliaments in European Affairs as vital. And I think through the last 10-15 years we have played a very active part in trying to encourage national parliaments to be involved in European decision-making. I have been in the European Parliament for 15 years and I attended the first 3 or 4 COSAC meetings wearing a different hat, attending as a member of the Institutional Affairs Committee of the European Parliament. And the whole *raison d'être* of the European Parliament's involvement in COSAC was to make national parliaments more interested and more active in European Affairs. And going by the debate today, it looks that we have achieved that at least. We welcome that aspect of the debate.

I do not understand the nervousness or the tension that seems to be developing between the European Parliament and the select committees. The Declaration was intended as a major compromise in order to allow us to reach a decision today. And it almost appears to me, I do not want to inflame the situation, it almost appears to me today that some delegations are not prepared to accept the European Parliament at its word. We have asked that a Declaration be annexed to the Rules that says the

European Parliament will not vote on declarations addressed to that institution. I cannot see why that is, frankly, why that is not acceptable.

However, having said that, I would support the compromise that the Dutch have proposed. I think the idea that we should adopt the Rules today, and have a discussion, and I want to change the terminology of the Dutch, but have a *discussion* on the role of the European Parliament in COSAC in Lisbon is one that I found personally acceptable. It will also give me a chance to go back and consult with the Institutional Affairs Committee of the European Parliament and to come with a clearer mandate to the Lisbon meeting. But at the moment, the Declaration is something that I have drawn up on my own authority. It may already go beyond what the Parliament as a whole would have been prepared to accept, but I have done that. Frankly I cannot go any further. So in order not to lose the excellent work that the Finns have done, the Finns really have prepared this whole process in an outstanding manner, in order not to lose that, I hope we can accept the Rules today on the basis we will have a further discussion in Lisbon.

Lord TORDOFF, United Kingdom: To make progress can I make a suggestion to our Spanish and French colleagues that today they accept the text as it is in front of us with the annex from the European Parliament that they give notice that they will put down an amendment for the Lisbon COSAC, which will be debated then. That then gives the European Parliament notice that this is going to come up for further discussion. The discussion will then be around that particular point and not around the whole of the Rules. Isolating it in that sort of way, we are not going to bring the whole pack of cards tumbling down about our ears. So let me say again, what I would hope they can do is to say "yes, we will accept the Rules of Procedure as drawn up by the drafting group together with the compromise from the European Parliament, but it would be our intention at Lisbon to table an amendment on this particular point of 10.5".

Mr Esko AHO, Chairperson, Finland: I would like to formulate this idea coming out from this discussion. I see that we can solve this problem by accepting this proposal made by the working group, amended by the expression of the European Parliament and then accepting the decision that the Portuguese Presidency takes the responsibility of the work to clarify the role of the European Parliament in COSAC in order to reformulate paragraph 10.5.

Ms Nicole CATALA, France: I, as you, am trying to find some position to reconcile our views. Referring to the proposition made by the European Parliament to have an annexe statement, I would like this Declaration then to be worded along the lines of the wording of the amendment we have tabled with the Spaniards, and not with the wording proposed by the European Parliament. If this Declaration could be drafted as we have proposed it, in a form of an addition to Article 10.5, perhaps we could reconcile ourselves, too.

Mr David MARTIN, European Parliament: I was not 100% clear about what Ms Catala was proposing. Was she proposing that the following statement should replace our Declaration, the European Parliament should abstain on votes on contributions which are addressed to it. Is that all she wants annexed to the Rules?

Ms Nicole CATALA, France: I suggest that we write that the European Parliament will abstain during the vote on contributions that it will receive. If you do not think it be included in the body of the text, then as an annexe.

Mr David MARTIN, European Parliament: As an annexe, we are happy. In fact it is weaker than the existing position, so we would be delighted with that. Because that is already in the existing position plus a statement to say that we will act sensitively on contributions in general. So we can live with that.

