Hearing of Mr Verheugen

1. In the chair: Elmar Brok

The chairman – (DE) Ladies and Gentlemen, I am pleased to welcome you to this meeting and I am also pleased that we have been joined by a delegation from the Agriculture Committee, led by Mr Graefe zu Baringdorf.

We are today conducting our first hearing as the Foreign Affairs Committee, with the Commissioner-designate for enlargement. This is, I think, an important task, as enlargement is a subject which will take up a huge amount of the European Union’s time over the next few years. There is one point in particular I should like to make today: we are discussing the confirmation of a commissioner-designate for the enlargement of the EU to include Central and Eastern European countries precisely 60 years to the day since the Second World War broke out. I think this is symbolic of the amount of progress we have made in Europe over the past few decades by developing European unity, to the extent that something like this has even become conceivable.

I take the view that the enlargement of the European Union will help complete the task of banishing the spectres of the past forever. I believe that we should conduct this hearing with this in mind. And I should therefore like to ask my colleague, Baroness Nicholson, to take the chair, as she will be conducting today’s hearing.

2. In the chair: Lady Nicholson Of Winterbourne

(The chairman explained the purpose of the meeting. She described the procedure to be followed and welcomed the commissioner-designate)

Verheugen, Commissioner-designate. - (DE) Madam Chairman, Ladies and Gentlemen, being here today, on 1 September 1999, 60 years to the day since the outbreak of the Second World War following Germany’s attack on Poland, to discuss the enlargement of the European Union gives us an opportunity to start with the fundamental question of what this is all about. What is actually the purpose of this enlargement? What exactly do we want to achieve? Are we merely discussing an enlargement process, the like of which we have seen several times in the past, or is there more to it than that? I believe we are discussing something that has a wider significance.

We are actually talking about the opportunity to complete the process of uniting Europe, about creating a situation that is in fact unprecedented in the history of Europe. We are talking about a project that could change our continent completely and perhaps give it its definitive appearance. For me, completing the process of uniting Europe is the task that has fallen to my generation of politicians, and one that we must complete. For me, the European idea, the idea of a united Europe, represents the sum of all the historical events that have we have lived through this century. What I want to achieve and help bring about is a situation where all the peoples of Europe, big and small, those history has treated well and those it has not, can live together without fear. I would like to see Europe pool all its strengths and capabilities so that all Europeans can enjoy the same level of peace, freedom, justice and equal opportunities.

The current EU enlargement process is opening a window of opportunity that will not be quick to reopen. The end of the Cold War has given us an incredible opportunity. European integration
policy can now assume a pan-European dimension. We would be guilty of a dreadful failure if we were not bold enough to seize this opportunity.

I believe that enlargement of the European Union will bring benefits for all those involved. It will yield an unprecedented level of security and stability in Europe. The Kosovo crisis, and all the crises in the Balkans since 1989, have of course shown that peace and stability in Europe cannot yet be taken for granted. Peace and stability in a united Europe will open up new and undreamt-of opportunities for people. Increasing economic strength will mean increasing prosperity for everyone, and a politically united, economically strong Europe will be able to act out its role on the world stage and make its contribution to resolving global crises. I intend to be guided in this task by a number of principles, which I am now going to describe briefly.

Firstly, I want the European Union to be capable of admitting those countries of Europe that wish to become members, and of doing so as quickly as possible. I want to see those countries achieve their aim as quickly as possible. I do not see my job as being to put up obstacles but as being to help applicant countries overcome the hurdles they face. I would add, however, that this cannot be done by concealing problems or blurring the issues but only by being frank about them and tackling them boldly.

Secondly, the EU enlargement project cannot be completed without the consent of those peoples who are already part of the European Union. We know that far from everyone is enthusiastic. For there are also fears and worries that we must take seriously. We must therefore steer and conduct this enlargement process correctly. We must be meticulous and can say we have finished our work only when we are sure that we are able to deal with the political, economic and social consequences on both sides.

Thirdly, rapid accession and a meticulous approach are not conflicting objectives. We need to find the right balance. The applicant countries and some existing Member States expect rapid accession. In order that the EU does not choke as a result of this enlargement, the conditions have to be right. Too rapid an enlargement would jeopardise the European idea in the Member States. Too slow an enlargement process, and the applicant countries could run out of steam. The pragmatic approach is to proceed as quickly as possible but as thoroughly as necessary.

In the enlargement process, the Commission has to ensure that the rules are adhered to. It must act to prevent both reckless exuberance and the deliberate dragging of feet. We must also persist in making access to the European Union dependent on the fulfilment of firmly established criteria that cannot be relaxed. We must also continue to ensure that new Member States are placed on an equal footing from the very beginning, with all the same rights and obligations as the other, existing Member States. Transitional arrangements are like an addictive sweetener and should be enjoyed in moderation. If used excessively, they create second-class Member States and destroy the idea of unity. In some policy areas, transitional arrangements will be indispensable. Applicant countries will demand them, and so will Member States. I will grant them sparingly, because I would not like the reassuring prospect of transitional arrangements to impede the necessary reforms on either side.

Thought can and must now be given to target dates and timetables. Decisions cannot be made here and now. I take the view that target dates will be useful for sustaining reform-mindedness in the applicant countries and ensuring that national self-interest on the part of Member States does not prevail. Timetables for those who have not yet been included in the negotiation process may have a similar effect, but I wish to make it perfectly clear that target dates and deadlines
must be realistic. Nothing could be more dangerous than dashed hopes. Consequently, we can set target dates and draw up timetables only when the next batch of progress reports have been analysed and we have once again scrutinised the results of the current negotiation process closely.

Overall responsibility for determining the pace of the enlargement process rests with the applicant countries themselves. Everything depends on the progress they make. I intend to ensure that all applicant countries continue to be measured by the actual progress they make. The slowest ship should not be allowed to set the pace for the whole convoy.

The appropriations made available for enlargement in the financial perspective are adequate. But I would question whether the applicant countries are capable of absorbing them. I will organise my department in such a way as to ensure that those funds are used exactly as intended and effectively. I will also take full political responsibility for ensuring that this happens. In order to ensure that the European Union itself is capable of coping with enlargement, it is necessary not only to adhere to the financial perspective but also to ensure that the Union will be able to function after enlargement. This is an aspect that will be addressed by the intergovernmental conference which the Cologne European Council decided would be held next year. The Commission will make its own proposals regarding institutional reforms.

I just want to say that, as I see it, the minimum that must be achieved is that the European Union is ready for enlargement in 2002, as promised. This does not mean that accessions must take place in that year. But we want to be ready in 2002, and that means that the institutional reforms needed to ensure that the Union can continue to function, and take decisions, in the post-2002 period must be in place in 2002. The Enlargement Unit has deliberately not been organised as a Directorate-General. I did not want it to be. I would not wish to create any permanent bureaucratic structures for a task that is by nature temporary.

Naturally, the department is headed by a Director-General. In fact there are two at present! The department has a typical multidisciplinary remit. All Directorates-General have to contribute to its work, and I need to cooperate with all fellow Members of the Commission. I will spend a great deal of time and energy on keeping the public in the Member States informed of developments in the enlargement process and on canvassing their support. I will also be an unbiased interlocutor for social groups who see enlargement not only as presenting opportunities but also as posing risks.

In particular, however, I should like to influence public opinion in the applicant countries in order to ensure that society there is able to support the reforms and adjustments, some of which are going to be painful.

My last point, which I have deliberately left until last, is that I will seek close cooperation with the European Parliament and strictly respect Parliament’s rights. Since becoming politically active more than thirty years ago, I have worked to build a democratic Europe. For me, that means a Europe with a strong Parliament. I therefore do not mind if Parliament exercises its rights in full. I will do all I can to ensure that you are able to do so. I will be at your disposal if you need me, and I intend to go beyond what is required of me and am prepared to provide the political groups, committees and delegations with background information that cannot be presented at big public meetings, especially where negotiation processes are involved. And I am not doing this to curry favour with you, but because it is in my own interests to do so. This
whole project would be in vain if, in the end, Parliament came to the conclusion that it could not accept the proposed route to enlargement.

(Applause)

Oostlander (PPE). – (NL) Many aspects of your written replies are positive, Mr Verheugen, but there is one important page that I find somewhat disappointing. I would like to ask you to expand a little upon the reply you gave on page 9 concerning institutional reforms, which is in fact rather sketchy. You refer to minimum reforms and the possibility of examining whether they go far enough. I think that many of us, including members of the previous Commission and Parliament, do indeed know what must be done, especially as regards the reform of management committees, in order to ensure that, in institutional terms, Europe is in fact able to cope with further enlargement. You also expressed your concern that institutional reform could delay enlargement, when it is in fact institutional reform that will make enlargement possible. I would like to ask you to be more specific on these points, especially as you point out that you will consider Parliament’s views on enlargement carefully. I think this is not enough for Parliament.

Verheugen, Commissioner designate. – (DE) Thank you very much for this question. I agree that I need to expand upon my reply. As the German government minister responsible for European affairs during the German Presidency, I made the preparations for the Cologne Summit and consulted all the Member States on the forthcoming intergovernmental conference. Let me first tell you what the outcome of that work was. It was that, at the present time, the Member States are not prepared to contemplate more far-reaching institutional reform of the Union’s institutions, that is to say any more far-reaching than provided for in the mandate adopted by the European Council in Cologne.

It is this mandate that I described as the minimum, i.e. the minimum we need in order to be able to cope with enlargement. As you are all aware, it is about extending the scope of qualified-majority voting in the Council. I am convinced this is the right thing to do. This involves the weighting of votes, which is an extraordinarily complex business that arouses a great many national sensitivities, and concerns the issue of increasing the size of the Commission to more than 20 members.

At Cologne, we inserted an enabling clause, making it possible to include other important institutional issues in the Intergovernmental Conference. This is the somewhat cryptically worded fourth point in the mandate adopted by the European Council in Cologne.

As you know, the current Commission has announced, through its President, that it would like to see a more broadly based approach to institutional reform, that is to say in line with what you said in your question. The Commission will be advised on such matters by three eminent European figures, namely the former President of the Federal Republic, Mr von Weizsäcker, the former Prime Minister of Belgium, Mr de Haene, and Lord Simon from the United Kingdom. On the basis of the recommendations they make, the Commission will then draw up its position, and I assume that it will make proposals that go beyond the minimum specified at Cologne.

I am not able to predict at this point in time whether the Member States will be prepared to go any further at the Intergovernmental Conference, following the Helsinki Summit. It would please me if they were. But I would like to say again, quite clearly, that we cannot consider any process of institutional reform which would mean that we are not capable of coping with enlargement by the time we told the applicant countries we would be. We must therefore make
sure that, at all events, however the process is organised, the minimum requirements I have described for being able to cope with enlargement in terms of institutional reform have already been met. The Intergovernmental Conference must therefore have been completed by the end of next year.

**Sakellariou (PSE). – (DE)** Mr Verheugen, the Treaty of Amsterdam provides for further development of the common foreign and security policy, moving away from intergovernmental cooperation towards a genuine common policy with greater opportunities for adopting majority decisions. This road is meant to result in a situation where the European Union not only has a common defence policy but also a common defence. Would you, both as a member of the European Commission and personally, out of conviction, help to ensure that Community policy evolves in such a way? In particular, would you be prepared to support the idea of forming a common European army that is independent of NATO structures?

**Verheugen, Commissioner-designate. – (DE)** I firmly believe that the Common Foreign And Security Policy is the area of European integration in which the greatest amount of consolidation remains to be achieved. In actual fact, I believe that an increasingly integrated Europe must also be an active key player on the international stage, i.e. a global player, and so must have the relevant capabilities in the field of foreign policy. I also firmly believe that the European Union has a responsibility for security in Europe itself and must be in a position to implement peacekeeping and peacemaking measures.

I am not of the opinion that the European Union, in its present structure, is in a position or should even hope to take on the task of collective defence as part of European integration. The situation in the Member States excludes such a scenario anyway, bearing in mind that we also have neutral Member States. It would also be wrong to make collective defence part of European integration because we would then have dual structures in Europe and because we would run the risk of splitting away from the United States of America on security, which I would consider to be a fatal mistake. I therefore believe that the route we took in Cologne, which is to be continued in Helsinki, is the right one. We are creating the capacities in Europe that we need to take on security tasks ourselves, either with or without the support of NATO, in terms of crisis- and conflict-management in Europe. And to do this, we also need the appropriate instruments.

