

3-001

SITTING OF WEDNESDAY, 12 APRIL 2000

3-002

IN THE CHAIR: MRS FONTAINE
*President**(The sitting was opened at 9.05 a.m.)*

3-003

Adoption of the Minutes of the previous sitting

3-004

President. – The Minutes of yesterday's sitting have been distributed.

Are there any comments?

Mrs Ludford, are you sure your point of order is related to the Minutes?

3-005

Ludford (ELDR). – Madam President, I signalled I wanted to raise a point of order, although it is not actually on the Minutes. I do not want to delay the House unduly, but I think that as we prepare to debate the construction of Europe, it is important to take note of a landmark court judgement in the UK.

The so-called historian, David Irving, has lost his libel case against the American academic, Deborah Lipstadt, who accused him of manipulating evidence to deny the Nazi genocide of the Jews. The judge has ruled, in a devastating judgement, that he was “an active Holocaust denier, anti-Semitic and racist and that he associates with right-wing extremists who promote neo-Nazism”.

This judgement is important, not just for Europe's past, but also for its present. With the rise in racism and anti-Semitism and the electoral success of extremist parties, this judgement boosts the fight to make Europe a society free of racism and at ease with diversity.

(Applause)

3-006

President. – Thank you, Mrs Ludford. I am happy to take note of your point of order. But for the time being I would like comments to relate to the Minutes, so that we can adopt them. After that Members are free to move any other points of order.

3-007

Corbett (PSE). – Madam President, item 2 of the Minutes on page 5, which is in fact the first substantive page, refers to the points I raised about certain political groups apparently not respecting the Rules of Procedure in that they appear to allow individual members of their group to table amendments in plenary, supposedly in the name of the group, although this cannot possibly be the case because contradictory amendments are tabled in the name of the same group.

I would like to underline that although the Minutes mentioned specifically the EPP Group, it is in fact not the only group to have acted in this way. For instance, the Technical Group, the TDI Group, which did not table any amendments at committee stage whatsoever, has now arrived in plenary with between 20 and 30 amendments, many of which are contradictory. They are tabled by different members within that group taking different positions and therefore cannot possibly be a group position. That does not respect our own Rules of Procedure, which allow only 32 members or a group to table amendments in plenary.

3-008

McKenna (Verts/ALE). – Madam President, my point concerns the section of the Minutes on Question Time yesterday evening, when I raised a point of order. First of all, Question Time was put back to 6:30 p.m., then it was announced on the screen that it would begin at 6:50 p.m. In the end it was after 7:00 p.m. before Question Time started. The first part was supposed to last 30 minutes, according to the Agenda; but it lasted much longer.

Basically, my problem is that I had questions down – as some other people did – to Commissioner Byrne. We had group meetings at the time and saw on the screen “Question 41”. But by the time I reached the plenary, you had moved on automatically within a few minutes to Question 49. So five or six people had questions down to Commissioner Byrne, but none of us were here to ask the questions.

Commissioner Byrne seems to have taken offence at this and seen it as some kind of snub. But it is very difficult for Members to sit right through every single question during Question Time just in case we jump from No 1 to No 99 in a matter of seconds. So, could we please stick to the Agenda: thirty minutes for the first part of Question Time, twenty for the second part and so on. We should not keep changing the Agenda because then it is extremely difficult for us to operate.

3-009

President. – Thank you, Mrs McKenna. I take note of your comment and will ensure this does not happen again.

3-010

Thors (ELDR). – (SV) Madam President, in recent days, immense natural catastrophes in which quite a number of people have died have again occurred on the banks of the River Tisza. I would therefore ask the President to send our condolences to both the Romanian and Hungarian parliaments. At the same time, we must be alert to the kind of environmental risks these natural catastrophes may entail for our common European environment. The Tisza flows into the Danube delta, which is one of the world's most significant protected areas of environmental interest.

3-011

President. – Thank you, Mrs Thors, I am quite prepared to do so.

3-012

Wynn (PSE). – Madam President, with rather more levity. Last night in the Committee on Budgets when the refreshments were being distributed, Mr Colom pointed out that the small cartons of milk were marked “for distribution in schools only”. Had it said “for schoolchildren only” one could understand why it was being distributed in the European Parliament, but it was marked “for schools only”. Could we find out why this has happened? It is so embarrassing. I know we campaigned for more school milk but, on this occasion, we did not want it here.

(Laughter)

3-013

President. – Thank you, Mr Wynn, I cannot answer you right now, but I will have the matter investigated.

3-014

Laguiller (GUE/NGL). – (FR) Madam President, I wish to inform you and the Members who come into daily contact, although sometimes without noticing them, with the Parliament staff who ensure the running of the House as a whole, that certain sections (security guards, receptionists, firemen) were on strike yesterday afternoon. They were protesting at having to work 12 hours at a stretch, day and night, for an average net salary of FRF 6 000, without even receiving extra pay for night or weekend work. I want to express my solidarity with them. Moreover, we have written you a letter, Madam President, on behalf of the LO and LCR Members, and hope you will follow the matter up.

3-015

President. – Thank you, Mrs Laguiller. I will give the letter my utmost attention.

3-016

Paasilinna (PSE). – (FI) Madam President, I have been listening to the translations of the speeches on my headphones for a long time now, and the sound disappears sometimes, even if I change places, and I also get a rasping noise, not only here but also in our Group's room. There is some technical fault here, and I wish the relevant people would check whether there is too much interference here, owing to mobile phones, for example. Even the position of my head affects audibility, and I cannot really sit here listening with my head tilted to one side. The other request I have is for a technician to adjust the sound volume here. Some Members shout into the microphone, even though the microphone is, in fact, there to make shouting unnecessary, thereby making it impossible to hear anything over the headphones. So whenever someone shouts into the microphone – even though they should not – I would ask that the sound volume in the Chamber be lowered immediately, so that we can also hear what is being said over the headphones.

3-017

President. – Thank you, Mr Paasilinna, we will look into all that and check the sound system in general.

(The Minutes were approved)¹

3-018

IGC

3-019

President. – The next item is the report (A5-0086/2000) by Mr Dimitrakopoulos and Mr Leinen, on behalf of the Committee on Constitutional Affairs, on the European Parliament's proposals for the Intergovernmental Conference (14094/1999 - C5-0341/1999 - 1999/0825(CNS)).

First of all I must inform the House that the Union for Europe of the Nations Group has moved the report's inadmissibility, pursuant to the Rules of Procedure. Let me point out that the Council consulted Parliament on convening the

¹ Documents received – Transfers of appropriations: see Minutes

Intergovernmental Conference and that the report by Mr Dimitrakopoulos and Mr Leinen was entered on the agenda in accordance with the appropriate Rules.

Mr Ribeiro e Castro will present the motion.

3-020

Ribeiro e Castro (UEN). – (PT) Madam President, ladies and gentlemen, this report should not have been admitted. It is generally anti what Europe really represents and anti most of what Europe has achieved. Paragraph 15 of the motion for a resolution is a symptom of this aggressiveness towards Europe. We are all attached to fundamental rights and the rule of law, starting here in this House. So how can we agree when the fundamental right of recourse to the courts is being threatened? This is not a question of internal affairs, but external affairs of great importance. We are Members of this House and we represent our electors. Anything which discriminates in our legal and political conditions, between our political parties and groups in terms of freedom and equality affects our right of representation and ultimately the rights and very freedom of our electors. These are the elements particularly under threat in this report which wants to interfere with and discriminate between the statutes of the political parties. The very essence of Europe is under threat. The fundamental right of recourse to the courts cannot be altered by anyone and nor can the rule of law.

Paragraph 15 ruins the whole text by defiling a very serious issue. The temptation for those in power to act arbitrarily which this paragraph encourages is a clear illustration of the position taken in the rest of the report, and a terrible omen. We therefore move the inadmissibility of this report which, in addition to having a dubious legal basis, was not properly prepared and does not enjoy the broad consensus which Europe must have. This is evident in both the injudiciousness of this regrettable paragraph and the fact that 222, I repeat 222, amendments were tabled on this report. Is there any better proof that this report is totally inappropriate? We therefore propose, in order to defend Europe and the rule of law, the immediate rejection of this report.

3-021

President. – Thank you, Mr Ribeiro e Castro.

Does anyone wish to speak in favour of this request for referral back to committee?

3-022

Berthu (UEN). – (FR) Madam President, I think Mr Ribeiro e Castro is quite right to consider the Dimitrakopoulos-Leinen report inadmissible because it conflicts with and even infringes a number of rights enshrined in our institutions. First of all, Mr Ribeiro e Castro is right to single out paragraph 15, which states that ‘no actions may be brought in connection with the *interna corporis* affairs of the European Parliament.’ That statement clearly infringes the fundamental right of every citizen, and thus also of Members, to bring an action. But more generally I believe this report infringes a whole range of different rights, beginning with the rights of the small and medium-sized states which have formed an integral part of our institutions and been highly respected by them since the early days of the Treaty of Rome.

3-023

President. – Thank you, Mr Berthu.

Mr Dimitrakopoulos and Mr Leinen, the two rapporteurs, wish to speak against this motion.

3-024

Dimitrakopoulos (PPE-DE), rapporteur. – (FR) Madam President, ladies and gentlemen, however much I respect the opinion of the Members who have just spoken, I find it harsh and unjust to regard our report as inadmissible because of paragraph 15. Other colleagues have tabled amendments with a view to voting against that paragraph, and Members may agree with those amendments.

To agree or not agree with a paragraph in a report is justified and democratic, and that is what we are here for. But I do not think it is right to move that a report is inadmissible because of one paragraph. I call on Members to vote against this motion. We must examine and vote on the report during this part-session, because it is not a matter of voting for the two rapporteurs but of voting for the European Parliament’s opinion.

3-025

Leinen (PSE), rapporteur. – (DE) Madam President, I am delighted that of all the groups, it is the UEN Group that is standing up for more fundamental rights and more democracy at European Union level. I am pleased about that; it is a major step forward. However, I also believe that the strong language my fellow delegates are using is completely uncalled for. The EU countries have completely different cultures. In some countries Parliament can draw up its own rules of procedure and one does not have the option of going to the court of justice. Some countries have a different system. We have recital 15. Mr Dimitrakopoulos has already mentioned that there are amendments. The UEN Group are welcome to vote against them and then we will see if it is left in or taken out. All in all, I believe that there is no call for excessively strong language, and I am also in favour of us rejecting this amendment.

3-026

Brok (PPE-DE). – (DE) Madam President, I do not think this amendment is something we can vote on, as the Treaty of Amsterdam makes express provision for the relationship between the institutions and the procedures to be framed differently. In this respect, this report forms part of the implementation of the Treaty of Amsterdam, and one cannot vote on erroneous, legal proposed amendments, one can only reject them!

(Laughter and applause)

3-027

President. – If you feel duty-bound to reject it, you will have an opportunity to do so. I shall now put the motion presented by the Union for Europe of the Nations Group to the vote by roll call.

(Parliament rejected the procedural motion)

3-028

Dimitrakopoulos (PPE-DE), rapporteur. – (EL) Madam President, Minister, Deputy Minister, Commissioner, we are at a really very important juncture so far as the vocation of the European Union is concerned. Today, through the proceedings of the Intergovernmental Conference, the European Union is being called upon to address the great challenges involved in the transition from the 20th to the 21st century, challenges we all recognise, which are important, which influence the course of the European Union every day, and challenges which, above all, raise a fundamental issue: how ready are we, as an institution, as the European Union, to face them? The Intergovernmental Conference attempts to answer just that question. It is common ground that in the face of all those challenges, the way the European Union functions at present is certainly in need of some changes, changes whose important aim will be the future progress of the European Union on the basis of what we have all accepted until now.

The report you have before you today is significant in that it covers the following points. The first point is once again to consolidate the institutional nature of the European Union. We repeat and insist that the European Union is both a union of states and a union of peoples. It is precisely our acceptance of that principle which has guided the European Union towards the many successes we can mention, and which, of course, we all like to refer to from time to time.

The second point is to reconfirm and consolidate another important principle, the principle of a balance of powers, a principle that relates precisely to the role and relationship of those who participate in the European Union, a principle expressed by the way all the Member States express themselves in all – I repeat, all – the European Union's institutional bodies. And as you know, the European Union has got to where it is today, achieved what it has achieved, precisely because it has been and is functioning on the basis of a balance of powers as agreed and commonly accepted.

The third basic principle safeguarded in the report is the proposal for a general – and I stress the word general – review of all the institutional bodies that make up the European Union. For some, perhaps, that may be a risky proposal. However, I must stress that it is necessary and essential, particularly since we all agree that over and above all, the current reconsideration of how the European Union works is directly linked to the great challenge presented by the European Union's enlargement. It is only natural, when already in a Europe with 15 Member States we find and all agree that some things do not work quite so well and must be put right, that this will be all the more necessary when we it concerns a European Union with 18, 20, 25 and 27 Member States.

The fourth point concerns a number of new proposals, despite the fact that the issues to which they relate had always been debated. I refer very specifically to closer cooperation. Closer cooperation, at least as we view it, must comprise two main elements. Firstly, it must be an incentive and not an obstacle – I stress: not an obstacle – it must be an incentive for all the Member States to participate more and in greater depth in the European procedures. Secondly, it must contain a very highly developed element of democratic awareness, which means that if any country or countries for some reason do not wish to participate, at least during a first phase, this should not be regarded as an exclusion or as a factor that restricts the presence of those countries in the European Union.

We have taken a great many steps and we certainly can point to two examples of closer cooperation. The Schengen Agreement, and Economic and Monetary Union itself. I would also like to see closer cooperation in foreign policy issues and others as well. To put it clearly, closer cooperation is a Community process and both foreign policy and common defence policy issues should be dealt with as a Community process, because it provides control mechanisms. I would like to close by expressing my thanks to the Portuguese Presidency and in particular to Mr da Costa for his cooperation, to Commissioner Barnier, to you and all our colleagues, and of course, to my co-rapporteur Mr Leinen, with whom we worked hard but very well. I would also like to thank the members of Parliament's Secretariat who assisted us and the interpreters, who on very many occasions worked long hours to enable the difficult negotiations you all know about to take place.