Mr Esko AHO, Chairperson, Finland: Now I understand that we have two alternatives to solve this problem - on the basis of Mme Catala's proposal or on the basis of Mr Patijn's and Lord Tordoff's. My proposal is to accept now and to prepare a new formulation for paragraph 10.5. We have two alternatives, two options, and I think both are useful, positive ways to solve this problem.

Mr Guillermo MARTÍNEZ CASAÑ, Spain: I am really sorry that we have got to this point, but I am not sorry that the discussion has taken place. I think that the discussions are worthwhile and that the plenary of COSAC is the right place to have a discussion of this sort. Working parties are there to facilitate work, but the plenary is the place where decisions are taken. I recognise and I can say this to Mr Martin, I grant you that the European Parliament has played a very important role from the outset of COSAC.

I also think the representative of the European Parliament should equally recognise the situation has changed now. Amsterdam has completely changed things as far as the role of the national parliaments is concerned. The national parliaments now have very great responsibility in this matter and matters which concern them. That is why I started this whole discussion in the first place. I think that we have to ask ourselves what is the role of COSAC and what is the equilibrium to be struck within COSAC.

After Amsterdam what we need is a discussion on the role of the European Parliament, which has been so useful until now and I hope it will continue to be so, but it has to play its role under completely different rules. We are not talking about the same thing when we are talking about the national parliaments before and after Amsterdam, and COSAC before Amsterdam and COSAC after Amsterdam. It may well be that Protocol 13 is not clear enough. I will be the first to recognise that. But at the moment it certainly contradicts COSAC's Rules of Procedure and it obviously contradicts the proposal for the Rules of Procedure that we are going to adopt. Legally speaking it is an aberration.

Having said all this I do not want to cause bad blood here. I am simply asking my colleagues to try to understand what we are committing ourselves to here. I would be happy to accept the compromise which has been put forward by both sides, and I will abstain. I will abstain during the vote. That is a useful way of doing things in the process of the European construction, as long as the footnote which Ms Catala has proposed will lead to a compromise. It is not a question of rejecting anybody or putting anybody down.

The European Parliament is a Parliament like any other, but every Parliament has a completely different role in the process of the European construction and that is something that everybody needs

to recognise. I think that this is a debate that we should be capable of tackling, we should be capable of solving this ourselves in as brief a period as possible. Therefore, I am happy to abstain on behalf of the Spanish delegation as long as we end up with an undertaking to fundamentally revise the role of the European Parliament within COSAC after the reform in the Treaty of Amsterdam.

Mr Esko AHO, Chairperson, Finland: Now I understand that we are ready to make the final decision on the basis of Mme Catala's proposal - we accept the proposal of the working group, amended by a declaration in which the European Parliament shall abstain in the vote of any contribution which is also addressed to it. In that case I understand that the Spanish delegation will abstain, but has no objection.

Mr Guillermo MARTÍNEZ CASAN, Spain: Yes, as long as we undertake to revise during the Portuguese Presidency at the Lisbon meeting, as long as we undertake to revise the role of the European Parliament in COSAC.

Mr David MARTIN, European Parliament: I do not want to hold up agreement and I do not want to sound pedantic, but what we are agreeing to in Lisbon is to examine the role of the European Parliament, we are not prejudging a discussion.

Mr Esko AHO, Chairperson, Finland: It is very clear that is going to be the case. I understand that the Rules of Procedure have been adopted as they are in the Working Group proposal. At the same time we have accepted this declaration and also the idea of making such preparatory work for the Lisbon Conference to examine the role of the European Parliament in order to make changes to paragraph 10.5. That is accepted.

I would like, first of all, to thank you very much for your very interesting and lively discussion and also for the fact that we made an important decision on the Rules of Procedure unanimously.

Lunch

Mr Esko AHO, Chairperson, Finland: I would like to briefly return to the decision we just made on the new Rules of Procedure. The Troika, this morning, decided to take practical measures to ensure that the Rules are not just in the two official languages, but also in the other official languages in authorised versions, and to take measures to publish the Rules of Procedure. Without me going into more detail can we just accept that these measures, the translation and the publication, can be left to the Troika? I take it that that procedure is accepted and that is what we will do.