I should like to draw your attention, Mr Sakellariou, to a very important result achieved at the most recent Franco-German summit in Toulouse: the two governments agreed to develop the Eurocorps as the nucleus of a European crisis-and conflict-management force. This is an idea for which there is support in a number of Member States.

As regards decision-making processes, you are aware that the Common Foreign and Security Policy is central to the sovereignty of a number of Member States. At present, there are quite a few Member States that are not prepared under any circumstances to give up such a key part of their sovereignty, or, on principle, to accept majority-voting procedures in this area. We therefore have a system which makes it possible for EU Member States to take action even when some Member States do not wish to take part in that action. We have a system that allows us to use NATO facilities or to do without such facilities. I think that we should first accumulate experience with that system and examine whether the Member States are prepared to create the necessary structural conditions for joint European participation.
Haarder (ELDR). – (DA) Mr Verheugen, in answer to question No 26 you say quite clearly and unambiguously that the new Member States must accept all of the EU’s rules, and then you add: “This includes the right to purchase real estate.” You have therefore categorically stated that all the new countries must accept that the right to purchase real estate applies to all the Union’s citizens. I would like to ask you why you say this categorically since you must be aware that this is a very difficult question for the Czech Republic in particular because of the country’s history. And when a very poor country suddenly allows very rich people to buy land, land prices rise, and that is what people are afraid of. So I do not need to say any more. I would therefore like to ask you, Mr Verheugen, whether you are totally inflexible with regard to showing consideration to the need of the countries of Central and Eastern Europe, for a period at least, to reserve for their own citizens the right to purchase real estate?

Verheugen, Commissioner-designate. - (DE) Mr Haarder, you may always expect me to show an understanding of the problems of the countries of Eastern and Central Europe, especially the Czech Republic, with which I have particularly close ties, and also Poland. However, I must point out to you that the four freedoms in the internal market are a key part of the *acquis* concerned. And this therefore also includes the free movement of capital. We have chosen an accession strategy that does not allow us to withhold rights from new Member States, and we have chosen an accession strategy that does not allow Member States not to assume certain obligations. That is why we have an accession strategy aimed at ensuring that the new Member States have incorporated the entire *acquis* by the time of their accession.

I must also point out to you that the issue of purchasing land in the countries of Central and Eastern Europe cannot be viewed solely from a historical perspective, which is admittedly a key factor especially in relations between these countries and Germany and Austria. It must also be viewed in the context of the ability to invest there. I know from my own experience with development policies in the East German Länder that land ownership issues play a key part in determining the level of investment. How are we going to close the divide that exists in terms of prosperity levels in Europe if it is not possible to get people to invest heavily in those countries? I believe that we still need to discuss this subject in detail with Poland and the Czech Republic. I am familiar with the problem, for instance the fear that exists in Poland or the Czech Republic that their countries’ assets might be sold off. I believe that it might be possible to find a solution. But that solution cannot be one that abandons the principle of free movement of capital, nor can it be one that provides for extremely long transitional periods.

Cohn-Bendit (V/ALE). - (DE) Mr Verheugen, listening to you and reading what you have written, I get the impression that you are still somewhere between Federal Government minister and Commissioner. It is not yet clear whether you have actually quite internalised the way the Commission sees itself vis-à-vis the government, that is to say the Council, basically. Sometimes the person I hear speaking is the man responsible for brokering compromises during the German Presidency, and sometimes it is the man who is already intent on taking up certain positions for the Commission. Could you explain to us by way of an example, perhaps Turkey, how you perceive your role as a Commissioner, that is to say as a representative of the Commission in dealings with the Council? In your opinion, does the Commission possess an independence which could lead to conflicts with the Council and Parliament? How would you define this position? To return to the example of Turkey, when I read what you have written, you say that, in Helsinki, one could perhaps .... What is your position? You say quite
succinctly: ‘I will be the Member of the Commission with specific responsibility for Turkey’. Does this mean that the Commission has decided that Turkey is to be included in the enlargement process and so must be treated like the other twelve countries?

**Verheugen, Commissioner-designate. - (DE)** Mr Cohn-Bendit, you have asked two questions. I will answer the first of them quite briefly. Every person changes and develops. You yourself are an eminent example of that!

(Laughter, applause)

Please appreciate that my present position is not very straightforward. I am of course still a member of the German Federal Government and I am still bound by the oath of office that I took when taking up my duties as such. I cannot very well split myself in two. You must take it from me that I hold convictions that I have held in the past and that I will continue to hold when I take up my new duties. But there is one essential difference. I will no longer be bound by the guidelines issued by the Federal Chancellor. And he knows that!

(Laughter)

We have obviously spoken about that. As a member of the Commission of the European Union, I have quite clearly defined responsibilities exclusively in relation to the objectives of the European Union and its institutions. If that leads to conflicts, even with my own country, then I am prepared to see them through. I do not think that will be necessary, though. I will gladly explain what I mean using the specific example of Turkey.

Turkey is covered by the EU enlargement process. That is not something on which a decision still needs to be taken, otherwise I would not have responsibility for Turkey. A special pre-accession strategy was adopted for Turkey at Luxembourg. Turkey perceived that decision as discriminatory and has chosen not to make use of the facilities offered as regards preparing for accession, in particular political dialogue.

Discussions are now under way on whether the decision taken at Luxembourg should be amended and whether a decision should be taken in Helsinki to designate Turkey as an applicant country, like the other countries with which negotiations have not yet begun, without this implying anything with regard to the date on which negotiations may begin and, much less, with regard to the deadline for concluding such negotiations. I am in favour of taking such a decision, so that we have an opportunity to genuinely influence the necessary reform processes in Turkey. If we want Turkey to remain a democratic, western oriented, stable country, as I believe we must, then we have to give it a permanent and secure place in Europe. However, it is up to Turkey itself to create the requisite conditions. I assume there are going to be more questions to be answered in this connection. At present, as far as the criteria are concerned Turkey is not ready for admission to the European Union. But it can and will become ready only if we offer clearly defined and unambiguous prospects. That is what I advocate.

**Brie (GUE/NGL). - (DE)** Mr Verheugen, I refer to questions 28 and 38. The European Union expands in geographical terms as it is enlarged and, as I understood you, this trend has merely continued as a result of the incorporation of the Western European Union. I am not clear about the wording you used in your replies concerning suitable procedures and rules for ensuring that
the current status of countries that are not members of NATO and the WEU is not adversely affected. I would therefore like you firstly to clarify what you meant and, secondly, to explain how you view the problem posed by such military elements with regard to relations with Russia, as completion of the process of uniting Europe to which you have referred is not something that has yet encompassed Russia.

Verheugen, Commissioner-designate. - (DE) This question relates to the decision taken by the European Council at Cologne, which I consider to be one of the most important in recent years and which in practice means incorporation of the Western European Union into the European Union. This poses a number of problems, one of which is the fact that the WEU conferred both direct and associate membership rights to countries that are not yet EU Member States. Those countries have a say in the WEU decision-making process as it currently stands, they take part and naturally do not want to lose their say as a result of the WEU being incorporated into the EU. That is the crux of what I said in my reply, and I take the view that a procedure must be worked out. How this problem is to be resolved, however, is a matter for the Council. Work on finding a solution is in progress and, as far as I am aware, the relevant preparations are relatively well advanced.

As far as Russia is concerned, I do not believe that the question of Russian military cooperation with the European Union is one that currently arises. Russia has links with Europe and North America through the Founding Act on relations between NATO and Russia, and I believe this to be the defining instrument as far as security cooperation with Russia is concerned, and Russia, of course, also maintains relations with us through membership of the OSCE. However, Russia is not a member of the WEU and has no plans to become one, so there is probably no problem in that respect.

Segni (UEN). – (IT) Mr Verheugen, you said, quite rightly that, from the outset, one of Europe’s ambitions has been to extend to all European borders and all European countries. But as you know there has been another equally strong ambition – that Europe should become a political entity and that there should be a process of political integration, which unfortunately is still a long way off. The two processes are both necessary but to a certain extent they are also, not exactly contradictory, but difficult to achieve together – you yourself emphasised this. I am referring to two issues in particular, one of which has already been mentioned by Mr Oostlander. What will happen if, in the meantime, the European institutional processes do not progress or do not progress to the desired extent?

In particular, when you say – and I absolutely agree with you – that the scope of majority voting must be significantly extended, I should like to ask you what you mean by significantly and what the Commission intends to do if no substantial and significant progress has been made in this area by the appointed date? Secondly, do you also think that progress must be made in the area of European security before the enlargement processes are extended?

Verheugen, Commissioner-designate. - (DE) In reply to the first question, I should like to say that when I talk about European unity I do not have any geographical concepts in mind. I do not see European unity as being some loose association of all European states or as being a big European free trade area. When I talk about European unity, I mean a politically united Europe. We have undertaken a very difficult task, with your approval as Parliament. That is to say we have done the two things simultaneously, i.e. enlarged the Union geographically at the same time as increasing the degree of integration.
I want you to know that, for some time, I took the view that this was probably not going to be possible. But I don’t take that view any more, and I want to tell you why. The crisis in Kosovo has brought about a new way of thinking in Europe. It has made Europe pull closer together, and awareness of the fact that we must not view Europe in unity in geographical terms but in political terms has grown enormously. This is something that I have experienced at first hand again and again in my work during the past few months, so that my answer to your question is: it is difficult to do both things at the same time, but we must try to, for I see no real alternative.

In reply to your second question concerning institutional reforms and specifically the use of qualified-majority voting procedures, I can tell you what my personal opinion is on this subject. The Commission, of which I hope to become a member, does not yet of course have any decisions to take. Therefore I cannot tell you what the Commission’s view is. For my own part, I am of the opinion that qualified-majority voting in the Council should be the general rule and that the requirement for unanimity should be confined to amendments to the Treaties.

I do not know whether this view is shared by a sufficiently large number of Member States. I know of some that most definitely do not share it. Take your chairman; she is aware that the United Kingdom, for instance, does not share this view under any circumstances. I therefore pointed out in my answer that it would again probably be a step-by-step process, but that it would have to be possible to apply majority-voting procedures to relatively large areas of policy. I would consider this very important, for instance, in the third pillar, in the fight against crime, and in relation to migration policy and asylum policy. There is a whole range of policy areas in the third pillar where I consider this important, but there are also some in the field of foreign and security policy. But I am under no illusions as regards the difficulties that lie ahead, and we will see what happens.

Chairman. – Mr Verheugen, I am non-nationalistic and impartial, as you are from the Commission, but I hope you will change some minds if you are appointed.

Dupuis (TDI) – (FR) I get the impression, Mr. Verheugen, in listening to you, that the countries which will be favoured within the integration process will be the well-behaved ones. Obviously there is a certain logic to this, but there is also another logic which dictates that significant policy problems often arise from those who are troublesome or in more difficulty. I would like to know whether you intend to take measures in order to help a number of countries who risk causing problems to catch up more quickly. I am thinking in particular of Albania-Kosovo, Macedonia and Georgia. Finally I would like to know whether you could examine the possibility of making the euro the currency of Kosovo, in place of the deutsch mark which is soon to disappear, along with a number of other currencies.

Verheugen, Commissioner-designate. – (DE) In reply to your first question, I must say that I cannot do anything at all in Albania, Macedonia or Georgia, because those countries are not covered by the enlargement process for which I am responsible. It is impossible to say at present if and when those countries will in fact be included in the enlargement process. With regard to Albania and Macedonia, the fact is that the Council has opened up the prospect of accession, and that, at the heart of the Stability Pact, which is aimed particularly at these two countries, there is also an offer of accession. But the Stability Pact must first show that it works. I must make it perfectly clear that I do not have any influence there for the time being. At any rate, I do not have any instruments with which to help those countries close the gap that so very clearly
exists between them and other countries. I have instruments that I can use only for countries that are already included in the enlargement process.

The question of the currency in Kosovo is really beyond my remit. It actually has nothing to do with the enlargement process. But I would point out that if the Deutschmark is in fact the official or unofficial currency in Kosovo, then, quite naturally, when the euro is introduced, in the form of notes and coins, the Deutschmark will disappear and the euro will take over its role. That is clear, but it does not mean much in terms of monetary policy. In case your question was based on such a misconception, I would like to caution you against thinking that, just because one country adopts the currency of another, it automatically becomes part of the same monetary zone. That is not the case. It is also not the case with countries that have adopted the dollar.