3-029

Leinen (PSE), rapporteur. – (DE) Madam President, Commissioner, Minister, the national governments took the decision at the Helsinki Summit to almost double the number of Member States. I believe that is the background to the reform we are calling for now, so as to enable the European Union to handle the enlargement process. Doubling the number of

Member States requires far-reaching reform of the working structures and the decision-making procedures in the Union, so that this whole undertaking does not become incapable of acting. The key issue is the transition from unanimity to qualified majority voting. That is the most crucial issue and it must be the yardstick for gauging the success or failure of this Intergovernmental Conference.

It is quite clear that when there are 27 Member States, it is no longer going to be possible to reach unanimous decisions. It will either take too long or we will only be able to reach solutions that have a minimal effect. This would not be in the interests of our citizens and our countries. We therefore call for qualified majority voting to become the rule and unanimity the exception. However, I am most disconcerted by the developments at the Intergovernmental Conference, because the message we are getting is that so far, the governments have been unable to reach agreement on a single issue regarding the transition to qualified majority voting. I believe this only goes to show once again, that the Intergovernmental Conference is not the best way to get results, because it is a long time before actual negotiations take place and there is too much waiting around on the starting line.

Mr Dimitrakopoulos mentioned flexibility. I believe this is also an important principle where enlargement of the Union is concerned. Twenty-seven countries will not all be able to move at the same speed when it comes to integration. That is why it is so important for some countries to integrate more closely, as we put it, if we want European unification to take place within the confines of the European Union rather than outside them. Remember that the debate on the "hard core" or the federal core was revived again after Helsinki, because some people feared that it will not be possible for unification to proceed within the Union.

I ask myself what kind of message this Intergovernmental Conference sends out to our citizens. I feel it must be brought to their attention that the Union will become more democratic, more transparent and more accessible to them. In other words, we also need to offset the democratic deficit. Parliament must be granted codecision rights in all matters where the Council takes majority decisions. We also want to improve our opportunities for supervising the Commission. In fact we have submitted proposals to the effect that the President of the Commission should be able to ask Parliament for a vote of confidence, and that it should also be made a little easier for us to express our lack of confidence in the Commission when we see fit to do so.

A Europe of the citizens – to pick up on a theme I touched on before – also goes hand in hand with the Charter of Citizen's Rights in the Union. We demand that this Charter be incorporated into the Treaty at the end of this year. I would just like to mention that this would also enable the "Europeanisation" of the political debate to take an important step forwards. We want a statute for European parties. After all, politics must take place at European level and not at national level. Many of us believe that European lists may prove helpful at future European elections, so that the debates directly associated with the European elections are not purely concerned with domestic affairs, with the opposition pitted against the government, but are European debates, so that the issues we are most concerned about here on the continent are brought to the fore.

The reform of the European Treaties must deliver two things: more efficiency and more democracy. If the European Treaty of Nice succeeds in this, then the prospects are good for achieving stability and also acceptance amongst the citizens in an enlarged European Union.

(Applause)

3-030

Brok (PPE-DE), *draftsman of the opinion of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy*. – (DE) Madam President, ladies and gentlemen, allow me first of all to make a few brief comments on foreign policy. I would like to encourage the Portuguese Presidency – which so far has managed the negotiations for the Intergovernmental Conference very imaginatively and with a great deal of consideration towards the European Parliament – to give its backing to an extension of the mandate, for example, particularly in the sphere of foreign and security policy, and that of fundamental rights, and to take the decisions necessary to do this in Feira, once we know what is needed on the basis of the implementation of the Helsinki and Cologne Decisions pertaining to foreign and security policy.

This is where we must truly succeed in bringing about cooperation between the first and second pillars, and also in integrating the second pillar more effectively into the first. In other words, we must bring about closer cooperation between civil and military crisis management. The Treaty of Amsterdam made it possible for there to be far-reaching integration of the Western European Union into the Treaty; in particular, it transferred the Petersberg tasks. I believe there is a need for the European Parliament to be empowered to undertake the necessary parliamentary supervision, so as to create equilibrium between the institutions. I say supervision, not codecision – apart from where budgetary matters are concerned – because this is important if we are to make clear that foreign and security policy are, of course, primarily a task of the executive.

We should also reflect on what is to become of Article 5. In my view, and that of the Committee, it should be included in the Treaty as a protocol, so that any country which so desires can sign up to this protocol on the basis of a free and sovereign decision. I believe that in so doing, we would be able, in the long term, to create a European Union in which

there would be no variation in security standards from country to country. This would not be tenable in the long term, in view of the various interests that are represented here.

The European Union is not a State. But it operates as a federal state where it has the authority to do so. That is why relations between the institutions must also be organised along federal lines, and there must be a balance between large and small States. This is certainly one of the difficult tasks facing this Intergovernmental Conference. I can well imagine – and this is also the opinion of my group – that we would be able to work effectively with a Commission containing representatives of all the countries, if the President of the Commission was afforded the opportunity to structure a Commission of this kind in an efficient manner, that is if we were to create such an opportunity by strengthening the position of the President of the Commission here.

However, if we assume that due consideration is being shown towards the small countries, then we must also be in a position to create a stronger basis of legitimacy for the larger countries according to the “one man one vote” principle, and on this basis, adjust the proportional allocation system within the European Parliament, giving certain assurances as to minimum seat numbers, and also settle matters accordingly within the Council.

However, the crucial test facing this Intergovernmental Conference is to foster the enlargement process by extending majority decisions. Therefore it must be clear that with the exception of constitutional issues, everything should be subject to majority decisions, although of course the Portuguese Presidency and the Commission would be well-advised to draw clear distinctions in their drafts, in areas such as social and taxation policy, between matters which, according to European rules, should be decided on by majority voting, because the internal market requires it, and matters which are to remain subject to unanimous decisions, being the preserve of the nation-state.

This leads me directly on to the matter of the catalogue of competences. This is another task as I see it. We must make it clearer within this European Union who is responsible for what and when. If we were to clearly apportion responsibility in this way, then we would have more transparency and the people would be more willing to give the European Union their support. This is also something the Intergovernmental Conference should strive for, and the proposals to divide the Treaty, the requests to make these distinctions clear, appear to me to be important, also the way in which, for example, the Council is at last bringing transparency and openness to its role as legislator, and we are therefore managing to separate the executive and the legislative. It is all part of the same package.

As to closer cooperation: there will certainly be a need for this in an enlarged Community, particularly where foreign and security policy is concerned. But I would like to make clear where the boundary lies. The boundary is the point at which the unity of the system of laws and the unity of the institution are compromised. That is why we must not push closer cooperation too far. We must not use it as a fallback option because we are unable to extend majority decisions to a sufficient number of areas. I feel that here too, there are certain rules that we need to stick to.

The European Union is a Community of values. Therefore it is to be hoped that the Convention, under the leadership of Roman Herzog, will put forward a catalogue of fundamental rights which we will be able to include in the Treaty in a legally binding manner, and that on this basis, we will then be able to define our values in such a way that many of the things we discussed in the past will no longer be possible, because we will have a clear legal provision in place. If we succeed in this then, all in all, we will have made considerable progress, and will thus have created the conditions necessary to the enlargement of the European Union.

(Applause)

3-031

Theato (PPE-DE), *draftsman of the opinion of the Committee on Budgetary Control*. – (DE) Madam President, as draftsman of the opinion of the Committee on Budgetary Control, I would like to highlight two points that we included in the report. But firstly I would like to thank both rapporteurs for the enormous amount of work they have done. I would also like to thank Commissioner Barnier for his open-mindedness, and I would like to thank Mr Vitorino for making a particular point that I would now like to address myself.

My first point concerns the discharge, which is very topical at the moment. The EU Treaty states quite clearly that the European Parliament grants the Commission discharge to implement the budget. In practice, however, this act on our part is twofold, the first stage being to undertake a political assessment under the discharge procedure, and the second being to close the budgetary accounts. Now the first stage, that of the political evaluation, can have mixed results. There is assent, there is refusal, and matters are sometimes deferred. This does not necessarily affect the budgetary accounts, the second stage that is, for they can be closed even if the first stage met with refusal. This has the advantage that a balance from the budgetary accounts can then be carried forward to the following year. This should be enshrined in the Treaty, for it is already included in our Rules of Procedure and is, as I said, established practice. In addition, we would like to receive information directly from the Member States, so as to improve the way in which we conduct our assessment of budgetary management.

My second point relates to the creation of a European Public Prosecutor's Office. For years we have endeavoured to protect the financial interests of the Community more effectively. This now also needs to be done under criminal law, at European level, in very open and clear cooperation with the Member States. In other words, there is not enough police and judicial cooperation between the Member States in the face of increasing cross-border crime that is harmful to the EU budget. That is why we need coordination at European level, without prejudicing the right of national courts to administer justice. I am most grateful that some Member States, but particularly the Commission, have been so willing to take up this theme.

3-032

Palacio Vallelersundi (PPE-DE), *draftsman of the opinion of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs*. – (ES) Madam President, I am sure it will come as no surprise to you if I talk about citizens' freedoms and rights and justice in relation to this fascinating report, whose two rapporteurs I congratulate. It is the view of this Committee that the construction of this area of justice is important and, to this end, a reform of the Court of Justice is necessary. In order to reform the Court it will be necessary to amend the Treaty, so that the Statute and the Regulations of the Court of Justice and the Court of First Instance become operative. None of them is currently operative. Our first demand is therefore that qualified majority be established with the assent of the European Parliament. With regard to the Court, Parliament also asks to be able to participate in the process of selecting judges as already happens with the posts in the constitutional courts in our states.

On the other hand, with regard to freedoms and rights, we want citizens to be provided with full rights to appeal so that they can be assured that Community legislation will be enforced in the event of violations of fundamental rights. This is not currently the case. We want to see a reform of Articles 230 and 300 of the Treaty so that Parliament is on an equal footing with the Commission and the Council as far as appeals are concerned.

Lastly, Madam President, we want to see a reform of the Treaty so that Parliament, in relation to the third pillar, also has full access to justice by means of repeal in the event of regulations and acts which do not conform.

3-033

von Wogau (PPE-DE), *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (DE) Madam President, ladies and gentlemen, as draftsman of the opinion of the Committee on Economic and Monetary Affairs, I would like to highlight three demands that we have to make of the Intergovernmental Conference, although all of them relate to the same facts. We are now approaching the time when we will have a Community with a single currency and a common currency policy that is largely dictated by the European Central Bank. But we still have 15 different economic policies in the Member States of the European Union, and we will only succeed in the long-term if this economic policy is framed according to common principles. Hence our first demand is that we should firmly establish the social market economy, which adds a human dimension to the functioning of the market, in the European Treaty, as a model for our economic policy.

Our second demand is for Parliament's participation in the drafting of the economic policy guidelines, which we have already discussed here today, to be placed on a more formal footing, i.e. the Commission should present us not with a recommendation but a formal proposal, on which we can then be consulted in the true sense of the word.

Our third demand relates to competition policy. On the one hand, competition policy is the key to the social market economy, on the other hand, however, it is also the most robust instrument of economic policy that the European Community has at its disposal. Numerous decisions on individual cases are taken in matters of competition policy and that is quite clearly the task of the Commission. But in future, whenever general rules are drawn up, or the Commission drafts guidelines in conjunction with the Council of Ministers, then the European Parliament must also be involved in the codecision procedure, for only then will Parliament be able to realise its goal of becoming a fully-fledged member of the European forum, where European economic policy is not just discussed publicly, but is also framed with the participation of Parliament.

3-034

De Clercq (ELDR), *draftsman of the opinion of the Committee on Legal Affairs and the Internal Market*. – (NL) Madam President, ladies and gentlemen, the Court of Justice needs to be properly armed in order to be able to cope with the growing number of disputes, as well as its ever expanding authority. The Court must be able to focus on the real legal issues and legal protection of EU subjects. The Court of First Instance must be better accommodated in this framework, and both jurisdictions must be able to take more autonomous decisions regarding their own structures and procedures. Sound and timely administration of justice is a vital component of the constitutional state. In the light of this, the role of the European Parliament should be upgraded to that of a fully-fledged legislative body and that of a fully-fledged European institution.

These are, in a nutshell, the motives underlying the opinion issued by the Committee on Legal Affairs and the Internal Market. As rapporteur, I am also delighted to note that the Committee on Constitutional Affairs is on the same wavelength for the greater part of its principal report. Unfortunately, time constraints prevent me from going into any detail. But in order to bring the report of the Committee on Legal Affairs as far as possible into line with the opinion of the Committee

on Legal Affairs and the Internal Market, I tabled four more amendments in the plenary meeting. As some of these amendments are also to be found in the opinions of other committees, I believe that these amendments deserve – and will probably receive – the support of the entire Parliament.

This is where I would like to conclude my brief report on a not unimportant contribution to what will probably be the last IGC before the largest, most historic and most risky enlargement since the inception of the present European integration process. This is why we need to seize this opportunity with both hands to prepare the European Union, with all its institutions and in all fields, to face the challenges of the 21st century successfully.

3-035

Colom i Naval (PSE), *draftsman of the opinion of the Committee on Budgets*. – (ES) Madam President, the conditions of my intervention in this plenary session are illustrative of the budgetary problem. I have just hurried from a meeting which, according to the Treaty, does not exist. I am participating, on behalf of Parliament, in the tripartite dialogue on the budget to set the budgetary guidelines. This is precisely the point we have raised on behalf of the Committee on Budgets. It is the adaptation of the Treaty, Article 272 in particular, to the real situation. We have spent twelve years practising with a timetable set by the interinstitutional agreements. We have renewed them three times, and we believe that the time has come to include the fundamental principles in the Treaty so that we will not find ourselves in legally dubious situations, such as the case of the meeting which I have just mentioned. Specifically, we must simplify the procedure in order to prevent the blocking of the budgetary procedure. When there are 25 members, the current procedure will not work. We should simplify it while respecting the existing balances of power.