The final item is to consider the communiqué. You have received the draft accepted in the Troika meeting this morning and a lot of the amendments have been put down including amendments proposed by Germany, a second proposal by the Netherlands, three proposals from Italy, the French proposal which affects almost all of the paragraphs in the communiqué, and then finally some joint proposal by

the candidate countries. Knowing our practice, I am rather sceptical about us being able to consider the communiqué in the time available to be able to reflect fully the views put forward in this meeting.

Mr Peter SCHIEDER, Austria: I would only like to ask you to deal only with two amendments, which are represented in accordance with our Rules and are here in English and French, in both languages. All amendments just in one language should not be dealt with at all, because they are not in accordance with the Rules.

Mr Esko AHO, Chairperson, Finland: I would like to return to the question of the communiqué. My proposal is that we do not begin to start to consider the details of the text on the amendments, because that would take so much time that I do not think it is appropriate for the meeting. I would like to ask if we, the country holding the Presidency, could make a brief communiqué mentioning the items discussed at the conference and it could be submitted in the name of the Presidency.

Ms Nicole CATALA, France: Your proposal, basically, is to say that the draft communiqué presented by the Troika is adopted? Do we deem that adopted? I did not quite understand. The number of proposed amendments, there is a new draft version that is also proposed? So what are we going to discuss before you go to meet the press?

Mr Esko AHO, Chairperson, Finland: Maybe I will repeat my proposal in English so that I will be understood, completely understood. My proposal is that, because we have so many amendments and proposals concerning the communiqué it will take a lot of time to finalise the text. I think it is not going to be reasonable in this situation and within this timetable - that is why I propose that we will use the old traditional way of doing things. It means that we will not have any final document, any communiqué, but the Presidency will prepare a press release which will be published in the name of the Presidency - not in the name of the Conference - in the name of the Presidency. And in that way we are able to tell what kind of issues we have been discussing and what kind of discussions we have had. That happens in the name of the Presidency and the Presidency is responsible for the text.

Mr Loukas APOSTOLIDIS, Greece: The Presidency's proposal is, I think, the right one. Apart from the text, which we have from the Troika, I think that the comments from the other colleagues refer to the issues which we have been dealing with over the last two days. I think that is the right proposal. The best result of COSAC was the issue that we closed on just before lunch, i.e. the Rules of Procedure. I think that this is a good contribution to a press release by the Presidency and then we will just call it a day.

Mr Esko AHO, Chairperson, Finland: I interpret it in such a way that the Conference is of the opinion that we do not give a separate communiqué, rather the Presidency- in-office in its own name gives a press release, where it explains the content of the meeting and the debate we had. That is what we shall do.

Mr Carlos ENCARNACÃO, Portugal: In the light of what we have already agreed, the next COSAC will be on 29 - 30 May 2000. We have not got an agenda yet, but we would suggest that the delegations send us their contributions for the agenda or anything else that they would like to send us. Please do so by the end of 1999 so that we can prepare accordingly. We would also suggest that we hold a Troika

meeting in January some time. Suggestions have already been made but we are still waiting for them to be put into writing. The IGC is an important point, for example, and the role of the European Parliament. Other contributions will clearly add to the agenda. We would be happy to take them on board. The European Affairs Committee of the Portuguese Parliament, the composition of which we do not yet know, because we have just had Parliamentary elections, but that Committee will endeavour to prepare the COSAC meeting in May 2000, with your assistance.

Mr Esko AHO, Chairperson, Finland: We are grateful to accept the invitation to the next meeting in Lisbon. On behalf of the Finnish delegation and the Finnish hosts, I would like to thank all those that participated in this COSAC meeting. This has been, as I see it, an important meeting, not least because we have been able to agree on the Revision of the Rules of Procedure of COSAC, which enables COSAC in future to have a more significant role in the decision-making of the European Union and in shaping and formulating the politics of the European Union. I would also like to thank you for your active participation. There have been about 100 speeches and interventions during the meeting. It has been a lively debate, but it has also stuck to the topics that we have decided upon in advance and I have found it efficient and beneficial.