**Belder (EDD).** – (NL) Commissioner-designate, what can be done to prevent the accession of a number of central and eastern European countries resulting in the traditional intensive trade links with other countries in that region from declining still further, so that the border between rich and poor in Europe is simply pushed further eastwards? One specific problem in this connection is the risk that Russia will turn further away from Europe and step up its cooperation with Arab and Central Asian countries, with all the economic and political consequences that entails for NATO, the OSCE and the UN. I should like to hear your views on this subject.

**Verheugen, Commissioner-designate.** – (DE) I do not share your fears. On the contrary, I believe that Russia, and also Ukraine, will benefit from an enlarged and economically stronger Union. And this can be seen already. The trend in trade in Europe is perfectly clear: West-East and East-West. There are no signs whatsoever that the risk you described will materialise. That is also why Russia, unlike in the case of NATO’s eastward expansion, has not only refrained from opposing the eastward enlargement of the European Union but has even given its support in principle to such enlargement.

I consider it important for the European Union to develop its relations with Russia on a continuous basis. We have just adopted the first common strategy for relations with Russia. Work is now proceeding on the implementation of that EU-Russia strategy, and I am confident that the risk you have described can genuinely be ruled out forever.

As for a shift in the border between rich and poor in Europe, the possibility that the EU’s external border will become a border between rich and poor really is one of the biggest dangers and the gravest risks that we have to face. This must not be allowed to happen. It is therefore important that we increase, rather than reduce, the opportunities for developing trade and other relations between regions, i.e. regional links between countries that have just joined the EU and their eastern neighbours. The Union as a whole must also take an interest in those countries’ development prospects and also feel a sense of responsibility for them. If we look at the enlargement process as a whole, then we can see that there are several waves, two of which are already clearly defined. The first wave of countries comprises those with which negotiations have already begun. The second wave of countries comprises those with which negotiations are soon to begin. But a third wave is already visible on the horizon. It comprises those countries which are covered by the Stability Pact. Behind that wave, we can already make out a fourth wave, and no one can yet predict whether it will ever have any realistic chances: it comprises the countries of the Caucasus, for instance, and Moldova, Russia, Belarus and Ukraine, as they too could one day possibly be considered eligible for admission to the enlargement process.
Nothing definite can be decided at present. Such decisions are possible only insofar as we must agree, across the board, that the European Union’s borders cannot be allowed to become a border between rich and poor but must be an open border that does not prevent trade in goods and services to the mutual benefit of people on both sides.

**Salafranca Sánchez-Neyra (PPE)** – *(ES)* Mr Verheugen, you said this morning (and I made a note) that you would go further in your relations with Parliament than provided for in the regulations. I genuinely welcome this because, while at the San José Ministerial Conference you showed respect for the European Parliament delegation, the same cannot be said of the recent Rio Summit, because, despite its insistence, the European Parliament was not invited to the Summit, and was not able to play the institutional role that it has played at summits of Heads of State and Government and at the San José Conference. My question is a very simple one. In the course of your metamorphosis from minister to commissioner, are you willing to cooperate closely and loyally with Parliament, to recognise its democratic legitimacy and to encourage its participation in all the fora of concern to it? Thank you, Chairman.

**Verheugen, Commissioner-designate** – *(DE)* You are alluding to a meeting that most of those present here will not be familiar with. I will therefore fill in the background. You are alluding to a discussion that I had as President-in-office of the Council with the President of Parliament and the committee chairmen concerning Parliament’s participation at summit conferences.

You know the institutional structure of the European Union as well as I do. What I as President-in-office of the Council say at such a meeting has nothing to do with my personal opinion; my role was to convey the Council’s decision. Cooperation in Europe would not be possible if, at such meetings, the President-in-office of the Council simply said what came into his head. What I did was to convey precisely what the Council had decided on this subject, and that was that it could not accede to the European Parliament’s wishes to be allowed to participate on an equal footing in the EU delegation. And I can tell you now that nothing much will change on that front in the foreseeable future, because I know where the Member States stand on this subject. I will gladly help you in your attempts to improve the position of the European Parliament, but what the Commission says on this matter will have little influence on the heads of government.

This matter will not be resolved until the institutional structures of the European Union have developed as far as you probably all want them to, as do I, that is to say until we have a fully democratic and fully parliamentary system in the European Union. It is then that this problem will be resolved.

**Titley (PSE).** – *(EN)* Mr Verheugen, in your answer to Question 14, you draw attention to the importance of the integrity of the single market and its application to the enlargement countries, a process which should, of course, already be going on in relation to the European agreement. And yet the common complaint among business is that the applicant countries are not implementing single market legislation. To take just one example: last year the Economist Intelligence Unit drew attention to the deficiencies of the Czech competition office and said it was incompatible with European competition law. How important do you regard the integrity of the single market? How vigorous are you going to be in ensuring that single market legislation is implemented by the applicant countries?

**Verheugen, Commissioner-designate** – *(DE)* The problem you have mentioned was discussed at the most recent accession conference and the Member States drew the Czech Republic’s
attention to the state of affairs that you have just described. It was stressed at that conference that this problem still had to be resolved. It is clear that the European Union must insist that agreements are adhered to as far as full implementation of single market legislation prior to accession to the European Union is concerned, and the problem you outlined does not exist only in the Czech Republic; there are very many problems.

In fact, prompt horizontal implementation of such agreements is a problem we have with all the applicant countries, and I believe that it will be necessary to carry out regular monitoring in future. The applicant countries do not like to hear this, I know. I do not want to do them an injustice. Rather, I am seeking to help them, because we will have big problems if, immediately before the decision is taken on accession, it emerges that the *acquis* has been transposed only on paper, but has not been implemented in reality. Along with the Enlargement Unit, I shall quickly try to find a way of ensuring that the agreements that have made already are actually adhered to, and that will include re-opening parts of the enlargement process that have already been concluded for the time being. The applicant countries will not like the sound of that, either. But, if it is any consolation to them, this is something that we would have to do anyway, because the *acquis* has changed in the meantime. For we are negotiating on the basis of the *acquis* as it stood on 1 March 1998. In the meantime, this *acquis* has evolved, i.e. the chapters concerned must be re-opened in any case, and I should like to ensure that, not only in the progress reports but also as part of the negotiation process itself, we carry out regular monitoring of the progress that has actually been made and so have an opportunity to bring pressure to bear and, when necessary, to say: friends, we are not going to negotiate any further; you must first put into effect what we have already agreed.

**Titley (PSE). – (EN)** Mr Verheugen, would you be prepared to meet representatives of European businesses to discuss the problems they are having in the applicant countries?

**Verheugen, Commissioner-designate – (DE)** That is something I did most recently this Monday in Berlin, and I have had many such meetings during this year. I will also hold such meetings regularly in future. However, if you have any specific proposals regarding who I should speak to, please let me have them. I have said that holding intensive talks with the main social groups in the applicant countries is certainly one of my main tasks. This includes employers, industry, the service sector and, let me make this quite clear, employees too. I shall also try to maintain quite close contact with the trade unions, for we should not underestimate the extent to which the enlargement process we are now talking about could effect the lives and prospects of workers in our Member States. They also have a right to have their views heard. I intend to hear both sides regularly.

**Friedrich (PPE). – (DE)** Mr Verheugen, you say that you have had considerable dealings with Turkey. Why, then, did you do what is almost a U-turn on the timetable for Turkish accession practically within the space of a few weeks? First you said, like your Foreign Affairs Minister, Mr Fischer, when he visited Turkey, that accession would be possible relatively quickly, and now you say in your written replies that the conditions should not under any circumstances be relaxed, which of course will mean in practice that Turkish accession will take much, much longer. If the criteria are not relaxed, it will take much, much longer than you implied.

With regard to question 14, you compare southward enlargement and eastward enlargement and say that the fears of existing Member States are now, as they were previously, greatly exaggerated. Is the situation not completely different? Before, the level of integration in the European Union was nowhere near as it is today, and the differences between the existing
Member States and today’s applicant countries are so very much greater than those we encountered in the past. What are your views on this?

**Verheugen, Commissioner-designate** – (DE) This is an important question, and I am grateful to you for having asked it. This issue has already been raised publicly on several occasions. I have therefore had a bit of time to prepare. I have used this time to extract from the archives everything that I have said about Turkey during the last three years.

*(laughter)*

I have the papers with me and I have not found a single statement of mine that even hinted at the possible timing of Turkish accession to the EU. As far as timing and the pace of the process are concerned, I have done no more than to say when a decision should be taken as to whether Turkey should be included in the enlargement process as an applicant country like the others, or not. And I said nothing different as German Foreign Affairs Minister. I have also checked up on what I have said regarding the conditions. And the only statement I have found is one to the effect that no concessions could be granted to Turkey as regards the accession criteria, and that Turkey is a long way from fulfilling the Copenhagen criteria.

The new development in this context is that the Turkish Prime Minister has written to Federal Chancellor Schröder, as President of the Council, explaining that Turkey recognises the Copenhagen criteria and intends to fulfil them. If it is concluded that Turkey is an applicant country like the others, then it will be possible to open accession negotiations with Turkey only if we have more than a promise, that is to say if a few things have changed fundamentally. For example, the Turkish constitution, the democracy principle, the penal system, the fact that torture takes place in Turkish prisons, the rights of minorities, the Kurdish question in particular, and also conflicts with neighbouring countries.

This brings us to a point which will perhaps be of paramount importance for the future of Europe. I would caution anyone against underestimating the scale of this problem. The strategic importance of this issue is almost unimaginable and therefore Europe cannot avoid having to take a strategic decision: do we intend to offer Turkey realistic prospects, if it faithfully fulfils the conditions, or do we not? Are we going to bear out what Chancellor Kohl said in the autumn of 1997 when he met Mr Yilmaz, the Turkish Prime Minister, in Bonn, namely that Turkey has a European vocation? He did, in fact, use the English word ‘vocation’ for this, which elevates the term virtually into the realms of a theological concept. I think that Chancellor Kohl was right at the time. Turkey does have a European vocation, and we, like you, will have to take the decision that will determine where Turkey goes. Are we going to send it away in the wrong direction, or are we going to give it an opportunity? For that is all it would amount to, giving it an opportunity.

**Friedrich (PPE).** – (DE) Mr Verheugen has totally ignored my other question. I don’t know why. Enlargement to include south-eastern Europe was the main question, and the question on Turkey an additional one. If the situation really is as you describe it, why did you allow the entire German press, following Foreign Affairs Minister Fischer’s visit, to report on the outcome in the way that I have just described, why did the Foreign Affairs Ministry, to which you belong, do nothing to correct the reports?

**Verheugen, Commissioner-designate** - (DE) I am Minister of State at the Ministry of Foreign Affairs and not the head of the Ministry’s press section. I do not believe that it is my duty to
correct what the Minister says. If Mr Fischer considers it necessary to correct what the media has reported, he is man enough to do that himself. As regards your other question, enlargement to include south-eastern Europe, I am in favour of continuing, in a consistent manner, down the road we have already taken.

Cyprus is covered by the negotiation process. Like others, I hope that this process will help to resolve the Cyprus question and I should like to add, given current developments, that I am very pleased to see activities resume in the G8/UN context. However, I should like to stress that if intensive talks are to resume on a possible solution to the Cyprus question, and if the European Union could contribute to such a solution, e.g. by setting a date for membership and specifying conditions for membership, then I would like to see the European Union involved in the negotiations, kept fully informed and able to make its views known. I am saying this in view of developments.

Chairman. – (EN) Deciding who is in control of any press office anywhere is, without doubt, a theological question.

Poos (PSE). – (FR) I would like firstly to thank my former colleague and Commissioner-Designate, Gunther Verheugen, for his clear and precise introduction. I would like to ask him a question concerning the enlargement process.

Gunther Verheugen has stated with reason that this enlargement will not take place without the agreement of the citizens of the Member States of the European Union. These citizens are at present asking two types of question. The first relates to the institutions, concerning whether the Union is prepared from an institutional point of view? The second relates to financial preparation, concerning whether we have the financial resources to cover the additional expenditure? There are two main categories of expenditure: expenses connected with pre-accession strategy and new expenses, which result directly from the part taken by the new Member States in the common agricultural policy, structural policies, etc. At the beginning of the discussion on enlargement, far-fetched figures were being tossed about regarding the cost of the operation. The Commission has amended them in the 2000 Agenda and the Berlin financial prospects are, on the whole, in line with the Commission’s estimates but they also contain a revision clause in order to take account of the actual cost.