Lastly, Madam President, we also believe that Parliament, as an institution embodying democratic legitimacy, must fully participate in the decisions on own resources.

3-036

Plooijs-van Gorsel (ELDR), *draftsman of the opinion of the Committee on Industry, External Trade, Research and Energy*. – (NL) Madam President, ladies and gentlemen, as rapporteur on behalf of the Committee on Industry, External Trade, Research and Energy, I would like to congratulate both rapporteurs on their report and I would also like to thank them for the pleasant cooperation.

I would like to raise two points. Firstly, my Committee is of the opinion that in the field of trade policy, the European Community's authority and also, therefore, the European Commission's negotiating mandate must be reinforced. So too, however, must be the role of Parliament. This can be done a) by introducing codecision for the common trade policy, b) by introducing an assent procedure for all external agreements and c) by according Parliament a greater role in approving and monitoring trade negotiations.

My second point concerns energy. The Commission has concluded that a coherent European energy policy has been lacking in the past. There are no clear guidelines on institutional mechanisms for defining a common energy policy, let alone cooperation to guarantee the supply of energy or in terms of the environmental aspects of energy policy. With a view to sustainable development, a new chapter on energy policy must be included in the Treaty, as well as the relevant sections of the ECSC and EURATOM Treaties. In addition, the European Parliament powers must be adequately enhanced. This means that the codecision procedure needs to apply to the EURATOM Treaty too. It will specifically need to apply to the drafting of minimum safety standards for the design, construction and operation of nuclear reactors within the Union. So far, the Member States have had their own technical standards and regulations. In the light of Central and Eastern countries joining the EU, it is vital that uniform, European safety standards for nuclear reactors be drafted. Unfortunately, my proposal to this effect has not been included in the current report. I would therefore urge you most emphatically to vote for Amendment No 60 which I have tabled on behalf of my group, so that uniform safety standards can be drawn up for nuclear reactors. We owe this to our citizens.

3-037

Pronk (PPE-DE), *draftsman of the opinion of the Committee on Employment and Social Affairs*. – (NL) Madam President I would like to congratulate the rapporteurs warmly on their report, both in general terms and in specific terms because I believe that they have managed to address the points which we have raised in our opinion, albeit not always literally, within the confines of this reasonably concise report, which I hope will be adopted in this meeting by a large majority.

It is very important to mention the social market economy, as already indicated by Mr von Wogau. It provides a kind of framework for internal policy which we need and renders a whole raft of discussions redundant. I believe that this results in satisfaction all round.

The second major point is the Union's legal personality. It has been formulated here as if it were only related to foreign policy but it also has enormous significance for internal policy. Indeed, it then becomes possible to ratify a number of Treaties, such as ILO Treaties and some UN Treaties in the social field, which will add legal clarity to this type of issue.

There are nonetheless two points that are lacking. One of them is the issue of Article 137(6) which, in my opinion, should be repealed. There are also a number of amendments on the table which I hope will yet be added.

I would like to finish off with a remark on the issue of the tax policy. The report, in fact, mentions very little about this. The tax policy, which also includes social security policy, is nonetheless of great importance, and not only to the Member States. The Commission too has given the matter rather a lot of attention and has devoted a great deal of thought to it. It is rather a pity, in my opinion, that we talk about it so little. Maybe we will do so in future. The policy is implicitly included in the report but I still think that, in a sense, not dealing with it now is a missed opportunity. That does not, however, detract from the deep appreciation which we have for this report.

3-038

Graefe zu Baringdorf (Verts/ALE), *draftsman of the opinion of the Committee on Agriculture and Rural Development*. – (DE) Madam President, ladies and gentlemen, as rapporteur for the Committee on Agriculture and Rural Development, I would like to inform you of the Committee's key demand. It is about extending codecision to all aspects of agricultural policy, which is something that still remains to be done. The Treaty of Amsterdam led to a strengthening of the European Parliament's powers, inter alia by extending codecision to various policy areas. However when it comes to agriculture, it is only when health policy and public health are under discussion that Parliament has codecision rights, as per Article 152, for the core area remains outside the codecision procedure. There is no justification for this in our eyes. The common agricultural policy is the most long-established and evolved Community policy. It is absolutely vital, particularly as we are talking about a huge budget (which actually accounts for half of the European Parliament's total budget) for the European Parliament to make full use of its supervisory powers and its powers in the legislative sphere.

It should also be pointed out in this context that we are not in competition with the national parliaments. They no longer have any decision-making powers where agricultural policy is concerned either, for this is a policy that is decided on purely by the executive – the Council that is – in the form of legislative acts. Hence this is not about a clash between the European Parliament and the national parliaments, it is about making this policy subject to parliamentary control in the first place.

I call upon all my fellow delegates to do everything they can to persuade their respective governments to have codecision extended to agricultural policy at this Intergovernmental Conference. I would like to thank those who will be representing the European Parliament at the Intergovernmental Conference, as I know they will pursue our concerns with great vigour.

(Applause)

3-039

Langenhagen (PPE-DE), *draftsman of the opinion of the Committee on Fisheries*. – (DE) Madam President, Commissioner, I would like once again to make the idea of extending codecision to the fisheries policy palatable to you. The fisheries policy is one of those policies that makes a substantial contribution to the realisation of the single market. It strengthens economic and social conditions. How does it do this? Well, here in Europe, in excess of 250 000 people are still directly employed in this sector; being engaged in activities ranging from the catch itself to fish processing, through to marketing.

According to the latest investigations, for every euro invested there is a three-fold return. A substantial number of those employed in this sector – almost 60 000 that is – are reliant on the international agreements, since fish are, by their very nature, an extremely mobile source of food, and also – I might add – an extremely important source of protein. It is up to us, today's politicians, to set down a marker and guarantee the fishing industry's future. Consider the message we are to send out to those regions of Europe that depend on the industry. I refer in particular to the forthcoming fisheries reform in the year 2002. We must concern ourselves mainly with protecting and conserving this resource, which will have social, economic and environmental consequences. It is obvious that the fisheries sector is not an isolated pawn in the game, for it has an impact on sectors such as development, the environment and foreign relations.

As a Community policy in its own right in the Union treaty, the fisheries sector will unite these aspects to good effect, for that is what we want to achieve: we want to place the fisheries sector on an independent administrative and legislative footing, in relation to agriculture for example. In fact this political responsibility inevitably gives rise to a claim to the most far-reaching of codecision rights. In addition, if qualified majority decisions in the Council and Parliament's codecision powers accord with one another, then clearly this will help to tighten up on legislative procedures.

I would welcome any support the leader of negotiations can offer at the Intergovernmental Conference.

(Applause)

3-040

Karamanou (PSE), *draftsperson of the opinion of the Committee on Women's Rights and Equal Opportunities*. – (EL) Madam President, the proposals by the Committee on Women's Rights for the Intergovernmental Conference aim to enhance democracy and effectiveness. It is a fact that the Treaty of Amsterdam was a major step forward for women's rights, since it provides a firm base for an effective policy on equality, but unfortunately it does not go further than the

professional sector. For that reason we are proposing that the Treaty should include a uniform and cohesive legal base for equality between the sexes, which will include all policy sectors.

We declare that balanced participation of women and men in decision-making at every level is a prerequisite for democracy and social justice, and we are therefore asking for the related articles of the Treaties to be amended to take account of that principle in the composition of the Commission, the European Parliament, the Court of Justice, the Court of First Instance, the Court of Auditors, the Economic and Social Committee and the Committee of the Regions.

We also stress the need for a close link between the Intergovernmental Conference and the procedure for drawing up the Charter of Fundamental Rights, so that within the scope of the constitutionalisation of the Union, the fundamental right of equality between women and men will be enshrined in Community law. So besides the essential equilibrium and cohesion that must be secured between the Union's large and small countries and between the more and less developed areas and population groups, it is also necessary to take into account the balance between the sexes in planning the future of the EU and in decision making.

3-041

Gama, Council. – (PT) Madam President, ladies and gentlemen, the work in the Intergovernmental Conference has been intensive. This time the European Parliament's participation has been reinforced through your President and two other representatives and also through full dialogue between the Council presidency and your Committee on Constitutional Affairs. This reinforcement also stems from the direct information of this House and its debate in plenary, which have no precedents. This is very encouraging for the future results of the IGC.

So far five main in-depth meetings of the preparatory group have been held, together with three meetings of the IGC itself. Also planned are all the events in the calendar up to the end of Portugal's presidency, involving both the IGC and the preparatory group. A report is also to be prepared which will be submitted to the Feira European Council. The Council presidency considers that this report should not be purely theoretical but should also make practical proposals. It must enable the next holder of the Council presidency, which will be France, to continue developing this work and to reach a decision by the end of the year.

The issue tackled at the last IGC meeting was the question of extending qualified majority voting. The Member States demonstrated a certain openness towards this but many have still not made a definitive decision. Certain areas can already be identified on which the attitude of the large majority of Member States is that these should remain subject to the unanimity rule. Debates on these issues reveal that there is actually significant reticence, although this may be overcome during the IGC.

The preparatory work carried out to date has also involved questions connected with the European Parliament, the courts, the Committee of the Regions and the Economic and Social Committee. As regards the decision-making procedure in the European Parliament, there is broad consensus that no revision of the Treaty should be effected which involves changing the existing institutional balance. As for the scope of codecision, there is some openness towards extending this procedure to all legislative acts adopted by qualified majority without, however, establishing any kind of systematic correlation.

With regard to the Court of Justice and the Court of First Instance, a group of friends of the Council presidency has been brought together to examine possible amendments to the Treaty relating to these two courts. The study of possible amendments to the Treaty in respect of the Court of Auditors, the Economic and Social Committee and the Committee of the Regions has also been started. Many consider that changes should only be made where strictly necessary to ensure the effective functioning of the European Union after enlargement. Consideration has also been given to matters which may be included on the agenda of the IGC, on the Council presidency's proposal. It should be recalled that the conclusions of the Helsinki European Council specify that the Council presidency will submit a report to the European Council and may propose in this report the insertion of new items on the IGC's agenda.

In the area of security and defence and the Charter of Fundamental Rights, the Council presidency considers that, depending on the progress of the work, the right should be reserved to propose to the Feira European Council next June the inclusion in the IGC of any adjustments or additions to the Treaties which may prove necessary in these areas. With regard to other issues likely to be added to the IGC's work, an initial debate has been held based on a list drawn up by the Council presidency. The argument put forward in favour of a prudent approach to the inclusion of new items on the agenda concerned the risk, inherent in the technical complexity of this debate, of causing the deadline of this December for the completion of the IGC's work to be missed.

On the issue of the size and composition of the Commission, there is a consensus that the Commission to emerge from this IGC must be strong, independent and legitimate. Its collegiate nature must be preserved. However, there is clear disagreement between, on one hand, the small and medium-sized Member States which want a Commission composed of one national from each Member State, all with equal status, and, on the other, the large Member States which favour a fixed number of Commissioners regardless of the number of Member States. The size of the Commission is the main point of disagreement between the delegations. The rest of the debate on the Commission is dependent on this issue as some

directly link this question with their positions on the composition, internal organisation and structure of this Community institution.

With regard to the individual responsibility of Commissioners, there is general support for keeping the undertaking currently made by each Commissioner to stand down when asked to do so by the Commission President. The delegations are divided into those which want to keep the informality of this undertaking and those which want the process to be enshrined in the Treaty. As for the Commission's collective responsibility as a college, there is some reluctance to accept alterations to the current institutional framework, with the current supervision exercised by the European Parliament being regarded as sufficient. The idea submitted by this House of the Commission being able to request a vote of confidence in it was positively welcomed.

On the issue of the weighting of votes in Council, there is consensus that the criterion which should be used as the basis for qualified majority voting in Council must stem from the combination of the two elements which form the foundations of the European Union. These are the population and the existence of sovereign states. The EU is just as much a union of peoples as it is of states.

As for specific mechanisms to be established for the future system, there is also a split between those who defend a double-majority system and those who prefer simple reweighting. One recurring argument is that the reform should be acceptable to public opinion and likely to be ratified by the national parliaments. This is a common concern of all the Member States, whether large or small, not only due to the need, in ratifying the new Treaty, to enable enlargement and respect for its timetables, but also due to the feeling that a European crisis should not be allowed to occur on this type of reform. There is also the idea that these reforms must be submitted to public opinion in the candidate countries of Central and Eastern Europe so that the impression is not given that these are reforms which must be rushed through, not to improve the European Union but to prevent the new Member States from having access to the EU's decision-making system.

With regard to closer cooperation, the need or the usefulness for the IGC to tackle this issue was also discussed in an informal debate. Again there was a division of opinion both about the possibility of this issue being discussed and about the scope and nature of any alterations. The next informal meeting of the Representatives Group on 14 and 15 April in Sintra, Portugal, will deal specifically with this issue which is problematic as there are no examples to follow. There are no specific examples as the Treaty of Amsterdam already allows closer cooperation and so far no Member State has used this instrument and there are no theoretical examples as these are never put forward by the debaters. Although this issue comes up time and again, it is very abstract.

In terms of the substance of the issue and the introduction of closer cooperation into the Second Pillar, an informal debate has revealed that the majority regard this as unnecessary in external or common security policy, although the possibility of its use in the area of security and defence may be considered. This means that if closer cooperation were included within the Second Pillar, it would then be necessary to find a specific way of implementing this concept in this area. This could not copy the First Pillar given the dissimilarity between the operation of these two pillars.

With regard to making the existing model more flexible, as supported in particular by the Commission, a certain openness has been detected towards eliminating the recourse to the European Council when launching closer cooperation. However, the limit of eight Member States has been questioned even by those who support altering the requirement for the participation of the majority of Member States.

As you can see, the Portuguese Presidency is continuing to make every effort to take the work forward in order to achieve a comprehensive and balanced agreement which is acceptable to everyone by the specified deadline. Close contact has been maintained with the Commission and the European Parliament. In the latter case, this has been through both the participation of your President and two selected Members and the regular information provided to the Committee on Constitutional Affairs and this House. This is ensuring that this institutional reform work is carried out with a much higher degree of participation by the European Parliament than the previous revision of the Treaty. This augurs well for the success of our work.