Finally, I would like to wish you a good journey home and I declare this meeting closed. I wish you a good start to the new millennium. Thank you very much.

Rules of Procedure of the Conference of Community and European Affairs Committees of Parliaments of the European Union

The present Rules of Procedure are designed to facilitate and improve the work of the Conference of Community and European Affairs Committees of Parliaments of the European Union, hereinafter referred to as COSAC, established in Paris 16-17 November 1989.

COSAC enables a regular exchange of views, without prejudicing the competences of the parliamentary bodies of the European Union. The Protocol on the Role of National Parliaments in the European Union to the Amsterdam Treaty amending the Treaty on the European Union, the Treaties establishing the European Communities and certain related acts, empowers COSAC to make any contribution it deems appropriate for the attention of the institutions of the European Union and to examine Union legislative activities, proposals and initiatives. Contributions made by COSAC shall in no way bind national parliaments or prejudice their position.

These Rules of Procedure are adopted in the XXI COSAC of Helsinki on 11 and 12 October 1999. They replace the rules elaborated on 6 and 7 May 1991 in the IV COSAC of Luxembourg, adopted on 4 and 5 November 1991 in the V COSAC of The Hague and modified on 9 and 10 May 1994 in the X COSAC of Athens and on 24 and 25 June 1996 in the XIV COSAC of Rome.

1. FREQUENCY AND DATES OF MEETINGS

1.1 Ordinary meetings

One ordinary meeting of COSAC shall be held during each Presidency of the Council of the European Union taking account of different parliamentary

practices of Member States, of election periods and of the dates of public holidays in Member States. The date of the next meeting shall be fixed and announced by the date of the preceding meeting at the latest.

1.2 Extraordinary meetings

Extraordinary meetings of COSAC shall be held, if deemed necessary, by an absolute majority of the Chairpersons of the European Affairs Committees of the national Parliaments and of the appropriate body of the European Parliament.

1.3 Preparatory meetings of the Chairpersons

A preparatory meeting of the Chairpersons of the European Affairs Committees and of the representative of the European Parliament shall be held prior to meetings of COSAC, if proposed by the Parliament of the Member State holding the Presidency, after consulting the Presidential Troika. The Presidential Troika of COSAC consists of the Presidency, the preceding Presidency, the next Presidency, and the European Parliament .

1.4 Extraordinary meetings of the Chairpersons

Extraordinary meetings of the Chairpersons of the European Affairs Committees and the appropriate body of the European Parliament shall be held, if proposed, by the Presidency, after consulting the Presidential Troika, or, if deemed necessary, by an absolute majority of the Chairpersons of the European Affairs Committees of the national Parliaments and of the appropriate body of the European Parliament.

1.5 Working groups

COSAC may decide to set up a working group to study a particular issue linked with the activities of the European Union. Such a working group shall also be set up, if deemed necessary, by an absolute majority of the Chairpersons of the European Affairs Committees of the national Parliaments and of the appropriate body of the European Parliament. The Chairperson of the European Affairs Committee of the Parliament of the Member State holding the Presidency shall act as the Chairperson of the working group. The Secretariat of the Parliament of the Member State holding the Presidency shall provide secretariat for the working group.

2. PLACE OF MEETINGS

Meetings shall take place in the Member State holding the Presidency, although extraordinary meetings, meetings of the Chairpersons and of Working Groups may be held elsewhere.

3. DURATION OF MEETINGS

The duration of ordinary and extraordinary meetings of COSAC shall be one and a half days

4. COMPOSITION

4.1 Ordinary and extraordinary meetings

Each National Parliament shall be represented by a maximum of six members of its European Affairs Committee(s). The European Parliament shall be represented by six Members. Each Parliament shall determine the composition of its own delegation.

4.2 Observers from the Parliaments of applicant countries

Three observers from the Parliaments of each applicant country shall be invited to ordinary meetings, and may be invited to extraordinary meetings, provided that the European Union has officially opened discussions and/or negotiations aimed at accession with the country concerned and that the Parliament concerned has made an official request to participate in COSAC. These observers shall have the right to participate in debates on specific items on the agenda determined by the meeting.