My question is the following. In accordance with the transparency needed by the citizens, is the Commissioner-Designate going to carry out a realistic assessment of the cost of the operation? Does he intend to publish the concrete financial implications after the first round of negotiations, which have now been going on for a year and a half?

Verheugen, Commissioner-designate - (DE) I stand by what I said: the greatest possible degree of transparency. And this is particularly true in the case of the enlargement process, because, as you have quite rightly pointed out, it depends on achieving consensus between the peoples of Europe. As members of a Foreign Affairs Committee, you will all appreciate that there is a limit to transparency. Negotiations concerning difficult and controversial subjects are not conducted in public. And we are not going to change anything in that respect in the enlargement process, but Parliament and the public will be kept informed of the outcome of negotiations and consulted beforehand in defining negotiating positions.

As regards the financial aspects, we are bound by the financial perspective in Agenda 2000. I have already said that I do not intend to make the slightest change to it. The appropriations for
pre-accession assistance have practically been doubled in Agenda 2000, and when I look at how the appropriations so far made available have actually been taken up, then, and I repeat what I have already said in my opening address, it is doubtful whether the applicant countries are actually capable of drawing and disbursing such appropriations as they should. And one of the main tasks will be to ensure that we have rapid and efficient decision-making procedures in place, but also absolute control over what happens to the money. I fully respect the position adopted by the European Parliament as regards the need to be meticulous with European taxpayers’ money. But this also means that we must not abandon the principle of meticulous accounting practices for the sake of the very rapid decision-making procedures we wish to see. Expenditure on enlargement is subject to normal budgetary control and is thus, of course, in the public domain, and that is where it will remain.

Graefe zu Baringdorf (Greens/ALE). – (DE) Mr Verheugen, agriculture is a very important issue in the applicant countries and a very important aspect of the enlargement process. The European Parliament and the Commission wanted to refine Agenda 2000 so as to help safeguard jobs and protect the environment. They also wanted money diverted away from the conventional lines into a special structural line for rural areas that would also be opened up to the new applicant countries. As a representative of the Federal Government, and as someone involved in working out the compromise, you were, however, in favour of rigorous cuts in the agriculture budget. As a member of the Commission, that is to say as the prospective and, it is to be hoped, future Commissioner for enlargement, you now lack the political and financial instruments to deal specifically with the destruction of millions of jobs. And this is the problem. And no strategies have yet been devised for ensuring that trade and industry will be able to absorb the jobless. Now you lack the necessary instruments. Would you now that say that you regret the stance you took, and will you now adopt the stance that Parliament took? Would you also be prepared to discuss this matter with farming organisations, because you said earlier that you are prepared to talk?

Verheugen, Commissioner-designate – (DE) Madam Chairman, I will start by answering the last question. Yes, of course, I am prepared to hold talks. Here, too, I shall be continuing something that I have already been doing. As far as the European Union’s financial perspective and budgetary policies are concerned, it is my view, even though it might run counter to Parliament’s views, that the policy of consolidation which has been pursued in all Member States for many years and in some cases has involved enormous effort and very difficult adjustments, must of course also be pursued at the European level. I am also of the opinion that monitoring and containing the growth in expenditure at the European level is not a manifestation of self interest on the part of the Member States, but something which is essential if the European Union is to be able to function properly and, above all, if it is to be accepted by the public. There is no need for me to change the position I took during the consultations on Agenda 2000, when I was on the other side of the negotiating table. As regards expenditure on agriculture and rural development, what I have just said in a different context applies here too: the appropriations made available are calculated in such a way as not to exceed the applicant countries’ ability to absorb them. No country has ever been able to absorb in excess of 5% of its gross national product. The approach set out in Agenda 2000 in this area is based on the assumption that the applicant countries will be able to absorb about 4%, and I consider that figure to be rather on the high side. The instrument you are calling for, to assist with structural change in rural areas, has been created. It is a new instrument called SAPA. It must, however, be viewed in conjunction with PHARE, which is also used in rural areas for the purpose of institution-building.
It is clear that there are going to be big social problems in farming in some applicant countries, and it is also obvious that we are going to have to ensure now that structures are in place to absorb those who are no longer able to make a living off the land in the future. Let me cite a few figures to illustrate the scale of the problem, although I am sure you are aware of it already. There are 10.2 million farm workers in the CEECs, compared with 7.5 million in the current 15 Member States. This shows how huge and how urgent the problem is.

Graefe zu Baringdorf (V/ALE). – (DE) Mr Verheugen, the difference was not that the European Parliament did not want to consolidate. What I actually said was that we wanted to refine the policies. Even Parliament’s and the Commission’s proposal was DM 10 billion a year under the agricultural guideline. That is not what is at issue, but a cut pure and simple, without any refinements, as was subsequently embodied in the decision taken at Berlin, is not acceptable to Parliament!

Verheugen, Commissioner-designate. – (DE) The debate on Agenda 2000 has been concluded. The European Parliament adopted the necessary legal acts. The interinstitutional agreement has been concluded. I do not think there is any sense in our starting the whole Agenda 2000 debate from scratch again. What is important in the context we are discussing today, and this is what I hope my performance will be measured by, is that I have said I believe the instruments that are in place and the appropriations that have been made available to be sufficient for achieving what can be achieved by the year 2006.

Görlach (PSE). – (DE) Mr Verheugen, you sounded somewhat prophetic just now as you pointed out the possible social problems that could arise in farming as a result of the eastward enlargement. I should like to look specifically at Poland. As we all know, the structure of Polish agriculture is particularly different, in contrast to the other applicant countries. Incredibly, after 50 years of Communist rule, Polish agriculture is characterised by small farms, which employ nearly 25% of the workforce. How would you tackle the problem if we were now to implement the common agricultural policy, even as reformed - and here you may detect a critical undertone regarding what was achieved under the German Presidency – too quickly? This would result in huge amounts of manpower being released, in other words in unemployment. This is what many workers in western Europe, in the EU, fear, and that those people will then cause pressure on the labour market. What is the best way of tackling this problem?

Verheugen, Commissioner-designate. – (DE) I am not permitted to refine the questions that are put to me, but the question that you have just asked is horribly difficult! I must first point out that not all the necessary information on the strategies concerning agriculture in the enlargement process is yet available. It is the only policy area where screening has not yet been completed. Before we can even think of devising a strategy, we have to have the results of the screening process. And we will very soon have them. I believe that the screening process for the first wave of applicant countries can be completed in September, that is to say this month, and that the process for the second wave can be completed in time for the Helsinki Summit. This will provide us with a rather better basis for deciding what needs to be done. Irrespective of this, however, we do of course know from the data, and those of us who have already been to the applicant countries know from what we have seen there, that there is a gigantic problem ahead of us. I believe that it will be necessary to focus our pre-accession cooperation with Poland very heavily on this area. That means starting and continuing to increase the availability of appropriations and instruments for promoting structural change in rural areas, so that there are alternatives for the people affected and those who remain in farming are given an opportunity to become competitive.
The question of whether the restructuring of Polish agriculture will release huge amounts of manpower which would then flood the labour market in a number of western Europe countries is a question which is being very hotly debated in a number of Member States, in particular Germany and Austria. I believe that this problem exists, and it is so difficult because the great amount of pressure on labour markets in the existing Member States that would occur as a result of differences in standards of living and wage levels between Poland and these countries could of course jeopardise the economic stability of the countries concerned. That might push up unemployment. And it could also jeopardise acceptance of the enlargement process. This is why I say, that with all due caution that, as far as this area is concerned, we will probably end up having to face the issue of transitional periods. They have already been mentioned by some Member States, and Poland, for instance, is aware that that they will be on the agenda. The question of whether quotas could be introduced for certain sectors, and how big they would be, or whether certain sectors could be exempt, that is to say how exactly things are to be organised and how long it will take, is a question that it is still too early to answer.

Klaß (PPE). - (DE) Mr Verheugen, you can see, that the pre-accession and accession strategies for central and eastern European countries cause consternation amongst those of us here who are concerned with farming, and my question was: how, in your opinion, will it be possible to cope with the large amounts of manpower released from the applicant countries’ farming sectors? How can jobs be found for these people, and what structural measures are there?

I should like to add another question. Following the Berlin Summit, and after Agenda 2000 was concluded, you stressed that additional reforms might be needed. But you think it too early to discuss what the substance of such reforms might be. I should like to persist, in the interests of transparency and openness, and ask: if reforms are imminent, what, in your opinion will this have to involve?

Verheugen, Commissioner-designate – (DE) Mrs β, it is a well known fact that the results of the agricultural reforms adopted at Berlin fell somewhat short of expectations, in particular when compared with what the agriculture ministers of the 15 Member States had agreed upon just a few days before. It is also a well-known fact that overall agreement on Agenda 2000 ultimately depended on this, and you know what compromise was reached as a result. With this at the back of my mind, I said at the time that I would expect that, of all the areas covered by Agenda 2000, agricultural reform would again have to be discussed before the year 2006. Anyway, the decision on Agenda 2000 provides for this, for instance with regard to the milk regime or cereals.

We must also look at two other factors. We must also bear in mind that we are heading towards another round of WTO talks, which will of course have an impact on the CAP, and we must also keep an eye on what happens on the markets. What impact will the decisions taken at Berlin on agricultural prices actually have? What will happen to world market prices? What will happen with prices in the applicant countries as compared with those in the new Member States? All this could mean that the CAP and its reform might return to the agenda earlier than anticipated. This is a view that is shared by my colleague, Mr Fischler.

The crux of the matter is obvious: the aim of the CAP is to improve the ability of European agricultural produce to compete on the world market, and to introduce more competition. But it is also aimed at implementing an overall rural development policy and developing rural areas not only in terms of agricultural production but as part of an integrated, overall approach, and
Agenda 2000 provides for the relevant appropriations. We should also ensure from the outset that policies we intend to apply to the Member States are also applied to the applicant countries, that is to say that we should apply integrated rural development policies.

Van Orden (PPE). – (EN) Mr Verheugen, many of us are concerned about the proper and effective control of public funds, in this case Community funds. Given the division of responsibility between the various commissioners, I wonder if you could tell us what specific funding will come under your personal control? Where do you think the problems lie in terms of the management and effective use of these funds? How much time will you devote to this problem?

Verheugen, Commissioner-designate – Mr Van Orden, any member of government or any member of the Commission, for his own good, has to spend a large part of his time ensuring that there are no irregularities in the area for which he is responsible. You, as a Parliament, would make my life hell if I allowed such irregularities to happen! I cannot cite any percentages. But I can tell you now that, when I take up my duties, one of the first things I do will be to look very thoroughly at questions such as: ‘What control mechanisms are in place?’,” ‘What problems have arisen?’ and ‘Do we need more, and more effective, controls, and how can we achieve them?’. I have already stated, in another context, that I will vouch for the effective and proper use of appropriations. In the financial perspective for the period up to 2006, EUR 22 billion has been set aside for pre-accession strategies alone, and another EUR 58 billion has been set aside to cover enlargement-related expenditure. At the moment, we cannot work out how much of this money I will be directly responsible for. The main instrument with which I will be working is of course PHARE, which, as a pre-accession instrument, accounts for about half of the EUR 22 billion I mentioned, but responsibility for other instruments that are important at the pre-accession stage will be shared, and it will naturally fall to me to propose the policy strategy as part of which such funds are used, and I hope that my proposals will also meet with approval.

As I have not yet taken up office and I do not think it right, as a nominee, to perform executive acts, I cannot be more specific in my answer. I can only tell you that it is my political intention to scrutinise the current mechanisms, those of the Commission and those of the applicant countries, in a very detailed, very meticulous manner. For the problems exist on both sides. On the Commission side, there is the problem of efficiency, the speed of approval procedures, the accuracy of checks on the use of the funds granted, and, for the pre-accession countries, there are a couple of well known problems that I do not need to go into here in any greater detail. I will take a close look at both sides, and, if necessary, I will submit proposals for the required improvements before the end of this year.

Van Orden (PPE). – (EN) Mr Verheugen, I am slightly surprised by the vagueness of your answer. After all, one of the major problems with the previous Commission was the whole question of financial irregularity and responsibility. I would have thought that this was an area that you would have been looking at in some detail so that you would know precisely what Community funds were likely to be under your control, and what new mechanisms you would seek to bring into force in order to more effectively manage those funds.