3-042

Poettering (PPE-DE). – (DE) Madam President, President-in-Office of the Council Gama, Commissioner Barnier, ladies and gentlemen, firstly, on behalf of our Group of the European People's Party (Christian Democrats) and the European Democrats, I would like to convey my heartfelt thanks and appreciation to Giorgos Dimitrakopoulos and Jo Leinen for what we believe is a sound report, and it is important that we in the European Parliament – and I say this most emphatically – adopt positions on the key issues facing Europe for which there is a broad consensus within the European Parliament. Despite all the arguments and discussions we might have (and these arguments and discussions are necessary, also between the groups), what we need is a broad consensus when it comes to the future development of the European Union and the European institutions.

Mr President-in-Office of the Council, you, and also the French Council Presidency that is to succeed you, bear a huge responsibility, because the outcome of this Intergovernmental Conference will be of historic significance, be it for positive or negative reasons. If the Intergovernmental Conference has a positive outcome, which is what we must strive for, then this conference will change the face of the European Union in the sense that it will mean more transparency, more democracy, and will bring the European Union closer to its people. That is what we need. But if this conference does not have the far-reaching outcome we desire and need, then this would be a tragedy for the European Union, for it would then be unable to undergo enlargement, and it would be awful if at the beginning of this century, the gates of the European Union were to remain closed to the countries of Central Europe, which have shaken off Communism, and if the Central European States were unable to gain access to the European Union.

That is why we must pull out all the stops to make this conference a success. We want a strong and democratic European Union that has the power to act, and how apt that we should be making such statements only a matter of weeks before the 50th Anniversary of the day, 9 May 1950 that is, on which Robert Schuman made a proposal to the effect that Europe should develop as a community. Recital 1 sets out the benchmarks that the Intergovernmental Conference must work to: balance between the institutions, dual legitimacy of the European Union as a Union of peoples and a Union of States, and – something which is particularly important – balance between the small and large States of the European Union. The all-important benchmark – and you mentioned this yourself, Mr President-in-Office of the Council – is majority voting in the Council. That is the real heart of the matter, and we must see to it that this principle of double majority, i.e. a majority in the Council and a majority support from the people, is upheld. Certainly we have yet to discuss in detail how this is to be accomplished, but the principle of double majority is fundamentally right. If majority voting fails to be drastically extended and fails to gain acceptance as the fundamental decision-making system, then this Intergovernmental Conference will have failed, and it cannot be allowed to fail in view of the enlargement process.

As far as the Commission is concerned, as I see it, the small States must still be entitled, in the future, to be represented in the European Commission, since it is felt to be important to maintain a presence in Brussels. I sympathise with this view and we must secure this, which is why the position of the President of the Commission must be strengthened. We want a strong President and a strong Commission, both now and in the future. We are particularly keen to get this message across to those who may not want to see the Commission as a strong unifying force in Europe. We must strengthen the President, and he must also be empowered to dismiss a Member of the Commission if they do not fulfil their obligations.

Naturally, the European Parliament must be the decisive factor in the democratic process, and it must participate in decisions pertaining to legislative issues in the European Union. We do not want there to be less democracy in the European Union than there is at national level.

Allow me to raise a final point, that of the European Court of Justice. This is a very important point and I am delighted that both rapporteurs saw fit to mention it. We are a Community of law and we must not subject the European Union and its institutions to political opportunism. That is why we must invest the European Court of Justice, as the legal body competent to settle disputes and conflicts, with the power to act and the ability to reach decisions in reasonable timeframes.

Lastly, I have a request to make of you, Mr President-in-Office of the Council: could we – perhaps also in conjunction with the Commission, with Commissioner Barnier – inform the candidate countries in Central Europe, and of course Malta and Cyprus too, of the discussions taking place and the progress made at the Intergovernmental Conference? After all, the candidate countries have a legitimate interest in knowing what is being debated at the Intergovernmental Conference and what they will need to prepare themselves for. Therefore I believe we should take account of this justifiable interest on the part of the candidate countries by engaging in fruitful dialogue with them, for the truth is that we are to share a common future with them as Members of the European Union in the twenty-first century. On that note, Mr President-in-Office of the Council, I wish you every success in the work you are to undertake at the Intergovernmental Conference, and for which I thank you.

(Applause)

3-043

IN THE CHAIR: MR IMBENI
Vice-President

3-044

Tsatsos (PSE). – *(EL)* Mr President, with the Dimitrakopoulos – Leinen report under discussion, the European Parliament is declaring its great vision for the European Union of the future. This is a truly historic moment, as has been stressed. Our fellow-citizens are waiting to be told what we are going to demand from the Intergovernmental Conference for that future.

Institutional proposals on particular issues without prior clarification of the basic philosophy of tomorrow's Union of 27 are not convincing. The draft resolution is therefore quite right to define that basic view in the form of three principles. According to the draft, the European Union is, first and foremost, a Union of peoples and a Union of states. Its citizens

therefore have both a European and a national identity. Secondly, it is based on an institutional equilibrium between large and small states. That must not be just on paper. Thirdly, the way the Union functions must be made more effective, so that it can cope with the major enlargement.

The above philosophical principles, to which the draft resolution remains faithful, are not metaphysical inventions of the European Parliament but arise from the history and from the political reality which we call the area of Europe. Anyone who ignores that is building a Europe founded on sand. The Intergovernmental Conference of 2000 is taking place to make the Union as effective as is required in view of the major enlargement that has been decided. In this process Parliament's responsibility is very great indeed. For that reason, Parliament's approval of enlargement cannot but depend on the adequacy of the institutional changes that will be decided. That is not a threat, it is a declaration of responsible attitude.

In good faith, all sides are trying, by means of amendments, to make the way in which European Union functions more effective. But is it enough for procedures to be simplified and speeded up for them to be described as effective? The effectiveness of a police service, which indeed demands both simplicity and speed, is quite different from the effectiveness of the fundamental institutions of a democratic public regime. The effectiveness of democratic institutions is not measured either with a stopwatch, or according to the number of decisions taken. It is measured by the degree of legitimacy. The dual legitimacy of the European Union by its European but also its national citizens, by its peoples but also its states, makes the European Union institutionally complex by its very nature. For that reason the extent to which these procedures can be simplified and speeded up is restricted by the whole complex system of dual legitimacy. We must bear that in mind tomorrow, when we come to vote on the amendments and the text.

3-045

Duff (ELDR). – Mr President, within our groups in Parliament and within the IGC itself we are still struggling with the problems that proved fairly intractable at Amsterdam. These issues are tricky because they expose both the exaggerated self-importance of small states and the *folie de grandeur* of the big states. These issues can only be resolved by a greater sense of trust between partners – such trust that is the essential glue of successful federal pacts. This trust is precisely the quality that is needed so that we are able to ensure the successful accession of the new Member States. The fact is – and somebody should say this – that if the IGC fails to resolve the Amsterdam questions, enlargement must be postponed.

The Liberal Group supports the efforts of the presidency and of the Commission to build up the extra trust required. We support the main thrust of this report. We support especially those elements which expand the European Union's capacity for action in global affairs: those that strengthen the status and the profile of the citizen, including the Charter; and those that will postulate further political reform in the interests of a strong executive and a mature parliamentary democracy.

In this respect the splitting of the Treaties is vital. So is retention of unanimity within the Council exclusively for the most serious questions. Liberals everywhere support ministers that will subscribe to the development of European parliamentary democracy. But we will be savage critics of those who prefer narrow self-interest and threaten the accession of new Member States.

3-046

Frasconi (Verts/ALE). – (IT) Mr President, the European Parliament does not take part in Intergovernmental Conference negotiations. It plays a secondary role, as do all those who are not part of a national government. The Group of the Greens/European Free Alliance has always maintained that the intergovernmental method, which excludes elected Members and does not allow public debate, is a very significant weakness of the reform of the Treaties and a substantial barrier to its success.

Therefore, our assessment of this report is based on the fact that it is being presented in an unsatisfactory context, in which our priorities – an open, working democracy capable of rendering economic development environmentally sustainable, which ensures the respect and consolidation of the rights of the citizens and residents, and, most importantly, which is able to enlarge to include new Member countries in a short period of time – are not the same as those of the negotiating governments. The governments have one sole objective: to reach a unanimous agreement in Nice, whatever the outcome, so that they do not have to move on to some other city as obscure as Maastricht.

Although Parliament cannot take part in negotiations, it has a duty to indicate the way, to define clear options for the future, without pretending to take part in the actual negotiations and without being conditioned by governmental pressure or pressure from artificial comparisons, such as the comparison between large and small countries.

This report only partly achieves this objective, and this is why our Group was not able to be unanimous in its final assessment. But although the final decision was not unanimous, the Group was united in its view of the positive and negative points of this resolution. We fully support certain central points, but, unfortunately, our view is not shared by many national governments. The issues on which we agree are as follows: systematic extension, not extension on a case by case basis, of the majority vote to the Council; codecision; the urgent need to make the Charter of Fundamental Rights binding and to extend the possibility of recourse to the Court beyond the economic sphere; the provisions on closer

cooperation and so forth. We are, however, very critical of the reduction of the constitution issue to a mere technical operation separating the Treaties into two parts, which, apart from anything else, would be very similar.

This is not the constitutional process, which should bear no resemblance to convoluted diplomatic negotiations and which, we feel, is essential to give the necessary boost to the integration process which, alone, can mobilise the citizens to strive for a better Europe. We consider that the insistence on maintaining the limit on the number of Members at 700, even when we become a 20-State Europe, unnecessarily penalises the regions and those whose political orientations are neither socialist nor conservative. In this regard, we hope that our amendment will find consensus in the House.

The Group is divided over double majority, closer cooperation, the number of Commissioners and security policy. In particular, as regards the subject of the number of Commissioners, we will support the balanced position of those amendments which ensure both sufficient representation of the Member States and the efficiency of the Commission.

To sum up, this report may well be useful in assisting our two representatives in their often extremely frustrating daily work at the Intergovernmental Conference where others take the decisions, but to our citizens, it will seem about as clear as an interministerial memorandum. Most importantly, in the same way as the 1984 Spinelli Treaty, this report does not live up to the challenge of being a milestone, a clear, unambiguous indication of where we want to be with those who wish to be there.

3-047

IN THE CHAIR: MR MARINHO
Vice-President

3-048

Puerta (GUE/NGL). – (ES) Mr President, our Group wishes to thank the rapporteurs, Messrs Dimitrakopoulos and Leinen, for the important work which they have carried out. I must also tell them that, within my group, there are differing views, according to differing national experiences. I will say the same thing here that I have said in my group: the debate is not whether we say yes or no to federalism. The debate is how to go about European construction at the point of enlargement. It is making sure that we do not just build a Europe of the States and a Europe of the people, but, especially, a Europe of the citizens. We must create a fully democratic institutional fabric. We know that there are democratic deficits and that they are considerable. At the moment the challenge in the face of enlargement is to achieve, as the rapporteurs have said, greater efficiency and greater democracy. The Intergovernmental Conference cannot end with the same disappointment that we had in Amsterdam. We cannot create an Amsterdam 2. We have to create a Treaty which gives rise to genuine European construction in which more than 400 million Europeans can share economic prosperity, a social dimension and a democratic life. This is the great challenge for the European institutions and for European politics.

My vision of European construction is compatible with the fundamental lines which are laid out in the report which we are discussing today. It is, of course, necessary to give the Commission the powers it needs and make it responsible to Parliament. This is precisely the issue. We must clearly define the different democratic powers in the field of European competences and we must know who is making decisions and to whom they are responsible.

Mr President, Parliament does not take a corporate position. Our minimum demand is that Parliament be treated as an adult which has to request that the Commission take certain responsibilities, but which also has to participate actively in European construction on behalf of the European citizens. On behalf of the European citizens, we have to ask today not only for that fine-tuning of decision making but also for the incorporation of the Charter of Fundamental Rights into the Treaty. The Charter of Fundamental Rights must give citizens the capacity to demand compliance with these rights in the European courts. This is the position which we can adopt in our Group, asking for more efficiency and more democracy.

3-049

Berthu (UEN). – (FR) Mr President, in our view the European Parliament's proposals for the Intergovernmental Conference, as set out in the Dimitrakopoulos-Leinen report, are a misinterpretation.

What we urgently need today, on the eve of enlargement, is not to deepen the integration of the existing Member States at a faster rate. It is not to trot out the old federalist recipes of the European movement yet again. It is not to propose a super-State again, with its own constitution, uniform rules and majority decisions. No, what we urgently need today, ladies and gentlemen, is to show some evidence of clear-headedness, to accept that economic and political integration cannot be taken any further and to design new forms of cooperation that are far freer, and that will enable 30 or more States to work together on a basis of mutual respect.

Unfortunately, it would seem that the latest debates within the most well-informed groups of society stop at the doors of this Parliament. In this matter, as in the case of the Charter of Fundamental Rights, our Parliament seems unable to depart from the federalist line it has been pursuing for many years. That approach leads to an impasse, to what Mr Tsatsos a moment ago, if I understood him rightly, called a Europe built on sand.

First of all, it takes us away from the concept of Europe as an association of states, an association of national democracies, and puts all the countries, great or small, that are afraid of being marginalised on the defensive. More generally, the rigid federalist approach reflects a more or less unconscious desire to set up institutional barriers against enlargement, which will once again call in question a whole range of long-standing patterns of behaviour.

We must adopt a more positive approach. We must promote enlargement by adopting a new form of cooperation that is more differentiated, shows greater respect for national sovereignty, that is based on full recognition of the Luxembourg compromise, as I explained in the minority opinion attached to the Dimitrakopoulos-Leinen report.