4.3 Other observers, specialists and special guests

The Presidency shall invite observers from the General Secretariat of the Council of the European Union and the European Commission, and it may invite observers from the embassies of the Member States of the European Union, and, after consulting the Presidential Troika, specialists and special guests.

4.4 Public access to meetings

Meetings of COSAC shall be public, unless otherwise determined.

5. CONVOCATION

Ordinary meetings and meetings of the Chairpersons and of Working Groups shall be convened by the Secretariat of the Parliament of the Member State holding the Presidency.

Extraordinary meetings shall be convened by the Secretariat of the Parliament of the Member State where the meeting takes place.

6. DESIGNATION OF MEETINGS

The designation of ordinary and extraordinary meetings shall be "Conference of the European Affairs Committees (of the European Union's National Parliaments of the Member States and the European Parliament) - COSAC" - with the name preceded by the number of the meeting in sequence, followed by the date and place of the meeting.

7. AGENDA

7.1 Before the last ordinary meeting of each year the delegations will indicate the subjects they propose to be dealt with the following year. This matter shall be discussed at the end of the meeting. The Presidential Troika, paying due account to the provisions of Part II of the Protocol to the Amsterdam Treaty on the Role of National Parliaments in the European Union, proposes, at the beginning of each Presidency, one or several subjects drawn from the working programme of the Council of the European Union, the European Parliament, and the European Commission, or from proposals made during the meeting referred to above.

7.2 A draft agenda shall be drawn up by the Chairperson of the European Affairs Committee of the host Parliament, after consulting Chairpersons of the European Affairs Committees and the representative of the European Parliament. National delegations may propose to the Presidency that a specific item is put on the agenda.

7.3 The meeting itself shall decide on its final agenda.

8. PREPARATION OF MEETINGS

8.1 The national delegations may send documents relating to items on the agenda to the Secretariat of the host Parliament.

8.2 The national delegation of the Member State holding the Presidency may draw up discussion documents for the Conference.

9. LANGUAGES

9.1 Each delegation is responsible for translating any document which it submits into English or French.

9.2 Participating Parliaments will receive conference documents in English or French. Each Parliament is responsible for translation into its national language.

9.3 Simultaneous translation is provided into the official languages of the EU in the meetings.

9.4 The contributions of COSAC are drawn up in a single original in English and French, each of these texts being equally authentic.

10. COSAC CONTRIBUTIONS

10.1 COSAC may address contributions to the institutions of the European Union pursuant to the Amsterdam Treaty Protocol on the Role of National Parliaments in the European Union.

10.2 Each national delegation may propose that a contribution is adopted by COSAC. A draft contribution shall be drawn up if proposed by the Presidency, after consulting the Presidential Troika, or if deemed necessary by an absolute majority of the Chairpersons of the European Affairs Committees of the national Parliaments and of the appropriate body of the European Parliament, or if decided in a meeting of COSAC.

10.3 The draft of a contribution shall be communicated to the delegations in good time before the relevant meeting of COSAC to avail them with a reasonable period for scrutiny and remarks.

10.4 The final draft of a contribution shall be prepared at the preparatory meeting of the Chairpersons preceding the relevant meeting of COSAC. It shall embrace the observations and remarks by all delegations, including possible declarations concerning the vote.

10.5 Adoption of the contribution requires unanimity between the delegations present at the meeting. Abstentions by delegations shall not prevent the adoption of the contribution.

11. ROLE OF THE PRESIDENCY

11.1 The European Affairs Committee of the Member State holding the Presidency of the Council of the European Union shall hold the Presidency of COSAC during that Presidency.

11.2 The Secretariat of the host Parliament shall prepare the documents for the meeting.

11.3 The Chairperson of the European Affairs Committee of the host Parliament shall open the debate.

11.4 The Chairperson of the European Affairs Committee of the host Parliament shall propose a timetable for the meeting and the length of speeches which shall be four minutes, unless the meeting determines otherwise.