Verheugen, Commissioner-designate. - I can understand your disappointment, Mr Van Orden, but you cannot ignore the fact that the new Commission has not yet taken up office. A Commission that has not been confirmed by Parliament can not take any decisions. And so it has not taken any decisions. I can therefore only assume at present that the situation will remain as it was. This means that the Enlargement Unit will be directly responsible for the PHARE
funds and will be jointly responsible for SAPA and ISPA funds, which altogether makes EUR 22 billion. That is quite a large amount.

There are good reasons why I do not want to give any details at this juncture on the issue of efficiency, accuracy or propriety in the use of funds, because I really cannot do so, without having had the opportunity myself to launch inquiries and request files, in other words, to work as if I had been confirmed as a Member of the Commission. As long as I am unable to do that, I do not have the right to make assumptions, and I can only refer to what is contained in the reports drawn up by the Court of Auditors and in the Commission’s published audit reports. And this brings me back to what I have already said namely, that there is a need for thorough checks and that these will be carried out, whether or not the current procedures are adequate. And I am inclined to believe that they are not adequate.

Hänsch (PSE). – (DE) Mr Verheugen, my question concerns the way you view your role, in political and institutional terms, as a member of the Commission and the way the Commission sees itself in political and institutional terms in the context of enlargement. You have mentioned various waves, a third and a fourth wave, and the developments that are taking place on the horizon. At the same time, you mentioned that the Member States are finding it difficult now to make the Union ready for enlargement to include the 5+1 group. There is an obvious contradiction here. The European Union cannot be enlarged ad infinitum, because the Member States cannot afford it.

My question is therefore: do you have any thoughts, and do you consider it necessary that the Commission develop ideas, concerning the need for forms of cooperation other than association and full membership. That is to say, must we, and above all the Commission, not do something so that Europe means more than simply being in or out of the Union? What I want to know is whether the Commission has any proposals that go beyond a Council secretariat or an implementing body for the Member States.

Verheugen, Commissioner-designate. – (DE) What I have said so far about the enlargement strategy concerns the enlargement process as it currently stands, that is to say covering the 13 countries for which I am directly responsible. The issue you have just raised is extremely interesting, and I agree with the basic premise on which your question is based, namely that an enlargement process such as this cannot simply be repeated again and again. A natural border will be encountered sooner or later.

I can illustrate what I mean using the example of Albania and Macedonia. During the crisis in Kosovo, everybody said: ‘we must do something to bring stability to these countries’. And what does Europe think of when it wants to bring stability to a country? It offers that country the prospect of EU membership. In the case of Albania and Macedonia, what was offered was associate status. Everyone present here knows that, under normal circumstances, this question would perhaps have made it onto the agenda in 10 or 15 years time. The current Commission has therefore presented what I consider to be a very intelligent proposal. It said it would develop a new kind of instrument, known as the Stability and Association Agreement, which would, however, be different from the association agreements hitherto concluded. So there are already moves in the direction to which you referred in your question. I can very well imagine that we will choose a very different strategy for those countries that are not yet covered by the enlargement process, whose appearance on the horizon I have described. The Stability Pact, for instance, operates along similar lines, starting out by fostering intra-regional cooperation, but linked to and slowly merging with the European Union.
The creation of areas inside which a large degree of integration has been achieved but which fall far short of conforming to the EU *acquis*, is something that such countries simply will not be able to achieve, even within the foreseeable future. However, by creating opportunities for intra-regional development, they are able to make speedier progress towards accession. I can imagine a whole range of options. But these are strategies that lie beyond the current enlargement process. I do not consider it possible to alter the strategy for the current enlargement. I am aware, however, that changes are being discussed. But making changes would not be very fair to the applicant countries, which we have admitted into the process under the agreed conditions. I believe that it would go against the principle of good faith if we were to make changes unilaterally. But for everything that comes after this enlargement process, I am quite prepared to consider completely different strategies, and I consider that one of our main tasks should be to develop such concepts. And I am also inviting the European Parliament to contribute to their development.

**Malmström (ELDR).** - *(SV)* Mr Verheugen, you mentioned earlier that some time ago you were somewhat sceptical about pursuing the processes of enlargement and political consolidation in parallel. I am very pleased to hear that you are no longer sceptical. However, I would like to know what your views are concerning the proposal to draw up a sort of jurisdictional catalogue with a view to refining the Union’s remit so that it can operate more smoothly with 25 to 30 Member States.

**Verheugen, Commissioner-designate** - I am not quite sure that I understood the translation of the question correctly. There must have been a misunderstanding in the first part. I did not say that I am sceptical about the possibility of pursuing consolidation and enlargement at the same time. What I did say is that I used to be sceptical, but that my experience during the Kosovo crisis and Europe’s reaction to that crisis caused me to change my mind, that is to say because there is now a will in Europe to achieve both things at the same time. If indeed there was some misunderstanding concerning my answer, please excuse me. However it is very important to me that nobody here gets the impression that I consider that the two things cannot be done simultaneously.

The second part of your question is perfectly clear. The more Member States the Union has, the more questions will be asked regarding the Union’s ability to function, its decision-making processes and, indeed, its jurisdiction. But this subject is another hot potato. I say to you, with all due caution, that I would like to see a review carried out in the European Union from time to time in order to establish whether the division of powers is still as it should be, that is to say whether certain things are being dealt with at the correct level. This is actually bound up with the subsidiarity principle. I cannot say whether, if a review were carried out at the present time, it would result in certain powers being devolved to the Members or the regions, or vice-versa, or whether further powers are needed. However, the need to carry out such reviews from time to time is obvious. And the deadline for such reviews should be the period preceding a substantial enlargement. A review would not necessarily be required in the case of just one new Member State, but when we have a whole group of countries queuing up, then I think a review would be necessary. Yes I agree with you on that point.

**Schroedter (V/ALE).** - *(DE)* Commissioner-designate, do you take the view that the way in which the priorities have been set in the White Paper on enlargement are conducive to comprehensive and properly balanced enlargement? By what yardsticks would you measure social progress in the applicant countries in the context of the enlargement process, other than
the transposition of the *acquis communautaire* and the current state of play? Does the EU not share some of the responsibility in this respect in terms of ensuring the stability of Europe as a whole, and why, in your written replies, do you say that, as regards the environment, the financial requirements are greater than those that have been planned for, but that, in the social sector, the applicant countries must bear all the costs themselves?

**Verheugen, Commissioner-designate.** – *(DE)* The White Paper you mentioned, Mrs Schroedter, is one of the texts which form the basis for our work, and if I did not consider its priorities to be correct, the basis for my work would be removed. But I consider its priorities to be correct. As regards the specific problems you mentioned, the issue of social cohesion, which is something we want to achieve though enlargement, is one of the most difficult problems to resolve, like the environment and agriculture. It is not yet included in the negotiation process. Nor have negotiating positions on this subject yet been drawn up, and this will be one of my next tasks. And I take the view that we will need to devote particular attention to the need for social cohesion, that is to say to ensuring equal opportunities and equal rights in all Member States of the European Union and, it goes without saying, also to ensuring that funds are made available. But this is already the case, for the pre-accession instruments available are predominantly horizontal in nature, which means that they cover the creation of institutions, instruments and facilities with which certain policies can then be pursued in the applicant countries; in certain cases, pilot projects are financed, and in other cases grants are awarded. It goes without saying that this is also the case in the social sector. I consider this to be vital, in view also of what I said in another context, in reply to the question from Mr Görlach, namely that it cannot be in the interests of the European Union to allow this enlargement process to unleash an uncontrollable migratory movement, which is something that the Union ultimately can prevent effectively only by providing people with opportunities for making a living in their home countries.

**Vinci (GUE/NGL).** – *(IT)* Mr Verheugen, I should like to go back for a moment to the issue of Turkey. In your answers to questions 33 and 34, you say – and I agree with you – that as regards the political criteria, Turkey has serious shortcomings in terms of democracy, the rule of law, human rights and the protection of minorities and that conflicts with neighbouring countries constitute a further obstacle.

Do you consider that you can tackle some of these problems in the near future, in particular the quest for a democratic solution to the Kurdish problem and the recognition of the linguistic and cultural rights of these people in Turkey and how can this be achieved?

Furthermore, do you consider that you can also take practical measures concerning the machinery for the accession of Cyprus to the European Union, bearing in mind that the main difficulty in this area is the occupation of part of the territory of Cyprus by the Turkish Army and the fact that Turkey is preventing the political reunification of the country?

**Verheugen, Commissioner-designate.** – *(DE)* I believe that there is an opportunity for entering into a dialogue with Turkey on these very serious political matters. As you will be aware, the dialogue has been suspended since Luxembourg. The decision taken at Luxembourg resulted in the European Union’s dialogue with Turkey being broken off, because Turkey felt that the decision discriminated against it. At the time, I hoped that Turkey would have reacted differently, and I think it could have done, but things are the way they stand now.

If this happens, then equal treatment for Turkey in the enlargement process would inevitably lead to dialogue on the political criteria laid down at Copenhagen, which you have just referred
to. And Turkey would have to engage in such dialogue, and, what’s more, it would have to meet specific objectives. Whether that will happen in reality, I do not know. It depends very much on the outcome of the Helsinki Summit. I can see a number of interesting developments taking place in Turkey at the moment, where debates, even on the Kurdish question, have taken a new turn, and we are also perhaps going to have to ask ourselves what the political consequences of the earthquake are going to be. That is a two-pronged question. For our part, it is clear that solidarity with Turkey in Europe is much greater than many people had assumed. I think, too, that Turkey deserved such solidarity. The great willingness to help Turkey is, I think, an encouraging sign. But if we look at Turkey itself, what will the political consequences be?

It is becoming very clear now that questions are being asked in Turkey about the efficiency and also the legitimacy of its system of government. This may trigger a very interesting process. I should like to draw your attention to the cautious rapprochement that we are witnessing at present between Greece and Turkey, which should be fostered. We will have to wait and see what happens. One thing is clear, though. If we expect Turkey to do something, for instance regarding the situation in the Kurdish areas, then we have to speak to Turkey about it, otherwise it will not work. So we have to find a way of talking to each other.

As far as Cyprus is concerned, I have already stated in my reply to another question that Cyprus is covered by the enlargement process. Negotiations are being conducted with Cyprus. We will continue these negotiations, and at some point we will have to decide whether or not Cyprus can be admitted in its current state, if the negotiation process has not helped to resolve the Cyprus question as we hope it will. This matter has been left open quite deliberately. Quite rightly. But I should like to take this opportunity to appeal to both sides in Cyprus to accept the European Union’s proposals for joint negotiations. I am convinced that this offers the best opportunity for a negotiated solution to the Cyprus question.

Couteaux (UEN). – (FR) I hope that the Commissioner won’t hold it against me if I venture into areas which are somewhat theoretical. I am also addressing the former chief editor of the magazine Vorwärts, an excellent publication, by the way, which is never averse to tackling theoretical problems.

In order for the European Union to be a genuine political entity, in other words a full participant in international relations, several things are necessary. There are two fundamental things in particular, sovereignty and borders which are slightly delimited. I shall leave the question of sovereignty on one side, even though you worried me somewhat just now, Mr. Verheugen, when you replied to a question on defence and confused military independence with removal of the strategic nuclear link between Europe and the United States, saying that it was absolutely essential to avoid the latter. This casts a shadow over any possibility of the European Union ever being sovereign in military matters, which are evidently of primary and essential importance.

With regard to frontiers, you spoke, in reply to Question 4, of the unification of the whole of Europe. But what is the whole of Europe? Do you think that one day enlargement will come to an end? Do you consider that one day it will be complete? Even now, it is very far off. What is more, I would rather follow a formula which includes Siberia, Caucasia, the Sahara. Would you prefer to keep to more restricted frontiers? You were speaking just now of natural frontiers. These are ill-perceived. What can be perceived are racial frontiers ................

(The Chairman interrupted the speaker)
Verheugen, Commissioner-designate. – (DE) Mr Couteaux, you are wrong about me when it comes to my readiness to engage in debate on theoretical matters. I would do so very gladly, but your question was not theoretical, for it was extremely practical. For it was about the ultimate goal in two different respects. In political terms, what do we ultimately want to achieve, with special reference to defence? And, geographically, where and when will Europe end?

It is my belief that we should stick to the principle of uniting Europe that has very much proved its worth over the years. This is the principle that was there at the very beginning. We have moved European unity forward, project by project. If we think back to the early days of European integration policy, you will find that a decision was quite deliberately taken not to include any reference to a final goal in the Treaties of Rome. In the meantime, I think, we have seen what effect this has had. Europe always moves forward a little at a time. We set ourselves a task, work on it, sometimes for very many years, I am thinking for instance of Maastricht, and then, one day, the task is completed. Which means that we have completed another stage in the integration process. And then we make a start on the next stage. I believe that we would be wise to continue in that way and not to attempt now to define the ultimate goal, either in geographical terms or in terms of the extent of political integration.