3-050

Bonde (EDD). – (DA) Mr President, in Denmark there is a concept known as asset stripping. Top class lawyers and accountants are being convicted one after the other because they have helped strip companies of assets and then left them with tax liabilities. Asset stripping is a punishable offence. The Intergovernmental Conference is designed to strip our constitutions and fundamental laws of assets and leave the voters with a democratic deficit, but constitution stripping of this kind is not punished. The asset under our constitutions is the right of voters to be heard and to choose representatives who can pass laws on our behalf. If we are dissatisfied with the laws, we can choose new representatives and obtain new laws. This is the beating heart of our democracies, a heart which, because of the constitution strippers, will stop beating. They are taking legislative power from our 15 national parliaments and transferring it to officials and ministers, from voters and elected representatives to the executive and from open assemblies to meetings behind closed doors in Brussels. Electoral power is being transferred from our constitutions, but is not being transferred to the European Parliament. We parliamentarians have been side-tracked. Power lies with the Commission and the Council of Ministers. The EU is not a parliamentary democracy, and the national parliaments have been still further marginalised. A number of us in this House have therefore prepared 19 proposals for democratic reform of the EU. We call the initiative SOS Democracy – “SOS” because it is a matter of urgency and “Democracy” because that is the heart of the problem. We do not have democracy in today’s EU. We should like to have it in tomorrow’s. We have different opinions as to how the laws should look. We have support across the political spectrum from communists to conservatives. We disagree about a lot but agree that our differences should be resolved in democratic parliaments. The voters in our countries should always have the last word. We reject any attempt to strip our constitutions of democratic content and we urge the public to get involved in the negotiations concerning the Nice Treaty before it is too late. Join us in SOS Democracy.

3-051

Hager (NI). – (DE) Mr President, dismayed as I am at the ongoing prejudice shown towards Austria by 14 Member States, I would like to confine my comments on the matter at hand to the issue of closer cooperation, in all its guises. There has been a marked change in attitudes towards closer cooperation since the adoption of the Treaty of Amsterdam.

I can still clearly remember how long we used to spend discussing this, in what was still the institutional committee at the time. The upshot was that Mr Méndez de Vigo and Mr Tsatsos – whom I greatly esteem – produced a report highlighting the risks associated with Member States developing at different rates, and welcoming the fact that the Treaty would be framed in such a way as to keep these risks down to a manageable level. The present view taken by Mr Dimitrakopoulos and Mr Leinen is that closer cooperation must serve to stimulate the development of the Union, and they even recommend that it should have its own chapter in the EU Treaty. This is an astonishing turn of events, when one considers that this idea was once deemed the ultimate threat to the integration process. A multi-speed Europe has become the order of the day. We are now looking, by way of an attempt to deal with enlargement, to the possibility of a third of Member States forming a “vanguard”. All this means is that those Member States not wishing to join the frontrunners will be left with a choice between complete non-participation or joining a system that was originally thought to be without merit at a later stage. Multi-speed integration of this kind cannot act as a guarantee for coherent and stable development of the Union.

On the contrary, I am convinced that this plan is far more likely to jeopardise the Union’s goals than to help improve its decision-making structures. In any case, that was the view taken by the architects of the EU as recently as 1996.

3-052

Sánchez García (ELDR), draftsman of the opinion of the Committee on Regional Policy, Transport and Tourism. – (ES) Mr President, Mr President-in-Office of the Council, Commissioner, I am speaking as draftsman of the opinion of this Parliament’s Committee on Regional Policy, Transport and Tourism.

I understand the importance of institutional reforms, but I would also like to express the opinion of the Committee on Regional Policy, Transport and Tourism on the issues which we must tackle in relation to the Intergovernmental Conference.

We would like to make three points. Firstly, the active recognition of the role, protagonism and participation of the regions in the process of European construction which began 50 years ago.

Secondly, the importance of transport. To this end, we want an extended Article 70 and we also want it to be supplemented with a provision on the creation of a single European agency for air traffic control.

Lastly, the role of tourism for both the economy and for employment. We – or at least I personally – accept Amendment No 168, presented by the chairman of the Committee on Regional Policy on this issue.

3-053

Barnier, Commission. – (FR) Mr President, Ministers, ladies and gentlemen, after listening carefully to the two rapporteurs, to all the committee representatives and to Mr Gama, the Portuguese Minister, and before listening just as carefully to all the speakers in the further course of the debate, let me explain the views of the Commission which, as you know, is playing an active part in these negotiations, in which I too was involved from the outset, along with your representatives and the representatives of the Member States.

I would like to tell you how much I appreciate the very high quality of the report presented by your two rapporteurs, Giorgos Dimitrakopoulos and Jo Leinen, which we are now debating. The report is clear and comprehensive. The Committee on Constitutional Affairs has set out a determined position and I want to pay tribute to its work and that of its chairman, Mr Napolitano.

I have two comments to make on the report. The first is that, objectively speaking, the positions of your committee, which will probably be shared by the House when you come to the vote, are in many respects very close to the Commission's. Parliament, like the Commission, has sized up the challenge facing the Union with the prospect of an unprecedented increase in the number of Member States which, by the same token, will accentuate their diversity. Your Parliament is aware that the reform of the institutions is necessary, that it must be tackled seriously and that, if need be, we must look beyond short-term national interests and offer the people a Treaty that is substantial enough to gain their support.

That is what is at stake in these negotiations, which we must bring to a successful conclusion at the end of this year, at the European Council in Nice. I would stress the 'success' rather than the 'concluding', for they are two different things. And success is what we need in Nice.

These changes are essential to the success of enlargement. In my view they are also necessary right now because in many respects the current institutional organisation is showing its limitations. I am thinking, for example, of the Court of Justice's workload and of the log-jams we see in some areas because of the requirement of unanimity in the Council. Your Parliament has looked in depth at the decision-making system in the Council and at the composition and functioning of the Commission.

Since 26 January you have been well aware of the positions set out by the Commission. For example, to make things quite clear with regard to the Commission itself, we proposed that each country should certainly have one Commissioner. But we also proposed two options on that basis. Either every country will have a national representative within the Commission at the same time, or not all countries will be represented at any one time. But, if you look at those two options I have briefly described, you will find that the states will be represented on an equal footing, which is not currently the case within the Commission. On this issue, as on others, we believed it was important, over and above the basic approach, to open up a debate, to take time to consider the pros and cons of the different options, and to decide between gut reactions that would consist of changing as little as possible and the long-term requirements of giving our institutions new impetus. Negotiations on these issues have scarcely begun. Whatever solutions are finally adopted, your debates, like ours, will help the Intergovernmental Conference to take more responsible and enlightened decisions.

I note there is broad convergence on the qualified majority issue. Qualified majority voting should become the general rule for Council decisions, together with the codecision procedure for all matters that come within the legislative sphere. The Commission itself said just that and recommended a means of achieving these results by identifying the categories of decision where unanimity must or could be retained. We are well aware that certain Member States have difficulties with some of these questions. We know there are reservations about the tax system, to give just one example.

What the Commission, what the European Parliament must do is precisely to look beyond these reservations and sincerely, honestly and without any ideological bias consider the coherence and effectiveness of the single market. That is what we wanted to do with our additional contribution which describes the new area of qualified majority voting in relation to certain aspects of the tax system, certain aspects of social protection, to ensure the smooth operation of the single market.

There is agreement between our positions on other points too, such as the composition of the European Parliament, closer cooperation, the creation of a new European Public Prosecutor's office which, as Mrs Theato pointed out, will help us to fight fraud against the Community budget, the Court of Justice and the Court of First Instance. And that does not surprise me, since the Commission and the European Parliament have always been very close in their thinking on these subjects and are inspired by the same concern for the general interest of Europe. We will continue along these lines until the negotiations reach their conclusion.

My second comment relates to the active involvement of your Parliament, which is vital to our success. Because the European Parliament has its own special perspective on things, I want to stress how necessary Parliament's commitment is, the commitment of each and everyone of you, first of all during the negotiations – as your representatives in the

negotiating teams, Elmar Brok and Professor Tsatsos, are well aware, and indeed their contributions often put the discussions back into perspective – but also during the ministerial discussions. And I must say I was pleased with the most recent joint discussions that took place with your President, Nicole Fontaine, in Luxembourg the day before yesterday at the initiative of the President-in-Office of the Council, Mr Gama.

But I also want to emphasise how important it is for us, outside our official and institutional establishments, to explain our activities and engage in dialogue with the national parliaments and the citizens of every EU country and with the candidate countries.

Ladies and gentlemen, let me conclude by drawing attention to three particular aspects, while also noting that as we speak today a number of questions about the correct scope of the agenda of these negotiations have to some extent now been resolved. I think that is a good thing. In saying that, I want to pay tribute to the Portuguese Presidency and in particular to Jame Gama and to Franciscos Seixas da Costa for electing to adopt a pragmatic and objective approach, an approach that is as objective as possible and that consists in starting out from the needs and limitations of the existing system and proposing solutions. That suggests that we can work on the basis of the Helsinki mandate as long as today's presidency has the political will to give an impetus to tomorrow's French Presidency.

Although this is a reasonably substantial and difficult agenda, there are still a few subjects that have been left aside for the time being, which we regret.

3-054

(FR) But it will soon be time for a decision to be taken, and, on behalf of the Commission, I would like to put forward three points for consideration.

The first point concerns European defence. Since the Cologne Council, and in particular the Helsinki Council, the necessary structures are being set up, on an interim basis, within the Council's General Secretariat. As provided for by the Treaty of Amsterdam, the Union is now preparing to carry out the Petersberg tasks and missions, i.e. humanitarian and evacuation missions, peace-keeping, crisis-management and, where necessary, peace-making missions.

Discussions are under way on relations between the European Union and Nato. The European Union Defence Ministers met on 28 February. The first working documents have now been drafted on civil crisis management. So we can see some progress and certainly a political will to move forward. My friend and fellow Commissioner, Chris Patten, can confirm this assessment of the situation as regards these questions. In a few weeks' time, the European Council in Feira will have to decide whether the Treaty should be amended with a view to building on the guidelines of the Helsinki European Council.

Our group of representatives has not considered these questions yet, but let me share a few ideas with you. Ladies and gentlemen, after matters relating to justice and the police, a security and defence policy is without doubt the last major common policy we have to establish. The existing Treaty, as amended at Amsterdam, has enabled us to make significant progress. We can see that today. But can we resolve everything purely within the framework of that Treaty? Let us leave aside, for today, the question of future of the WEU Treaty with the collective defence commitment it contains and the different statutes of the EU Member States and of Nato and WEU member countries.

Looking only at the Petersberg tasks, I do not think the European Council has given enough thought to the organisation within the Union of a political authority that will give instructions to the chain of command that is being set up. It may be that, before it concludes, the Intergovernmental Conference will have to consider the structures and appropriateness of the existing Treaty. I do not have all the answers to this question but I think it needs to be asked, and to be asked in the context of the Conference. I think it would be premature to close this file at Feira. Instead, President Gama, I hope the presidency will give an even stronger political impetus on the question of defence.

My second point concerns the EU Charter of Fundamental Rights and the EU's democratic values. The negotiating body is making good progress, or so we are told by Antonio Vitorino who is representing the Commission in it. The interest that is being shown in this draft Charter and the support for its incorporation in the Treaty confirm what I regard as the need to reaffirm, over and over again, the fundamental values of the EU, to set down once and for all the principles shared by all the citizens of Europe. It is the same need that inspired your Parliament's report drafted by Mr Duff and Mr Voggenhuber. One could say that these principles are self-evident. But, as we know, what seems self-evident sometimes still needs reasserting, for all the existing Member States and for those that want to join us, because democracy and respect for citizens' rights are never won once and for all, but need to be fought for and defended again and again.

Your Parliament has considered these questions, as it has considered the existing Treaty provisions that would penalise any violation of the fundamental principles of the Union. The Commission is prepared for this debate, which I believe is a necessary one, provided we keep it clear of any polemics.

My third and final point concerns the reorganisation of the Treaties. The report before you discusses the constitutionalisation of the Treaties or, as we sometimes rather more modestly term it, the reorganisation of the Treaties.

That is a question of terminology. Let me say a few words on this. The Commission, as you know, has asked the Robert Schuman Institute in Florence to carry out a feasibility study on separating the Treaties into two parts: the essential provisions on the one hand and the applied provisions on the other. This work is making good progress and I hope to be able to tell you the outcome soon. But just as a mountain grows larger the closer you approach it, let me stress that this exercise involves major technical and legal difficulties.

The Treaties are not complicated in the sense of deliberately wanting to discourage the reader; they are complicated because the expression of the common resolve of 6, 9, 10, 12 or 15 Member States, over the efforts of 40 years, is not a linear operation, nor is it always as logical and simple as might be imagined after the fact, unless you start again from scratch. But who would seriously suggest that? We have to start out from what we have. We must seek the best while remaining within the realm of the possible. Then, if this reorganisation of the Treaties proves possible and convincing – as I personally believe it will – it will be time to examine the procedures for amending these restructured texts. But the Commission wants to proceed one step at a time and for the time being we are sticking to the pragmatic and meticulous job of reorganisation. I hope to present the results in May.

Mr President, ladies and gentlemen, let me conclude by repeating that I and President Romano Prodi are prepared to continue and intensify these joint discussions so that, together with the Council, indeed all together, we will succeed in achieving a genuine reform at the end of this year. As the Conference progresses, I believe it will become ever more necessary for us to take concerted joint action.

(Applause)

3-055

Maij-Weggen (PPE-DE). – *(NL)* Mr President, I would first of all like to express my appreciation for the sterling work carried out by Mr Dimitrakopoulos and Mr Leinen. I believe that this is one of the best reports which have so far been produced in the framework of IGCs over recent years. I am making this statement as former rapporteur on the Maastricht Treaty. By the way, Maastricht is not a strange city, Mrs Frassoni, it is a very exciting city where the Dutch-Flemish, German and French cultures all flow into one. Just try one of the pavement cafés and you will see what I mean. I will repeat this to Mrs Frassoni in Italian some time.