11.5 The Secretariat of the host Parliament shall draw up brief minutes of the meeting.

11.6 The Chairperson of the European Affairs Committee of the host Parliament shall present the debate's conclusions, as drawn up by the Presidential Troika.

11.7 The Secretariat of the Parliament holding the Presidency shall provide secretariat for the activities of COSAC during its term. The Secretariats of national Parliaments and of the European Parliament shall provide assistance.

12. DEBATE CONCLUSION

If the meeting decides to issue a communiqué, a draft, annexed with possible contributions adopted, is drawn up by the Presidential Troika.

13. RECIPIENTS OF COMMUNIQUÉS

Communiqués are sent to the Parliaments of the Member States and the European Parliament, to the Council of the European Union, and to the European Commission by the Secretariat of the host Parliament.

14. REVISION OF THE RULES OF PROCEDURE

14.1 Proposals for a revision of the Rules of Procedure must be sent, in writing, from one or several delegations of one or several Parliaments to all national Parliaments of the Member States and to the European Parliament, at least one month before the meeting of COSAC.

14.2 Any proposals for a revision of the rules should be put on the agenda of the first meeting of COSAC following the presentation of the proposal.

14.3 Adoption of the proposal requires unanimity between the delegations present at the meeting. Abstentions by delegations shall not prevent the adoption of the proposal.

15. ENTRY INTO FORCE

These Rules of Procedure shall enter into force on 1 January 2000. They are drawn up in a single original in English and French, each of these texts being equally authentic.

The text of these Rules of Procedure shall, for the authentication thereof, be drawn up in Danish, Dutch, Finnish, German, Greek, Italian, Portuguese, Spanish, and Swedish. The translations shall be agreed between the national Parliaments using those languages and the European Parliament. In any question relating to the interpretation of these Rules only the English and French versions shall have official status.

ANNEX

Declaration by the European Parliament on Rule 10.5 of the Rules of Procedure

The European Parliament shall abstain in the vote of a contribution which is also addressed to it.

PRESS RELEASE

THE CONFERENCE OF THE EUROPEAN AFFAIRS COMMITTEES OF THE PARLIAMENTS OF THE EUROPEAN UNION (COSAC) IN HELSINKI ON 10 - 12 OCTOBER 1999

The Conference of the European Affairs Committees of the Parliaments of the European Union (COSAC) convened to its XXI meeting in Helsinki on 10 - 12 October 1999. In the meeting participated delegations from all National Parliaments of the EU member states and from the European Parliament. Delegations from Parliaments of the CIE applicant countries and from Cyprus and Malta participated in the meeting as observers.

COSAC discussed realisation of the EU Area of Freedom, Security and Justice on the introduction by Mr. Paavo LIPPONEN, Prime-minister of Finland, on the preparations of the Tampere extraordinary European Council. The lively and lengthy debate was commentated by Messrs. Kari HÄKÄMIES, the Finnish Minister of INTERIOR AFFAIRS, and Johannes KOSKINEN, the Finnish Minister of Justice.

COSAC debated on the economic and financial implications of the EU enlargement on the introduction by Ms. Suvi-Anne SIIMES; the Finnish Minister responsible on fiscal affairs and the EU budget. Open and thorough parliamentary dialogue between the EU parliamentarians and the applicant country parliamentarians was commentated by Mr. Erkki LIIKANEN, Member of the European Commission.

COSAC was informed on the state of the relations between the EU and Russia by Ms. Tarja HALONEN; the Finnish Minister of Foreign Affairs. The commitment of the EU to promote democratic development and economic transition in Russia and concern over the recent developments in the Northern Caucasus was expressed by various speakers.

The COSAC meeting adopted revised Rules of Procedure of COSAC. They enable COSAC to fulfil the tasks entrusted to it by the Amsterdam Treaty Protocol on the Role of National Parliaments in the European Union and to face with the new challenges of the developing European construction. It was agreed that the position of the European Parliament within the COSAC cooperation will be studied during the Portuguese EU Presidency.