If you look at a map, you will see that Russia is the biggest country in the world. The problems that would arise as regards maintaining a balance within an integrated Europe if this gigantic country were to apply for membership via the normal procedure that we have now been discussing for some time, and if it were admitted, do not need to be spelled out. I do not think such problems can be resolved. I therefore think that the Russian question, at the moment at any rate, is an entirely hypothetical one. I do not think that Russia will become a Member State within the lifetime of anyone present in this room. We should take a more realistic approach as regards Russia and we should consider what we could do to bring about what for us is the most important thing, namely democracy, the rule of law and stability in Russia and sound economic development that could make Russia an increasingly important economic partner for Europe.

That would be the policy I would propose in relation to Russia. As far as defence is concerned, I should just like to correct you on one point: I explicitly said in an answer I gave earlier that I did not favour the European Union taking over the role of collective defence.

Morillon (PPE) – (FR) Commissioner-Designate, I would like to return to the field of foreign policy and common security, where your replies, both to the written questionnaire and to the oral questions put by my colleagues previously, have revealed your excellent knowledge of the position of the Member States, who are anxious to retain their sovereignty but also to unite their efforts to extend the peace and stability to which all Europeans aspire to the whole of Europe. You covered this point in your introduction. It is not sufficient, in this respect to decide, as in Cologne, that Europe must be able to intervene with or without the assistance of NATO. The Kosovo experience has demonstrated that it does not have the capacity to manage without this assistance. Whether or not the Union of Western Europe blends or is transposed into the European Union will change nothing in this respect. You have just said it all. We must acquire the resources necessary for a possible independent initiative. Where do you think our priorities should lie?

Verheugen, Commissioner-designate. – (DE) Mr Morillon, I should first of all like to say that I fully agree with the political idea behind your question. Like you, I am very concerned that
whilst we are in the process of developing political instruments to enable us to take on security tasks, the facilities for putting them into practice are in actual fact limited. Such facilities are available if the European Union adopts an action involving the use NATO resources. But, as you know, that requires the approval of the NATO Council. It is not an independent European action.

The question that interests you, and that interests me as well, is how we ensure that Europe is capable of taking action for whatever reason, when our North American allies, and hence NATO, cannot or will not take part.

This would involve the Member States making huge efforts as regards the structure of their armed forces (some are doing this already), and very substantial efforts concerning cooperation on arms in Europe. This falls way outside the subject of enlargement of the European Union, but we are now talking about the issue of making sure that Europe is able to take action.

What you said is perfectly correct: Europe could not have resolved the Kosovo crisis even if it had had the political will to do so, because we do not have the resources, especially technical resources. We do not have the planes we need, we do not have the communications systems we need, we have none of that. You are most probably aware of the efforts that are being made to forge alliances within the European armaments industry. I consider it crucial to get this process off the ground quickly. I also consider it to be crucial for Europe to have joint armaments development programmes. For instance, no country in Europe can on its own develop or obtain the large transporter planes that are urgently required to provide mobility in the first place. This has to be done jointly. No country in Europe can on its own build the necessary communications system using its own resources. We have to join forces in order to do so. In this area, we, Parliament and the Commission, have a shared responsibility to bring pressure to bear on all Member States so that they take seriously the responsibilities they have assumed pursuant to the decision taken at Cologne. There was plenty of talk at Cologne, but now we must also put those words into action, i.e. create the necessary instruments. That is not being done at present. The European Union could of course now use Eurocorps or other units in order to implement peacekeeping measures, but nothing more than that.

Hoff (PSE). - (DE) Mr Verheugen, I should like to ask you a question which actually ought to be unnecessary. It concerns the involvement of the general public in the process of developing the Union, in the process of enlarging the Union. At present, this is still a matter very much for the experts, and surveys carried out in the Member States, but also in the applicant countries, are increasingly indicating that the level of approval for, and interest in, enlargement is declining. This may be because of ignorance or opposition. And I don’t need to remind you about the recent European elections. Conclusions may be drawn from the turnout, not only concerning enlargement but also quite generally. I should also like to point out that one aspect of the acquis communautaire requires there to be stable democratic structures in the applicant countries. My question is as follows: given the experience we had with the last Commission, I have to say that things cannot continue like this, and the same goes for public relations - have you any ideas or thoughts as to how, not only at the European level, but also in cooperation with national and regional parliaments in the applicant countries and the Member States, new procedures might be developed? I think that what happened when the single currency was introduced must not be allowed to happen again, that is to say that policies must not be implemented over people’s heads, so that in the end members of the public end up rejecting those policies. This process must be different.
Verheugen, Commissioner-designate. - (DE) Yes, Mrs Hoff, I share your concern, on both counts. I can see, too, that support in the Member States for enlargement could decline. I know this from experience as a member of the German Bundestag with a constituency close to the Czech border, and I can tell you that there is no enthusiasm there whatsoever for eastward enlargement, just fears and worries and anxious questions about what we are going to do to save jobs. I am familiar with this problem. But I am even more concerned about the possibility of a decline in support in the applicant countries. It was to that I was referring when, at the start of the hearing, I referred to the conflict between the objectives of rapid accession and meticulous preparations.

We must be quite clear that the longer the process takes, the longer people will have to make sacrifices, which in some cases are very great, whilst waiting for something positive to happen, i.e. membership of the European Union. We have spoken about agricultural policy, and what it means in terms of social consequences. I must add, in this connection, that I have high regard for the work which the governments in all these countries have done, and great respect for the courageous way in which transformation processes have been set in motion and for the boldness with which they have tackled the Herculean task of enlargement. The time factor is really an extremely difficult issue, however. It is very easy to envisage a scenario where elections are held in one or other of the countries and all that country’s problems are blamed on Europe, and people say that things are so bad here, that unemployment has risen, that pensions are so low and that Europe is to blame for everything! An anti-European election campaign in certain countries would be easy to organise and, perhaps, to win. That is the risk to which I was referring. I believe that more public relations work is in fact necessary. We will have to make use of all the multipliers at our disposal. I will propose a programme aimed at the media in the applicant countries and I myself will work hard in particular to cultivate contact with the national parliaments. The most important communicators in this respect are the national parliaments and the political groups in those parliaments.

Hänsch (PSE). – (DE) Mr Verheugen, do you not also agree that the decline in support in the applicant countries is also due to the fact that large numbers of government representatives of every political hue travelled to the capital cities of Eastern Europe and promised accession by the year 2000. That is to say, that unrealistic timetables have been set, to which the European Union cannot now adhere. This sort of thing leads to disappointment.

Verheugen, Commissioner-designate. – (DE) I cannot deny that and, speaking in my current capacity as a member of a government, I can say that it is really wonderful to be able to go to another country and tell the people there what they want to hear. You get a good press, the Ambassador’s report is favourable, and he says that you have had a brilliant visit. In actual fact, however, you might have done a great deal of damage, because you have made promises that you cannot keep. I will not do that, and I consider that we should be frank with each other. I am not going to pillory individual countries. No one need fear that. I know very well, for instance, that a description of the integration process could, depending on how it is worded, lead to government crises in some countries. And I am even aware that what I say to you here today could trigger a government crisis in another country. I will therefore be careful. There are some things that you can say on the street, but there are also things that you cannot. And the sort of things that cannot be said on the street is what we are discussing now. But rest assured, Mr Hänsch, that behind closed doors I will remove my kid gloves.

Haarder (ELDR). – (DA) Mr Verheugen, your predecessor as Commissioner for enlargement, Mr van den Broek, fought a very long battle in the former Commission to bring forward the
admission of Latvia, so that, due to the great progress made in the country, Latvia could be
included, if not in the first wave, then very soon after the first wave. This led to hours of
discussion in the Commission, but unfortunately Mr van den Broek did not win the battle. I
would like to ask you whether you will continue to fight for the use of objective criteria and not
political criteria when deciding which countries will be admitted and when. Or, in other words,
if Latvia fulfils the criteria just as well as Estonia, will you work for the admission of Latvia at
the same time as Estonia?

Verheugen, Commissioner-designate. – (DE) Mr Haarder, I should first like to thank you for
giving me an opportunity to say something about Latvia, which is a country that has been
causing me considerable concern. I welcome the recent developments that have taken place
there. There can be no doubt whatsoever that great progress has been made towards achieving a
stable democracy in Latvia. And there can be no doubting, either, that Latvia has made a good
deal of progress in resolving its problems with minorities. But there is another problem that
must be discussed with Latvia, namely its law on the use of languages. However, I am pleased
to note that the newly elected President of Latvia, fully aware of the European Union’s views on
this matter, has referred this law back to the Latvian Parliament. I hope that, when the law is
finally adopted, it will be compatible with our views.

As far as the criteria are concerned, I repeat again that every country will be assessed according
to the progress it has made, as was decided in Luxembourg. The present Commission is
currently drawing up the progress reports. If you decide to confirm me in office, I shall have
them in fourteen days and shall have the task of drawing the necessary political conclusions
from them. If the report on Latvia allows me to conclude that negotiations with Latvia should
begin now, I will make a proposal to that effect without delay. For I made it clear at the
beginning of this hearing that I do not wish to see any delays to the accession process, and that
goes for the second wave, too, as the countries in the second wave have in fact been told that
they might even be able to overtake other countries. So we must not keep them waiting if they
are ready to start negotiations and/or ready for accession at some point. I hope that the progress
report will allow me to draw such a conclusion, and, if it does, I will draw it without any delay.

Gomolka (PPE). – (DE) Mr Verheugen, would you maintain the position hitherto adopted by
the Commission? Mr van den Broek made it quite clear with regard to Latvia that a new, clear
statement would be made by the end of this year on the possibility of opening negotiations.

Verheugen, Commissioner-designate. - (DE) I cannot take decisions for a Commission which
has not yet taken up office. I have just made it clear that I cannot draw any conclusions from the
progress report until that report is ready. I think it would be a little odd if, as you say, Mr van
den Broek had already made up his mind about Latvia without having seen the progress report. I
cannot believe that he has said such a thing. I think that Mr van den Broek said exactly what I
have, that is to say that if the progress report allows him to, he would like to take the decision at
Helsinki. And that is exactly what I will do. I think that Helsinki must not be seen as an
enlargement summit only in relation to Latvia, as many decisions will need to be taken there.
There are very many options which are currently being discussed amongst the Member States of
the Union. The new Commission will have to define its position very quickly, ahead of this
summit. That is something I intend to do in October, so that Parliament has plenty of time to
discuss the subject. But this will be possible only if the progress reports are ready. For I have
already said, and I would ask you to take me seriously on this point, that I also see it as my duty
to ensure that the rules are adhered to in the process as a whole. You have just provided a very
good example of how important this is. I obviously know which countries have something
specific to say about Latvia for purely political reasons. And I fully appreciate their position. But then, for every other applicant country, there are countries that will adopt positions for which the motives are purely political. There has to be someone, and some body, which is not guided by political considerations in the narrow sense but acts objectively in the interests of the European Union and exclusively in the interests of the European Union. Therefore, however much I would sometimes like to pursue my own political preferences, of which I have quite a few, I am required to show restraint and ensure that the greatest possible degree of objectivity is maintained in this process.

Titley (PSE). - Can we be absolutely clear on this point. Earlier on you said there were distinct waves – that the first wave would join first and the second wave would join second. Now you said, which is the traditional Commission position, that people in the second wave could actually join before people in the first wave. Can you be absolutely clear – is it the case or not that a country is judged on its merits which means countries currently in the first wave may not join first and countries which are not in this first wave may be able to catch up and actually be part of the first accession?

Verheugen, Commissioner-designate. - (DE) I have just caught sight, here in the room, of the man who was President-in-Office of the Council in the second half of 1987. Mr Poos would be able to answer this question much better than I can, because he conducted the negotiations. But I will try to give an accurate account of what the outcome was. The strategy that was adopted resulted in the formation of two groups. One group comprises those countries with which negotiations were to be opened immediately, and the other group comprises countries with which negotiations could begin at a later date, without a particular date being specified. All the countries have to go through a screening process. This has been completed in most cases. Annual progress reports have to be drawn up for every country, and further decisions as to what is to happen, and when, will depend on those reports. This is laid down in the decision taken at Luxembourg. I am not expressing any personal opinion here, and it is also not a matter of what the Commission thinks. For the accession negotiations are in fact conducted bilaterally between the Member States and the applicant countries. This is what the Luxembourg decision says, and please do not forget this. It also says that countries in the second group, or second wave, may catch up or even, in theory, overtake other countries. In theory, the first country to achieve its objective might not be from the first group, but from the second group instead. But that is theoretical. But this is what was decided, and I think that it was a wise decision. Since I said that we should not change horses in midstream, or change our strategy once it has begun, this means that the decision taken in Luxembourg will obviously apply in this case, too.