Mr President, it is rather a shame that so many amendments have been tabled as this might affect the quality and balance of the report. The large groups should, therefore, restrict themselves to the absolutely necessary amendments during the vote. This seems the best way to retain the good work which the rapporteurs have put in.

As far as our Group is concerned, the resolution needs to be amended on a number of points. For example, we do not agree with the proposal in the resolution to restrict the number of Commissioners to 20 and to introduce a rota system for the smaller countries. One Commissioner per Member State seems a much better solution to us. In order to boost citizens' confidence in the European Commission, it is vital that each Member State should have a Commission Member. Our Group, too, has therefore tabled amendments to this effect.

Next is the number of MEPs. The resolution argues in favour of the possibility of European lists. This is a sound idea, but if we want 10% of the European members on European lists, then this should not, of course, result in additional MEPs on top of the 700 which have been agreed upon. It is important that we retain a maximum of 700, with or without the European list. Parliament is already vast, the buildings are already packed and the whole thing has to remain workable.

The third point concerns the issue of unanimity. We believe that in an enlarged Union, decision-making should not always be blocked by an excessive right of veto. Unanimity should, therefore, be restricted to the bare essentials. These are constitutional issues such as the deployment of military troops and issues pertaining to territorial integrity. All other decisions should be taken by qualified majority with weighted voting, as is proposed, and – this is vitally important – with legislative powers exercised by Parliament. We would also thank the Commission for this support.

I would like to end by commenting on the Charter of Fundamental Rights. According to our Group, it is of paramount importance that this Charter be included in the Treaty. Work to this effect is being carried out, and we sincerely hope that a text can be produced which everyone can agree to incorporate into the Treaty. This is a key issue for the citizens of Europe.

3-056

Barón Crespo (PSE). – *(ES)* Mr President, firstly, on behalf of the Group of the Party of European Socialists, I would like to express my support for the Dimitrakopoulos/Leinen report and, furthermore, thank the Portuguese Presidency for their positive attitude towards the incorporation of Parliament into the Intergovernmental Conference.

This report is of great value and I therefore believe we should support it today by a majority in this Parliament, because this is an opportunity for a completely open debate on the great issues still facing us in Europe. This debate is going on between political and national groups in different Member States. Please allow me to make a correction, Mr President:

there are no large and small countries here. Here we must consider ourselves to be small. In the past, the countries in Europe which considered themselves to be large tried to impose their hegemony by force. Here we are all amongst small countries, especially given the challenge of globalisation. I believe this should be an important element in our coexistence.

In European Parliament debates, political groups, citizens of different countries and diverse interests and prejudices come into play and this allows us to be aware of when we touch a nerve and of when it is necessary for us to take special care in what we do. Therefore, this is an important debate and I believe the Council should take account of the position we take.

Secondly, Mr President-in-Office of the Council, Commissioner, I believe we should also try to introduce some vision and some idealism into this debate. I have always been against the idea that we had to deal with the 'leftovers' from Amsterdam. Leftovers are thrown in the bin. These are clear and fundamental challenges, which refer to and are linked to the membership of the Commission, the power of the President, fair contributions by the Member States and such important questions as closer cooperation, majority voting and – a vital issue – the Charter of Fundamental Rights. I say this particularly in view of the crisis which we have seen in a Member State as a result of the presence of a party whose fundamental values are contrary to the community of values which we hold here.

A final consideration: Commissioner Barnier has said that, before the end of the Conference, we must resolve certain problems relating to the chain of command. Mr President, in relation to the appeal to public opinion which we are making, I believe we must clearly affirm the principles of democracy and transparency and also the chain of command. We must not allow a situation where, while we are discussing this, a kind of Loch Ness monster reappears every month in the press. I understand the journalists, but we cannot allow a situation where crises are created by certain anonymous officials, who are frustrated mandarins, and certain ambassadors, who seem to behave like a Praetorian Guard, and who do not hesitate to make anonymous declarations in the press. Here, the only risk involved in democracy is the risk taken in elections. This is the risk taken by Minister Gama, Commissioner Barnier and by all of us. However, here in the gossip shops of Brussels we create a situation and certain centres of power which do not correspond to the principles of democracy and transparency, which are precisely the principles which we have to strengthen in this Intergovernmental Conference. I believe that it is important for all of the institutions to confront this issue responsibly. If not, the Intergovernmental Conference will not have been a success for our future.

(Applause)

3-057

Malmström (ELDR). – *(SV)* Mr President, the EU is faced with enormous challenges. In just a few years' time, the Union is to be enlarged to include almost double the number of Member States. The euro is to be introduced. We are to have a security policy worthy of the name, implement administrative reforms and, hopefully, win back some of the confidence our citizens have lost in the European project.

The Intergovernmental Conference should prepare the EU for these changes. It provides us with the opportunity to adapt our work to the new Member States and to the new tasks we have before us. It is a question of finding a balance between democracy and efficiency and of maintaining the historic balance between small and large countries. These are the questions which remain following the conclusion of the Treaty of Amsterdam. It is important in these discussions not to become lost in technical details and lose sight of the goal – that of making the EU more open, more efficient and more intelligible. We must all make sacrifices in order to achieve this goal.

Unfortunately, governments appear to have lost sight of this goal. The Intergovernmental Conference is making only limited progress, which is not the fault of the Portuguese Presidency. Probably what will happen is what usually happens: at five minutes to midnight on the last day, a compromise will be reached with which no-one is entirely satisfied. The talk is already of the next Intergovernmental Conference where the major questions will *then* be solved. We have heard this before. There is starting to be a surfeit of half-baked intergovernmental conferences. Our citizens have higher expectations than that, and we do not have much time. That is why we have to take the opportunity now. The EU must be changed in the way we Liberals have demanded, that is to say in the direction of transparency, public control, more explicit accountability, a clearer distribution of competences and a common constitution. Quite simply, the EU must become more liberal. The report includes many of our amendments, and I support these with few exceptions.

The challenges faced by the EU are exciting and historic. They should inspire us all to roll up our shirt sleeves. We are in a position to create something unique: democratic, competitive and peaceful cooperation throughout the continent. Instead, however, of awakening hope and enthusiasm, present developments appear, rather, to be giving rise to anxiety among governments. One might well ask what has become of political leadership and vision.

3-058

Voggenhuber (Verts/ALE). – *(DE)* Mr President, I would like to express my personal admiration for rapporteurs Mr Dimitrakopoulos and Mr Leinen. I would like them to know that my scepticism, and any decision on my part to reject this report, is no reflection on them, but on this House, which does not have the backbone to confront the European Council with its own vision of what the future should hold for European integration.

In terms of power politics, or following a constitutional line of thought, it is quite clear what the Council wants. It wants Europe to be run by the executive, to be under the leadership of national governments, a bring-and-buy for national interests. It wants the basic model for European integration to be intergovernmental cooperation. The European Council wants Europe to be under the leadership of a handful of States, it wants Europe to be run by a board of directors, and to pursue a nineteenth century style policy aimed at striking a balance amongst the States of Central Europe. The Council does not see a democratic deficit; it sees a lack of efficiency at worst. Separation of powers, public scrutiny of legislation, parliamentarianism, unrestricted legal supervision on the part of the European Court of Justice, binding fundamental rights, strengthening of the original European institutions – the Commission, Parliament and the European Court of Justice – none of these matters are of concern to the Council.

It is the task of Parliament to stand up to the Council and to present it with its own vision. Parliament must pluck up the courage to vie with the Council when it comes to determining the future of European integration. This is about nothing less than the rediscovery of democracy in the supranational sphere. It is about nothing less – and this is, or would be Parliament's task – than making European unification public property. We have a long way to go before we achieve this.

If you demand a constitutional process but satisfy yourself with the division of the Treaties into two parts, then this constitutional process is already at an end! If you accept without criticism that not only does the Council see itself as a legitimate representative of the States, it also claims to represent the people by virtue of the double majority, thereby depriving Parliament of its legitimacy, then we still have a long way to go before.....

(The President cut the speaker off)

3-059

Sjöstedt (GUE/NGL). – *(SV)* Mr President, if the changes to the Treaty proposed in the resolution we are debating are implemented, the European Union will take an absolutely crucial step on the way to becoming a federal state and one, moreover, in which the national parliaments will lose control over almost all crucial areas of policy. In addition to the massive increase in supranational forms of decision-making, the proposal contains quite a few qualitative changes in the direction of federalism, among these the proposal to remove the national right of veto in the course of changes to large parts of the current Treaty and, also, the demands for a single EU constituency in the elections for the European Parliament.

I am convinced that this transformation of the EU into a federal state is a blind alley in every way. The EU's major problem today is not a lack of centralised power but a shortage of real democracy. What the Union needs in place of more supranationalism is democratic reform leading to a dramatic reduction in the Commission's political power, to the legislative process in the Council's being made public and to the national parliaments' being given decisive influence.

Through the Treaty changes proposed in the resolution, the EU would become a Union wholly dominated by the big Member States. The power wielded by the major countries would be increased dramatically through the introduction of a system of "double simple majority" voting in the Council of Ministers. Their power would also be increased through the increase in their representation in the European Parliament.

In an EU which has been enlarged by a further twelve States and in which seven hundred seats in Parliament have been distributed as proposed in the resolution, Sweden would have thirteen seats, Finland seven and Ireland five. This would mean that, in many Member States, important political powers would not be represented at EU level. This also shows how weak the democratic basis of such a Parliament would be.

Compared with other federal states, the "EU state" would, on this model, be unusually centralised and offer little protection to small constituent States. A comparison might be made with the United States in which the one chamber in a two-chamber system has proportional representation, while representation in the second chamber is the same for all constituent States. In the EU, the big countries would instead dominate both chambers on the basis of the proposal we are now debating.

For anyone who wants to change anything regarding monetary union or EMU, it is now, when the Treaty is being changed, that the opportunity exists. Many adherents of EMU on the Left have, of course, argued in favour of altering the nature of monetary union in such a way that the Central Bank is placed under democratic control and that the goals of economic policy are not merely monetary. It is noticeable that they are now completely silent and that it is now only the Confederal Group of the European United Left/Nordic Green Left which is demanding the democratisation of monetary union. As you have perhaps noted, I am going to vote against the present resolution.

(The President cut the speaker off)

3-060

Collins (UEN). – Mr President, I support the enlargement of the European Union because I know it will consolidate the new democracies in eastern and central Europe. I know it will also increase the size of the European Union as a trading block which in time will ensure that the Union as an economic entity becomes more competitive.

I know that reform within the existing European institutions must take place. However, any changes within the internal decision-making procedures must be balanced and fair. We do not want to see a two-tier European Union in which larger Member States dictate the pace at the expense of the smaller Member States. For example, the report which we are debating today recommends a rotation system for the composition of the European Commission. This will mean that the automatic entitlement of smaller Member States to have one Member of the Commission will be downgraded.

I do not believe that this is a particularly sensible proposal. 380 million citizens of the Union have an affinity with the Commission. Certainly, from an Irish perspective, Irish people recognise the importance of the Commission as an institutional body within the European Union. It is still the institution that controls the operations of competition policy, the common agricultural policy, the common fisheries policy and the common transport policy. The Union must draw nearer to the citizens of the Union.

We should also remember that some Member States, including my country, must hold a referendum on any Treaty changes that arise at the forthcoming IGC. The loss of an automatic right to nominate a Commissioner would certainly be a very difficult, if not impossible, proposal to sell to an Irish electorate in this referendum.

I would now like to return to the issue of extending the qualified majority voting system at European Council level. The Council represents the interests of the 15 Member State governments within the institutional framework of the Union and currently, under existing EU Treaties, unanimous agreement of the 15 Member States is required for any tax changes sought within the Union. The report we are discussing today seeks to extend qualified majority voting to all legislative activities except those of a constitutional nature. I believe that national Member States should retain the right of veto on taxation matters.

The Irish taxation system is innovative in many ways and has contributed to our present growth rates. I do not believe that the extension of qualified majority voting to taxation matters at European Council level is a particularly welcome development.

3-061

Van Dam (EDD). – (NL) Mr President, a biblical parable teaches the reader to build his house on a rock. After all, a house built on sand has no solid foundations. This parable was meant as a reference to faith and its foundations. Nonetheless, I was reminded of this parable during the IGC discussion. The relentless attempts to turn Europe into a political unity seem to be built on quicksand. Indeed, the citizens of Europe do not feel European and this will not change overnight. Still, the discussion on the EU's future is peppered with concepts such as European citizenship. This does not exist by any stretch of the imagination and is simply quicksand!

In the IGC discussion or the present report for that matter, the end goal of European cooperation is not taken into consideration. What do we want to achieve as a European Union? I would be keen to hear the Council's and Commission's opinion on this. If there *is* a well-considered vision on the foundation of European cooperation, the European House will be on more solid ground and will be able to brave the bad weather. I share the minority view of Mr Berthu, a member of the Union for a Europe of Nations Group, as it has been included in this report. This document does include a solid foundation for the Union, namely a cooperative of independent states, in which the national democracies enjoy the highest level of legitimacy.

Regarding the enlargement issue, the fact that Member States joining the EU can become fully-fledged Members of the Union should be central. "Degrading" acceding countries to second-class members does not do them justice and has unwanted political consequences. Instead of the idea of different speeds, I support the idea of carrying out only the core tasks, that is to say in cross-border policy areas, at European level.

Another specific point I would like to raise concerns the European Commission. This high official college should in future not have more or fewer than 20 members. If necessary, combinations of countries can alternate in appointing a Euro Commissioner.

I support the policy of granting the European Parliament codecision in all cases in which the Council decides by qualified majority. This must, however, go hand in hand with sound scrutiny by the national parliaments of their "own" ministers in the Council.

3-062

Sichrovsky (NI). – (DE) Mr President, whilst I too wish to express my dismay at the ongoing prejudice displayed towards Austria by 14 Member States, I would like to take the opportunity to comment on the opinion of the Committee on Culture, Youth, Education, the Media and Sport, which refers to a number of very important areas. The diversity of

cultural traditions in Europe is not just a colourful mosaic of artistic activities but gives expression to cultural, religious and also national diversity, to a sense of belonging and a feeling of attachment to one's native land.

Very often in the past, Parliament regarded culture as nothing more than a breeding ground for art. However, it is much more than this, and cannot be separated from a minority's sense of identity and its self-perception, therefore neither can it be separated from the rights of these groups, which are to be respected. Most minority groups in Europe define themselves through their cultural traditions, and it will only be possible to afford them the protection they need if we make it possible for them to integrate into mainstream society, whilst respecting their own traditions. If we are to acknowledge and comprehend these traditions, we will have to do more than register the differences purely as ethnic characteristics or as a list of discriminations.

We hear so much these days about the dangers of disregarding the rights of minorities, and very often this takes the form of cultural discrimination. The debate about the human rights of minorities, xenophobia, and racism, particularly in the light of the enlargement process, is doomed to failure unless we re-define and extend our concept of culture. Otherwise we will end up endlessly repeating hollow words that do not mean anything to most people these days.

The Convention should take account of these thoughts in its drafting of the Charter on Fundamental Rights. In defining and reworking the concept of a minority's culture, a new dimension will be added to this very important basis for identity, and cultural issues within the EU will not be treated as a mere colourful adjunct to our other very important responsibilities.

(Applause)

3-063

Beazley (PPE-DE). – President, Commissioner, we are faced with a fundamental difficulty, in the exercise in which we are involved, in maintaining the balance between enlarging the EU and reforming the institutions to make that enlargement possible. British Conservatives cannot accept the report, based on the long list of ancillary items which are not on the agenda of the IGC.

We are concerned by the proposals for constitutionalisation of the Union, by the proposals to incorporate the Charter of Fundamental Rights into the Treaty, by the progressive diminishing of the distinction between the first and second pillars, by the proposal that the Council should adopt broad guidelines of economic, employment and social convergence policies by qualified majority. These are just some examples of the complex and controversial issues which are raised.

We are overloading the wish list of the IGC. The great danger, if all these extra items were to be adopted on the agenda, is that the deadline of December 2000 would inevitably be missed. Where would that leave the candidate countries like Poland and Hungary, whose government leaders have already expressed concern over the timetable?

We believe the IGC should concentrate on the essential institutional reforms. It should ensure that it meets the deadline, to enable the first wave of enlargement to include Central and Eastern European countries by 2004, and to continue any further necessary reforms with the full inclusion of our new partners. If the EU delays enlargement too long, it may make it more difficult, or impossible, for some candidate countries to join within the envisaged timetable. The President-in-Office addressed some of these concerns in his speech.

Commissioner Barnier in his speech said that the intention is to succeed with the reforms, not necessarily to conclude them. Some people say that this is the last opportunity for reform. I do not think that is a very fair reflection on the extraordinary reforms that many of the candidate countries have made in the last 9 and 10 years since they were within the Warsaw Pact or formerly part of the Soviet Union. Our priority is enlargement. We should not confuse or reverse our priorities.

3-064

Corbett (PSE). – Mr President, my group welcomes this report. It sends a clear message to the IGC to be ambitious, to think long-term and not short-term, to think of how a Union with nearly double the number of Member States we have now can actually function effectively and to take this opportunity to change the Treaties, because future IGCs with nearly 30 states around the table will find it even more difficult than it is now to agree on reforms.

The report puts forward ambitious proposals, as one would expect of the European Parliament. If adjusted by the amendments by my group, it will be a well-balanced set of proposals, well-balanced notably on the delicate question of the equilibrium between large and smaller Member States. On the size of the Commission, for instance, the formulas that are likely to be adopted tomorrow will refer either to one Commissioner per Member State or to a smaller number, a fixed number of Commissioners. The Commission cannot go on expanding indefinitely. In the second case, it will be a rotating system, so that every Member State, large and small, has equal opportunities of seeing one of its nationals serve in the Commission.

On the question of the size of the European Parliament, we have also found a point of equilibrium, based on to a minimum number of Members for each Member State. Every state will, of course, have to make a sacrifice following enlargement, but a minimum number will be guaranteed, with digressive proportionality thereafter.

So the report is balanced and I think can be welcomed. It is ambitious. Some people are saying: 'The IGC will never agree to this point or to that point'. But we are not in this Parliament trying to guess the outcome of the IGC; we are trying to encourage it to move in a particular direction, in a more ambitious direction, to make sure that we actually have a Union capable of functioning effectively when we enlarge to nearly 30 Member States. That is essential for our future.

3-065

Flesch (ELDR). – (FR) Mr President, the aim of the IGC is to reconcile enlargement with deepening. In particular, we need to review the interinstitutional balance, representation within the Commission and the other institutions, the weighting of votes and the areas covered by qualified majority voting. Unanimity voting must apply to decisions of a constitutional and fundamental nature. Closer cooperation must make it possible to manage diversity and avoid getting bogged down, without calling the fundamental structure of the Union into question.

The report by our fellow Members, whom I want to congratulate, has been substantially improved over the course of the discussions. Nonetheless, the outlined reform will hit the small Member States hardest. That applies in particular to the provisions on the composition and operation of the institutions. A Parliament in which the ceiling of four seats per Member State, which does not allow for a balanced representation of the political forces, is unacceptable. The same is true of a Council in which the qualified majority rules have to be readjusted and whose proposed method of operation will inevitably lead to deadlock and inconsistency, and of a Commission in which the rule must be one member per Member State.

Lastly, let me bring up the question of the seat of Parliament and call for the promise made to be respected. I am always surprised to see our Parliament, which sets itself up as the committed champion of respect for minority rights when it comes to others, go against this approach when it comes to deciding on the institutional architecture of our own House.

3-066

MacCormick (Verts/ALE). – Mr President, we, for our part, welcome the enlargement of Europe and will participate in the discussion of how to prepare for it. The Scottish National Party, which I represent, is committed in its manifesto and its general policy to the idea of Europe as a confederation of peoples, countries and regions, not as a sovereign federal union in its own right. That is something which the parties of European Free Alliance have in common and our votes will be cast in that light.

I want to draw attention particularly to Amendment No 138, in its interaction with paragraph 32 of the Dimitrakopoulos-Leinen report. Regarding its proposal for all-Europe lists of candidates, we in Scotland – a small nation within a large Member State – are seriously concerned about the practical disappearance of Scotland as a distinct entity within the Union. This would also apply to Euskadi, Flanders, Galicia, Andalusia and Wales. The reduction in Members of the European Parliament that we would face, coupled with the arrival of new Member States which are smaller in population than Scotland or Wales and which would be fully represented in all the institutions of the Union, will certainly increase the pressure for and our people's commitment to the idea of our own independence in this great European confederation.

3-067

IN THE CHAIR: MR ONESTA
Vice-President

3-068

President. – As it is now voting time, the debate will be adjourned and will resume at 3 p.m.

3-069

VOTE

3-070

Joint motion for a resolution¹ on the additionality principle in Structural Fund appropriations

(Parliament adopted the resolution)

Recommendation for second reading, in the form of a letter, on behalf of the Committee on Agriculture and Rural Development, on the common position adopted by the Council with a view to adopting a European and Council

¹ Tabled by Mr Bradbourn and others, on behalf of the PPE-DE Group, Mr Simpson, on behalf of the PSE Group, Mr Davies and others, on behalf of the ELDR Group, Mr Evans and others, on behalf of the Verts/ALE Group, and Mr Collins, on behalf of the UEN Group, seeking to replace motions for resolutions B5-0241, B5-0316, B5-0317, B5-0318 and B5-0321/2000 with a new text.

Decision on the application of aerial-survey and remote-sensing techniques to the agricultural statistics for 1999-2003 (13300/1/1999 - C5-0065/2000 - 1998/0296(COD))

(The President declared the common position approved)

Simplified procedure without report:

– **Proposal for a European Parliament and Council directive amending Council Directive 95/50/EC on uniform procedures for checks on the transport of dangerous goods by road (COM(00)0106 - C5-0129/2000 - 2000/0044(COD)) (Committee on Regional Policy, Transport and Tourism)**

(Parliament approved the Commission proposal)

– **Proposal for a decision of the European Parliament, the Council, the Commission, the Court of Justice, the Court of Auditors, the Economic and Social Committee and the Committee of the Regions on the organisation and operation of the Office for Official Publications of the European Communities (EC, ECSC, Euratom) (C5-0080/2000 - 2000/2043(ACI)) (Committee on Culture, Youth, Education, the Media and Sport)**

(Parliament approved the Commission proposal)

Recommendation for second reading (A5-0071/2000), drawn up on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the common position adopted by the Council with a view to adopting a European Parliament and Council directive on action to be taken against the emission of gaseous and particulate pollutants by engines intended to power agricultural or forestry tractors and amending Council Directive 74/150/EEC (10323/1/1999 - C5-0225/1999 - 1998/0247(COD)) (rapporteur: Mr Fitzsimons)

(The President declared the common position approved)

Report (A5-0102/2000) by Mr Lehne, on behalf of the Committee on Citizens' Freedoms and Rights, Justice and Home Affairs, on the initiative of the Republic of Finland with a view to the adoption of a Council decision concerning arrangements for cooperation between financial intelligence units of the Member States in respect of exchanging information (11636/1999 - C5-0330/1999 - 1999/0824(CNS))

(Parliament adopted the legislative resolution)

Recommendation for second reading (A5-0083/2000), on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the common position of the Council with a view to adopting a European Parliament and Council directive on the deliberate release into the environment of genetically modified organisms and repealing Directive 90/220/EEC (11216/1/1999 - C5-0012/2000 - 1998/0072(COD)) (rapporteur: Mr Bowe)

3-071

Wallström, Commission. – Mr President, as I explained during the debate yesterday, the Commission is able to accept fully Amendments Nos 9, 17, 19, 29 and 47. The Commission can also accept Amendments Nos 1 to 4, 8, 11, 24, 35 to 38, 46, 48, 49 and 52 in principle, as far as they clarify the intention of the Commission to establish an efficient, transparent and balanced regulatory framework for GMOs. Some of these amendments need only to be brought into line with the legal wording of the text of the directive and the overall legislative framework.

For other amendments, for instance those amendments concerning antibiotic-resistant marker genes, the principle is politically acceptable but the proposed text as such does not seem to be appropriate.

The Commission is unable to accept Amendments Nos 5 to 7, 10, 12 to 16, 18, 20 to 23, 25 to 28, 30 to 34, 39 to 45, 50 and 51. More specifically concerning Amendments Nos 22, 23 and 25, the Commission cannot accept them as they stand but is willing to consider how due account can be taken of the concerns they reflect.

3-073

Liese (PPE-DE). – (DE) Mr President, I have a question for the Commission, so as to make it quite clear to my fellow delegates what we are voting about. I have the Council's common position of 9 December 1999 before me. It says in the document passed to us by the Council that this common position was adopted unanimously. If I remember correctly, we were still under the Finnish Council Presidency in December 1999, with a Green Environment Minister. Political Union took place in June 1999, under the German Council Presidency, also with a green Environment Minister. However, I am a little confused because the Greens in this House are maintaining that the common position is so weak that it is imperative that we make a huge number of improvements to it. That is why I wanted to put the question again as to whether we are really voting on the common position that all the Environment Ministers subscribed to, or whether we are mistaken?

(Laughter, Applause)

3-074

President. – Thank you, Mr Liese. May I remind you that the debate is closed. Nevertheless I will give the floor to the Commission if it wishes to clarify the matter further.

3-075

Wallström, Commission. – It is that very common position.

3-076

Lannoye (Verts/ALE). – (FR) Mr President, since Mr Liese has addressed a question to us, I will take the liberty of answering him. The Green Group is not dependent on the positions of the Green ministers represented in the Environment Council. We have freedom of choice, and I would hope the same applies to all the political groups here present.

But I wanted to speak specifically on the vote on Amendment No 37. I think it is quite logical to vote on Amendment No 11 first, before Amendment No 37, because Amendment No 11 goes further than Amendment No 37. It proposes a total ban on antibiotic-resistant marker genes, which is not the case in Amendment No 37, which relates only to Part C of the directive. So I believe it would be more logical to vote first on the amendment that departs furthest from the original position.

3-077

President. – Mr Lannoye, the rapporteur discussed this question with the competent services yesterday. He does not seem to agree with you. In fact he believes that the wording of Amendment No 11 is such as to suggest a different voting order from the one you recommend. I can only regret that.

3-078

- After the vote on Amendments Nos 38 and 49:

President. – We will now adjourn the vote and resume after the formal sitting.

(The sitting was suspended at 12 noon for the formal sitting and resumed at 12.35 p.m.)¹

3-079

(continuation of the vote on the Bowe report)

3-080

Roth-Behrendt (PSE). – (DE) Mr President, I understand perfectly that it is an honour for us to receive a distinguished guest of state. However, I would ask you, when the Bureau next meets, to address the question as to whether it is a constructive use of time to interrupt a vote that we need a qualified majority for and for which there are only seven or eight proposed amendments. I would urge you to address this matter in the Bureau.

(Applause)

3-081

President. – I am happy to put this question to the Bureau, Mrs Roth-Behrendt, but I was bound by decisions outside my control.

3-082

Bowe (PSE) rapporteur. – Mr President, just before the formal sitting you interrupted this vote very suddenly. It rather surprised me, and I am sure many other Members of the House, who during the formal sitting expressed their surprise at the way in which the vote was interrupted.

We have just seen the first vote after the formal sitting fail to secure a qualified majority by only a handful of votes. Does that not demonstrate what we were talking about and the point Mrs Roth-Behrendt has raised? When we have qualified majority votes they should not be interrupted in any way by the formal sitting.

¹ Formal sitting on the occasion of the visit by Mr Klestil, the President of the Federal Republic of Austria: see Annex

There were eight votes to go. I can inform you, on the basis of my experience, that you could have completed that in three minutes. It is ridiculous that we are now proceeding with qualified majority votes when Members have not been given a reasonable amount of time to come back into the Chamber. I hope you could address that issue, Mr President.