Stenzel (PPE) – (DE) – Mr Verheugen, today, as on previous occasions when you have appeared before the European Parliament, you have naturally avoided questions about timing. I should like to remind you that your hearing today is taking place on a significant date, that is to say the first day of September, a date on which, 60 years ago, the Second World War broke out following the bombardment of Danzig by the battleship Schleswig-Holstein. I would just like to say that we have indeed come a very long way in Europe, and it is understandable that the political leaders of applicant countries such as Poland are expressing their impatience as regards the date of accession. Even today, the Prime Minister has referred once again to the year 2003. However, I can see – and I share your views on this – objective difficulties in the social sphere and difficulties with restructuring, which will determine whether that date is realistic or not. What do you have to say on this point?
My second question concerns transitional periods. There will have to be transitional periods. You want to keep them as short as possible. What criteria will you apply? What yardsticks are to be used? Will it be wage levels or GDP? Could you provide a bit more detail on this point please?

My third question is as follows. The Copenhagen criteria constitute the yardstick. There are countries such as the Czech Republic and Slovenia which still have legal acts in force that discriminate against people because of their origins and ethnic backgrounds. In your written replies to questions 25 and 26, you expressed a preference for a declaration to the effect that such legislative acts would not have any further legal effect. Do you not also think that, at the end of the twentieth century, there should be no place in democratic legal systems for legislative acts such as the Beneš Decrees and that, in fact, such provisions ought to be deleted from the constitutions in question as a precondition for accession to the EU?

Verheugen, Commissioner-designate. - (DE) Mrs Stenzel, I am not avoiding the question of a timetable. I am in fact saying quite clearly that I would like a timetable, as quickly as possible, but I can only propose one when I have the basis for such a proposal. And that will be the case when I am able to see what progress has been made in the negotiation process, how negotiation packages might be put together, and who, for instance, has applied for transitional periods, etc. I want to get this done as quickly as possible. It will be on the agenda at Helsinki. A number of Member States have indicated that they will raise the subject. As far as Poland’s ideas regarding a timetable are concerned, I did say, as chairman of the accession conference with Poland this June, that I supported the Polish objective. I consider it to be very ambitious, but not unrealistic, as far as the conclusion of negotiations is concerned. And this is still my view. As far as transitional periods are concerned, I see three main areas where they will probably be the subject of negotiations. These are the environment, especially as regards implementation of the acquis, the free movement of workers and, as I have already said, agriculture. I also have plenty of other ideas, some of them unorthodox, as to where transitional periods might be envisaged. I have picked out the three main areas. However, decisions cannot be taken until fairly close to the end of the process. I repeat that it would be wrong to promise transitional periods in certain areas where negotiations have not yet even begun. This would cause structures to be frozen in time, just when we want them to change.

As regards your third question, there has so far always been agreement that this problem, for instance of the Beneš Decrees, should not be included in the accession negotiations. This is what the current German government says and what the previous German government said. And this is what the Czech side has said, too. I have told the Czech government on numerous occasions that acceptance of the enlargement process, in particular in the European Parliament, would be very much enhanced if the Czech government, or better still the Czech Parliament, said quite explicitly what has been a fact for a long time, namely that the Beneš decrees, in so far as they relate to expulsion and appropriation without compensation, are obsolete. That they no longer have any legal effect. It is perfectly clear already that they do not have any further legal effect. I believe that such a declaration would be useful. The Czech Prime Minister said something along these lines when he visited Bonn in March. I would like to see the Parliament be even more explicit.

Paasilinna (PSE). – (FI) Mr Verheugen, how do you see the question of border controls in the applicant countries? By way of example, let me refer to the case of a country joining the EU and its neighbour which is not joining yet – such as the border between Hungary and Romania or the frontiers between the Baltic States. It could be politically incorrect to tighten up border
surveillance with the future Member State but, at the same time, there is a possible risk, for example, of illegal persons and goods moving across the border if it is not tightened up and there are inadequate checks. What would be your remedy in such a case?

Verheugen, Commissioner-designate. (DE) The position here is quite clear. The new Member States must adopt the Schengen acquis. It is part of the Treaty, and that means that if they have external borders, those external borders must meet the Schengen requirements. We will have to help them ensure that this is actually the case, and we must also help them prevent the destruction of any small-scale economic links that have developed. But let there be no doubt that we must expect our new Member States to make our external borders secure. There is no alternative. Whether that is politically correct or not is irrelevant. This is a key aspect of providing security for the citizens of our Member States, and no effort must be spared.

Carlsson (PPE). – (SV) I not clear what you mean by your replies to questions 15 and 17 and by the answers we have heard from you today. Are you against allowing the applicant countries to exploit their competitive advantages to create prosperity?

In your written replies, it sounds as if you want to prevent the applicant countries from doing so and are adopting positions that go beyond the EU’s jurisdiction. Yet it also seems that you are prepared to make changes to one of the Union’s fundamental freedoms, namely the right of people and workers to move freely. Will you therefore explain your basic views on what some people call social dumping? I would like to know whether, as a Commissioner, you will adopt positions on the applicant countries’ social security arrangements and employment contract arrangements.

Verheugen, Commissioner-designate. – (DE) I can unequivocally answer ‘yes’ to this question. Social dumping, if intentional, can be destructive. You must be quite clear about that. If, for instance, social dumping results in companies going bankrupt and jobs being lost in the Member States, there will be no support for enlargement in those Member States. And I can tell you right now: social dumping cannot be tolerated, and current negotiations are aimed at ensuring that all the applicant countries comply with the single market criteria. And that includes this issue.

As regards transitional periods in relation to the freedom of movement, I did not express a hope but spoke words of caution. I said I expected that such periods would ultimately be discussed, and, ultimately be demanded. But I am very much opposed to them being included in the negotiations and to saying ‘OK, this is a difficult problem, but we can sort it out by introducing transitional periods’.

Carlsson (PPE). – (SV) I must ask you to be more specific about what you mean by social dumping. Do you mean that tax levels and social security payments should rise to the levels found in the current EU?

Verheugen, Commissioner-designate. – (DE) No, that is obviously not possible, for the fiscal and social legislation of a country is dependent on its economic performance. This means that levels of taxation and social benefits in the applicant countries will change as prosperity increases and in line with economic growth. Social dumping means, for instance, creating competitive advantages by applying lower health and safety standards. Unfortunately, this is what is happening in many cases at present. Lower health and safety standards are resulting in competitive advantages. I call such competitive advantages social dumping, because they are to
the detriment of workers in the applicant countries and to the detriment of those who are at risk of losing their jobs. This is an example of what I mean.

Efthymiou (PSE). – (EL) Mr Verheugen, your answers were so competent, comprehensive and to the point as to highlight all the more strongly two areas where uncertainties remained. As future Commissioner responsible for enlargement, you indicate in your written replies that you will insist on the same criteria and conditions applying to all applicant countries. We have a group of 5+1 countries to which the same criteria must be applied, as you yourself affirm. One of these countries is Cyprus, and you indicated in your replies that its accession might be problematic. There is an inconsistency here, and I should like to examine the matter a little more closely. Your comparison with a convoy was particularly apposite, one of the six vessels heading towards us being Cyprus. The Republic of Cyprus, represented by Mr Klerides, is an entity which is recognised by the European Union and the United Nations. It is a fully-fledged democracy and in social, economic and legislative terms as close to achieving the Community acquis as any other country. I therefore urge you, as the Commissioner responsible, not to allow one of the vessels approaching us in accordance with the rules which we ourselves have laid down to be threatened below the waterline by a third party, in other words by Attila submarines. It is unacceptable for a ‘global player’ as you described the Union, to allow its decisions to be influenced by pressure from third parties. I therefore urge you to ensure for your part that you adhere to your undertakings: the same criteria and the same rules, in particular for the Republic of Cyprus, and I appeal to you in particular since, as a German, you will appreciate adherence to democratic principles makes it possible for a divided country to find its way forward.

Verheugen, Commissioner-designate. (DE) Mr Efthymiou, you are perfectly right, and I agree with you entirely. Cyprus is being treated in exactly the same way as all the others. If it turns out that there is an area in which Cyprus cannot fulfil the acquis, then we have a problem. Be under no illusions: neither you nor I is the master of the enlargement process, neither is Parliament or the Commission. It is not even the Council, for the masters are the Member States! I will say something that you probably already know: there are a number of big and influential Member States who are already saying that we should not negotiate further with Cyprus because it is clear that Cyprus cannot fulfil the acquis in the area of the common foreign and security policy. As a Commissioner, I shall make sure that negotiations continue and that such views do not gain the upper hand.

The Member States, as masters of the enlargement process, have until now said that the final decision should be left open until the outcome of the negotiations is known. I therefore cannot anticipate now what that final decision will be. I agree with you wholeheartedly on one point: we cannot allow a country with which the European Union is negotiating to be held hostage by another country. That is obvious. And I would add that no European country in the enlargement process must be held hostage by another, not one!

Efthymiou (PSE). – (EL) I hope that you will subscribe to the assurances given by all European Union representatives until now that, in respect of Turkey, accession will depend on compliance with international law and respect for existing borders. It is clearly unacceptable if an applicant country threatens to undermine the international treaties which guarantee the security and equilibrium of this region.

Verheugen, Commissioner-designate. – (DE) I have already said several times that one of the things we are demanding from Turkey is a positive and constructive approach to conflicts with neighbouring countries.
Gahler (PPE). – (DE) Mr Verheugen, I conclude from the answers you have given so far that you will certainly agree with me that we should not relax the criteria in order to cover up the objective deficits that exist as regards the progress made within the second group of applicant countries, for example Bulgaria and Romania, with a view to starting negotiations. Will you caution the Council in good time if it shows any sign of relaxing the criteria, and do you also agree in this connection that agreements on the safe use of nuclear energy in the applicant countries should be covered by the negotiations themselves instead of being a precondition for beginning negotiations? There appears to be another contradiction in your earlier replies. The oral reply you gave earlier regarding the free movement of persons seems to contradict what you said in your written reply. You wrote in your reply to question 15 that possible problems with regard to the free movement of persons had been overestimated. I got the impression just a few minutes ago that you had said almost the opposite. Would you perhaps just clarify this matter briefly? Is the free movement of persons a major problem or not?

Verheugen, Commissioner-designate. (DE) The last remark is a reference to a study by the DIW (German Economic Institute) with which you must be familiar and which is the basis of the current debate in Germany. This study estimates that there will be an enormous influx, of several hundreds of thousands of people, into the German labour market. The DIW is currently working on a new study, as are other institutes. These will yield completely different figures that will not eliminate the problem but will provide much clearer detail. What I meant by my comments was that the figures hitherto produced are really the stuff of horror stories and are no longer used even by those whose research yielded them.

As far as nuclear power stations are concerned, I am, if I understand your question correctly, obviously of a different opinion to you. I firmly believe that as far as the safety of nuclear power stations is concerned, no compromise whatsoever is possible. I am not willing to take the risk of something happening because of nuclear power stations in Europe that cannot be made safe. No one in Europe would understand if I was. There are eight power station units that do not meet our safety standards. And I would like to hear from the three countries in which they are situated: Ignalina is in Lithuania, Kozloduy is in Bulgaria, and Bohunice is in Slovakia. I would like them to tell me, before Helsinki, when these eight units are to be switched off and what the situation is as regards the management of nuclear waste and their medium-term energy strategies. Whether or not I make such demands doesn’t matter anyway. There will be no decision in favour of Lithuania, Bulgaria or Slovakia because it will not be possible to reach unanimity in the Council on this point if the situation is not completely clear. I therefore repeat: there are eight units that cannot be brought up to our safety standards. Did you have a third question?

Gahler (PPE). – (DE) Yes, whether you would caution the Council in good time against relaxing the criteria?

Verheugen, Commissioner-designate. (DE) This subject is an enormous one, and the chairman has reminded me to be brief. I know what the various options are that are being discussed at the moment for the enlargement summit in Helsinki. One option is not to decide in Helsinki to make a start on negotiating with all countries, but to draw up a timetable setting out when negotiations should begin, and with whom. Another option is to begin only with a certain number of countries and to adopt an enhanced pre-accession strategy for others. I am not able at the present to decide which of the options will ultimately be the best. What I said earlier in a different
context applies here too, namely I need to see the progress reports and analyse them first before drawing the necessary political conclusions.

I also want to stick to the rules as regards this second group, which means that every country is to be measured by the progress it makes.

Wiersma (PSE). – (NL) I think Mr Verheugen will have just caused an outbreak of panic in three embassies in Brussels owing to his comments about nuclear power stations, but my questions are not about that. I endorse the views of my colleagues who have expressed concerns about public opinion in the applicant countries. Public opinion that is not turning against the EU, but one that is causing more and more questions to be asked. I think that this is important. I should like to know whether you agree that it is not just a matter of good public relations work in the applicant countries, but also to certain extent of the style which Brussels and the style which we ourselves adopt in our dealings with these countries, and also a matter of displaying a certain amount of modesty in the demands that we make of them, because not everything is perfect in the European Union either. I sometimes get the impression that we are rather too arrogant in our dealings with these countries.

My second question is to a certain extent connected with my first. You quite rightly say that the slowest countries must not determine the pace of enlargement, but I should like to ask you if you have any idea about how you might help the slowest countries, and specifically Bulgaria and Romania, to speed up the process for their accession and for developing closer relations with the EU.

Verheugen, Commissioner-designate. - (DE) Mr Wiersma, as far as your comment regarding nuclear power stations is concerned, I will not have caused anyone to get into a panic, because the view I stated is a well-known one, and please do not confuse the issue: I did not talk about nuclear power stations, but about eight units, and I do not oppose the use of nuclear energy in these countries. I am opposed only to nuclear power station units remaining in operation when they cannot be brought up to European safety standards. I would be very surprised if anyone in this room took a different stance on this issue. To be perfectly frank, I would consider an opposite view to be quite indefensible. This is a matter of life and death, possibly for millions of people.

As for your second question concerning improved public relations, I have already said that this will be one of my first tasks. I take the view, however, that public relations is not the key issue, for it is always essential to have clearly defined policies. Clear and unambiguous policies are the best publicity material. There must be no clouding of issues in our relations with the applicant countries, and I think that if we adopt a clear and definite position, then this will speak for itself.

As regards cooperation between applicant countries, for instance in the first and second groups, I consider this to be an interesting suggestion, which I would like to take up. One could, for instance, quite easily envisage the twinning projects that currently exist between Member States and applicant countries also being arranged between applicant countries, so that they can learn from each others’ experiences. An organised exchange of experience between different applicant countries is an extraordinarily good idea, I think. Thank you for your suggestion, which I will take up.
Newton Dunn (PPE). – (EN) Mr Verheugen, you were reported in the newspapers – though I know they are not always correct – as saying that if all the 19 candidate commissioners who we are now hearing were not confirmed, blood would be spilled. Were you threatening Parliament?

Friedrich (PPE). – (DE) Mr Verheugen, did you say that there would be trail of blood, or not? I do not think there was a newspaper in Germany that did not report you as threatening that if such and such happened then there would be some kind of trail of blood in Europe. You reiterated your views in the European Affairs Committee of the German Bundestag. And twice you have said that the press is to blame. I no longer believe you after the second time!

Verheugen, Commissioner-designate. - (DE) You are talking about something completely different. And your question, too, refers to something completely different. I made no comment whatsoever to the effect that something would happen if one or other Commissioner was not confirmed in office. At a very early stage in the debate, even before any nominations had been made, I made an ironic remark at a press conference here in Brussels, a remark which was taken to be ironic by all those present, to the effect that the President-designate of the Commission would have to watch out that he did not leave a trail of blood in Europe, given the way he had on occasion publicly described the candidates proposed by the Member States, or what he had said. The words ‘blood would be spilled’ were never used! What was meant was that, even during the process of forming a Commission, a certain amount of consideration must be shown. Admittedly, the message became a bit distorted. I clarified what I meant in a discussion I had with Mr Prodi a long time ago now. Both for him and for me, this matter is closed.

Swoboda (PSE). – (DE) Evidently Mr Prodi got the right message, otherwise he would not have proposed you. At least, I take it from the parliamentary debate that he proposed you.

(laughter)

I should like to ask two questions, without subsequent additional questions, concerning eastwards enlargement and south-eastern Europe. Slovenia has requested special relations and/or conditions as regards its special trade and economic links with south-eastern Europe in order to be able to help with reconstruction there. Regardless of any legal difficulties that might arise, do you view such requests in a favourable or unfavourable light? Secondly: if a new Croatian government should decide to submit a membership application in two or three years’ time and to start making preparations now, would you encourage and support such that government in making its application?

Verheugen, Commissioner-designate. – (DE) As regards the first question, the Commission has, as I am sure you are aware, made its position clear, and I endorse that position. Such special foreign trade links cannot continue once the country joins the European Union. Since we have a gradual pre-accession strategy for the internal market, it would even right to say that such special links would have to be cut prior to accession. There should not be a major problem in most cases, because I think that some such bilateral preferential agreements would be replaced by EU agreements with the countries concerned. That is my position on this issue. As far as Croatia is concerned, it has been causing headaches in Europe for a long time now. I think we will have to wait and see what the outcome of the elections in Croatia is. They are imminent. I think we might see Croatia go through a process similar to that which took place in Slovakia. Slovakia was different, though, because it had, so as to speak, been regarded as an applicant country from the outset, whereas Croatia has not. Please understand when I say - and I know
you are aware of my views - that I cannot write a blank cheque for Croatia. But I want to make it clear that Croatia is a central European country that has the same rights as any other country that applies for EU membership. Any application it makes will be considered in the same way as any other application, and if the positive developments I consider possible do in fact materialise, I think that it will also be possible to look favourably on an application. I should, however, like to make it clear that Croatia cannot be excluded from the enlargement process just because it is Croatia.

Lalumière (PSE). – (FR) Commissioner-Designate, over a three hour period you have demonstrated perfect knowledge of the enlargement issue. I have listened to you carefully. You have above all attached great importance to the Copenhagen criteria and to your desire for objectivity and you have said little about the problems which go beyond the Copenhagen criteria. I am referring to the state of mind which prevails within candidate countries: mentalities, culture in the broadest sense of the word, psychological reactions. I take a similar position to Mrs. Hoff or Mr. Hänsch, by questioning you on this because you have, moreover, said on several occasions that your concern was to pursue an overall enlargement strategy. Such a strategy must certainly be based on the material, particularly economic, criteria of Copenhagen. But it must also go beyond this. And then there are the geopolitical factors. For example, the membership of Cyprus or Turkey is based upon very broad factors which I would call geopolitical. In short, Commissioner-Designate, do you have this indispensable overall

Verheugen, Commissioner-designate. – (DE) The strategy has been laid down. I do not want anyone to get the impression that I might be able to devise a new enlargement strategy. We are already in the middle of the process, and, so far, I cannot see that the chosen enlargement strategy is fundamentally flawed. I have therefore advocated that we maintain the strategy, partly to safeguard the principle of good faith. The chosen strategy is not based purely on economic conditions. Nor is it purely political or even geopolitical. Nor is it geared wholly to democracy and human rights. Rather, it is an arrangement composed of various elements, including a political element.

The whole reason behind the policy of uniting Europe is not that we want to set more standards for cucumbers; it is about security, stability, peace and freedom for the whole of Europe. That is the political element. That is why we are pursuing such policies in the first place. As far as economic aspects are concerned, we know that stable democracies at least stand a better chance of flourishing if they have a sound economic basis. We therefore want to give these countries an opportunity to catch up in terms of economic development.

I am especially interested in the psychological and cultural aspects. We must show greater sensitivity in dealings with the applicant countries, some of which only recently acquired true sovereignty, and make it quite clear to them that their national identity, and special cultural characteristics, are not at risk. A Pole will be able to remain a Pole, and Romanian culture will remain Romanian. It is the diversity of national identities and national cultures that makes Europe strong. It is all this that makes up the process and, it must be said, that makes it so difficult.

Atkins (PPE). - (EN) Commissioner-Designate, do you support the German Government’s policy of opposition to nuclear power or the contrary view which represents the majority view of the Member States of the European Union? If you do support the German Government position, what will be the implications for applicant countries?
Verheugen, Commissioner designate. – (DE) I do support the German Government’s policy, which is aimed at organising, on the basis of broad social consensus in Germany, an economically sound procedure for abandoning nuclear energy in Germany. The German Government has no plans to dictate to anyone else whether or not they can use nuclear energy. Its policy therefore has no impact on the enlargement process, and, in answer to another question, I have already said that the use of nuclear energy is a matter of national sovereignty in which I have no right to interfere. I respect any country’s decision to use nuclear energy. The only thing I demand, and I hope that you would the same, is that nuclear energy be used under the highest possible safety conditions.

Sacrédeus (PPE). – (SV) Mr Verheugen, in your reply to question 9 concerning the scenario in the event of membership negotiations getting stuck, you said that accession negotiations are conducted bilaterally and are determined primarily – you said primarily – by the progress of each individual applicant. Will you please specify what criteria and factors, other than the results of the membership negotiations with each individual country, help to determine the pace of the negotiations? Would the other factors account for about 20 or 30% of the total? Can the EU itself in fact both prevent and delay eastward enlargement by not taking any new decisions on institutional arrangements?

Verheugen, Commissioner designate. – (DE) I think that the procedure is clear. I have said that it is the Member States that are the masters of the enlargement procedure, that is to say the Conference of Member States. But it is the Commission that in practice does the work. That is the way things will stay. The negotiations are being conducted in 31 chapters. So far, between 7 and 10 of those chapters have been closed for the time being. I stress ‘for the time being’, simply because the acquire has changed. I have already said this. Between 1 March 1998 and now it will be necessary to return to those chapters.

The following Presidencies will then have the task of carrying this process forward. The Finnish Presidency intends to open another eight chapters, and the Portuguese Presidency in the first half of next year will open the remaining eight, so that by the middle of next year, all 31 chapters of the negotiation process will have been opened, and that will also be a good time to draw up an interim balance, in order to see where we stand. I cannot predict at this moment in time how long individual chapters will take. I can only say one thing, and that is that the difficulties are getting bigger every time. We deliberately took the easier chapters first, so as to provide some encouragement, now things are getting increasingly difficult, and they will get more controversial and will also become more time-consuming. Radical changes to the acquire would of course have an impact on the enlargement process, because they would mean that everything had to be renegotiated from scratch. That is only logical. For the negotiations are designed to ensure that the applicant countries have achieved the acquire by the time of their accession to the European Union, and if we make significant changes to the acquire during the negotiation process, then everything will have to be renegotiated. But then I am not expecting such radical changes to the acquire over the next few years.

Bethell (PPE). – (EN) I want to be sure that I heard the Commissioner-Designate correctly. I believe that he said – and I made a note – that he favoured a politically-united Europe in which decision-making should be done by qualified majority as a general rule, with unanimity reserved only for any vote on a Treaty amendment. I wonder if he could confirm that that is what he said, because – with no disrespect intended – if he did say that, I cannot vote for him either individually or collectively.
Verheugen, Commissioner-designate. – (DE) I am aware of that. I was specifically asked for my personal opinion and so was not expressing the views of the Government of which I am a member or of the Commission of which I hope to become a member. But you must allow me, as someone who has had experience of European politics for 30 years and as a passionate pro-European who understands the idea of a politically united Europe, also to have definite views about what is needed to ensure that Europe evolves politically and, in any case, I have already acknowledged in my replies that there are Member States and political forces in some Member States who simply detest this idea. This is something I could tell from your question. Unfortunately, I will have to live with this, and I will try perhaps to win your confidence in other areas!

(laughter, applause)

Chairman. – That brings the hearing to a close. William Shakespeare spoke of the unforgiving minute, and from this Chair, I apologise for requesting colleagues to stay within 60 seconds. People have been magnificent. Thank you very much indeed.

Mr Verheugen, thank you so much for the clarity of your answers, for the transparency you have demonstrated in dealing with this committee, and for your willingness to work very closely with us if you are appointed. We are grateful to you for that and for the honesty and rigour of your answers and your thinking. I fear it must have seemed like an epic of Gilgamesh, but thank you for carrying on until we completed out final session with you.