(Applause)

3-083

President. – I quite understand your feelings, Mr Bowe. To tell the truth, I agree with you. But I also had to respect the protocol which, once again, unfortunately often takes precedence over our proceedings. That said, it is true that your comment makes good sense and I think the Bureau will have to give it the fullest consideration.

3-084

Lienemann (PSE). – *(FR)* Mr President, I have a question about the method applied here. It seems to me that, normally, when the sitting resumes and we resume the vote after a formal sitting, a bell sounds to warn our colleagues that the sitting and the vote are resuming. I did not hear that bell and I would ask you to confirm the method used in such cases, for this probably adversely affected the result of the vote in this Chamber.

3-085

President. – In principle, Mrs Lienemann, the bell sounds when the sitting has been adjourned in order to call Members back. Some Members had left the Chamber, others remained. I had in fact announced that the voting would resume immediately after the formal sitting. Moreover this was indicated in the Minutes and on the agenda. But I too am sometimes faced with imponderables. Let me assure you that all your comments will be passed on to the Bureau. You yourself are a member of the Bureau. I think that by taking concerted action we will manage to improve the system.

(Mixed reactions)

3-086

Lipietz (Verts/ALE). – *(FR)* Mr President, if the problem about sounding the bell is that the sitting has to resume first, the solution is quite simple. I propose to the President that we suspend the sitting for two minutes. For it is unacceptable...

(Protests)

... that for reasons purely of protocol the number of Members in the Chamber has decreased by about 60, which makes it extremely difficult to adopt amendments that will affect the health of European consumers for generations to come.

(Applause)

3-087

President. – Once again, Mrs Liepitz, I can only take note of the situation, deplore it like you and propose that we finally press on with the vote.

(Applause)

3-088

(The President declared the common position approved as amended)

Report (A5-0088/2000) by Mr Papayannakis, on behalf of the Committee on the Environment, Public Health and Consumer Policy, on the proposal for a European Parliament and Council regulation establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97 (COM(1999) 487 - C5-0240/1999 - 1999/0204(COD))

3-089

(Parliament adopted the legislative resolution)

Joint motion for a resolution¹ on the Lisbon Summit

(Parliament rejected the motion for a resolution)

¹ Tabled by Mr Karas, on behalf of the PPE-DE Group, Mr Jensen and Mr Cox, on behalf of the ELDR Group, Mr Nobilia and Mr Crowley, on behalf of the UEN Group, seeking to replace motions for resolutions B5-0320, B5-0322 and B5-0333/2000 with a new text.

Motion for a resolution (B5-0320/2000) by Mr Suominen and others, on behalf of the PPE-DE Group, on the outcome of the Extraordinary European Council in Lisbon on 23 and 24 March 2000

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0322/2000) by Mr Cox and Mr Jensen, on behalf of the ELDR Group, on the outcome of the Extraordinary European Council in Lisbon on 23 and 24 March 2000

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0328/2000) by Mr Le Pen and others, on behalf of the TDI Group, on the Lisbon European Council

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0329/2000) by Mr Bernié, on behalf of the EDD Group, on the Extraordinary European Council of 23 and 24 March, on the subject ‘Employment, economic reforms and social cohesion: towards a Europe of innovation and knowledge’

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0331/2000) by Mr Figueiredo and others, on behalf of the GUE/NGL Group, on the outcome of the Extraordinary European Council in Lisbon on 23 and 24 March

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0333/2000) by Mr Queiró and others, on behalf of the UEN Group, on the outcome of the Extraordinary European Council in Lisbon on 23 and 24 March 2000

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0335/2000) by Mr Flautre and others, on behalf of the Verts/ALE Group, on the outcome of the European Council in Lisbon on 23 and 24 March 2000: Presidency’s conclusions

(Parliament rejected the motion for a resolution)

Motion for a resolution (B5-0338/2000) by Mr Goebbels, on behalf of the PSE Group, on the meeting of the European Council (Lisbon, 23 and 24 March 2000)

(Parliament rejected the motion for a resolution)

Joint motion for a resolution¹ on the EU-Africa summit

- Before the vote

3-090

Sauquillo Pérez del Arco (PSE). – (ES) Mr President, an error has slipped into paragraphs 15, 17 and 18 of this joint resolution of the European Union and Africa. In paragraph 15, instead of saying “the OAU” it should say “the African States”. In section 17, instead of “the OAU” it should say “Africa”. In section 18, “members of the OAU” should be replaced by “Africans”.

3-091

(Parliament agreed to vote on the oral amendment)

(Parliament adopted the resolution)

EXPLANATIONS OF VOTE

¹ Tabled by Mr Corrie, on behalf of the PPE-DE Group, Mr van den Berg and others, on behalf of the PSE Group, Mr Dybkjær and others, on behalf of the ELDR Group, Mr Rod, on behalf of the Verts/ALE Group, Mr Miranda and others, on behalf of the GUE/NGL Group, seeking to replace motions for resolutions B5-0325, B5-0330, B5-0332, B5-0336 and B5-0337/2000 with a new text.

- Resolution on the additionality principle

3-092

MacCormick (Verts/ALE). – Mr President, I would like to give the following explanation of the vote that I cast in the debate concerning additionality. I would like particularly to underline the point in the motion that Parliament fully endorses the Commission's statement that the spirit of additionality, as well as the letter of the law, represents a key consideration and is vital to ensuring that programmes have a maximum impact on the ground. In that light it is absolutely unacceptable that the current policy allows Member States, after submission of region-based plans, to reallocate funds internally yet still formally comply with the additionality principle while defying its spirit. This matter urgently calls for review by the Commission.

Since the debate – yesterday in fact – I have received a very courteous and helpful letter from Mr Barnier indicating that the Commission is moving our way on this. I am very glad about that. I should like to congratulate my colleague, Mrs Evans, for setting up this marvellous debate and getting this superb result today.

3-093

Evans, Jillian (Verts/ALE). – Mr President, I am delighted this resolution has been adopted by Parliament in recognition of the problem that exists with additionality. I represent Wales which, due to the practices of the UK Government, has not received, and will not receive, what the EU intends to be spent on combating poverty over and above normal government spending, even with Objective I status in the current programme period.

As Commissioner Barnier has stated, it is as important to comply with the spirit of additionality as with the letter of the law. The Commissioner also endorsed the statement by Commissioner Liikanen that in future the Commission would be particularly attentive to the spending figures put forward by the Member States when there is evidence of reduced expenditure in a given region or regions.

I trust now that the Member States will comply with the wishes of Parliament and the Commission in this matter to ensure that the effective targeting of structural funds at the poorest regions is not undermined.

3-095

McCarthy (PSE), in writing. – The EPLP delegation voted in favour of the compromise resolution on additionality because we believe that the principle of additionality is one of the core fundamental pillars of the structural funds reforms, for which I was Parliament's rapporteur. However, I believe that parts of this resolution, rather than bringing clarity to the rules, will only serve to confuse the general public and in particular funding operators. Paragraph A continues to confuse the principle of additionality with the separate but equally important principle of co-financing. Paragraph G is inaccurate. There is no regulatory requirement to check additionality on an annual basis, but as stated in the regulation, simplification requires three checks on additionality during the programming period.

It is inappropriate for Members to try with this resolution to rewrite regulations which were agreed unanimously by this Parliament and will be up for review in 2006. More disappointing is the naked party political games which British Members Mr Davies, Mr Bradbourn and Mrs Evans have attempted in this resolution. This will not serve the best interests of our poorest communities, with deliberate misinformation and hijacking this debate for narrow party political advantage. Our real goal must be to plan and give our support to the successful implementation of these funds to improve the life prospects of people in our poorest regions.

My party is committed to this goal and will work with other parties in a constructive and positive way to achieve this.

3-095-500

- Agricultural statistics for the period 1993-2003

3-094

Fatuzzo (PPE-DE). – (IT) Mr President, of course, it is important, if not essential, for the European Union to be engaged in statistics. However, this undertaking can sometimes be extremely harmful for certain States in our Union, take, for example, the milk quotas which have been so detrimental for so many areas of Europe. In my opinion, we must ensure that these statistics are calculated, and are calculated appropriately, but, most importantly, I would like to take the opportunity presented by this explanation of vote on statistics to invite Parliament, the Commission and the Council to avoid what so frequently occurs as a result of the application of statistics to milk quotas and agricultural products, for example, according to which a certain amount may or may not be produced – namely, the waste of resources due to the destruction of excess produce.

3-096

- Checks on the transport of dangerous goods by road

3-097

Fatuzzo (PPE-DE). – (IT) Mr President, I voted for this resolution because, clearly, the transport of dangerous goods is constantly in need of regulation. We must do everything possible to reduce the number of vehicles carrying dangerous goods along the roads of Europe to a minimum. I would argue that rail, sea and air transport should be favoured instead,

and, in particular, we should favour employing the elderly to drive dangerous goods vehicles and work in related activities. Young people lack experience and are certainly at greater risk than the elderly. The experience of workers who have been performing this activity for a substantial period of time should be recognised, and employment of the elderly in all the most hazardous activities should be promoted.

3-098

- Recommendation for second reading: Bowe (A5-0083/2000)

3-099

Breyer (Verts/ALE). – (DE) Mr President, we are very disappointed with the outcome of the vote. I think it is quite disgraceful that the European Parliament bowed to lobbying pressure from the genetic engineering industry on key issues. There has been a massive campaign in recent weeks, but I would have liked Parliament to display the sense of responsibility it gave expression to at first reading.

My first point relates to liability. It is quite ludicrous just to call upon the Commission in a recital to put forward an environmental liability directive by the year 2001. We are well aware that the White Paper made no provision for personal liability insurance and that it only related to the Natura 2000 areas. If industry maintains that products of genetic engineering are safe and do not present risks, then I cannot understand why the majority of delegates have caved in and allowed industry to continue to evade responsibility.

My second point relates to antibiotics. A lame demand of this kind takes no account whatsoever of consumer interests. All scientists warn that pathogens in human beings and animals are becoming increasingly resistant, and are calling for an immediate ban on the use of antibiotic-resistant marker genes. Parliament has shelved the issue again, and has failed yet again to deal with these major problems. This is most disgraceful!

The same goes for the issue of genetic pollution. Simply to ask that the problem be taken account of really is a complete joke, for that is precisely what environmental risk assessment caters for. Parliament originally called for the Member States and the Commission to be placed under an obligation to adopt measures. Parliament has caved in on this too.

I think today has been a black day for consumer protection, and I can only hope that this vote will do industry a disservice. With any luck, consumers will continue to give genetically modified food the thumbs down, for it is unacceptable that industry should be allowed to get away with evading responsibility.

3-100

Fatuzzo (PPE-DE). – (IT) Mr President, I feel that we should not be too alarmist in these matters, and that, with regard to genetically modified organisms, we should not hold back scientific progress with an excessive amount of regulations. In any case, no one has ever succeeded in blocking the advance of science. I have heard on the grapevine that a gene is being discovered which prolongs human life, and I am a little concerned that we may be placing too many restrictions on science and the use of genetically modified organisms. When this gene is discovered, it would be a shame if Parliament decided not to allow the movement of genetically modified organisms, ourselves, in fact, when, at last, we could live longer in better health. For this reason, in the interests of the elderly, I would call for less stringent regulation of GMOs.

3-101

Isler Béguin (Verts/ALE). – (FR) Mr President, I want to give an oral explanation of vote because what has happened, once again, is not very good news for our Parliament. In fact consumers, associations and all those concerned with the environment, with health, with the expected risks due to GMOs released into the environment, were expecting the European Parliament to send out a strong signal.

Once again we have simply kowtowed to the lobby of the advocates of GMOs on the pretext that science will help to make the world a better place. We know full well that as yet there is no toxicology study that evaluates the consequences of releasing GMOs into the environment. So we can only regret that those amendments that went much further, that indeed allowed us to anticipate the implications of GMOs for nature, were not accepted.

Mr President, I therefore condemn the kind of compromise reached between the major political groups, which goes against what the consumers and associations expected of us, as well as all those who trusted the European Parliament and who expect our Members to adopt firm positions.

3-102

Ahern (Verts/ALE), in writing. – The European Parliament will vote on 12 April, to adopt a new directive on the deliberate release of genetically modified organisms (GMOs). There are major issues at stake.

The time has come to make those who engage in the deliberate release of genetically modified organisms legally responsible for damage to human health and the environment. They should be liable for any damage caused by such releases and they should be required to take out liability insurance just as every driver has to take out liability insurance in case he kills or injures another human being. The argument has been made that this issue should instead be covered by horizontal legislation. It is worth noting, however, that we have heard this argument since discussions about Directive

90/220/EEC first started in 1989. At that time, the Commission promised that liability for environmental damage caused by GMOs would be covered by horizontal legislation, but we have been waiting for more than 10 years for that promise to be fulfilled.

We must adopt an immediate and categorical ban on the use of antibiotic resistant genes. Many scientists and organisations, such as the Pasteur Institute and the British Medical Association, have called for a ban on the use of antibiotic-resistant marker genes, which do not perform any relevant function on the plants and are therefore completely superfluous.

In the common position antibiotic-resistant genes would just “be phased out” in the future, and only if “they may have any adverse effects on human health and the environment”. This would mean that antibiotic-resistant products that have already been authorised would remain. There are many less damaging forms of marker genes available and it is EU policy to prohibit all unnecessary use of antibiotics if there is a risk for human or animal health. The directive should take a clear stand and insist that the use of these marker genes is stopped now.

The pharmaceutical industry wants a total exemption from the directive. The Environment Committee adopted two contradictory amendments, one for a total exemption and one tightening up the common position line of a conditional exemption with all the normal environmental risk provisions. It is unacceptable that the industry could be allowed on exemption unless the environmental risk provisions apply.

3-103

Berthu (UEN), in writing. – (FR) I am extremely disappointed at the way the second-reading vote on the amendments to the draft directive on procedures for authorising genetically modified organisms (GMOs) went.

Admittedly, we have known since first reading that the principle of banning GMOs, or at least having a moratorium to allow for more in-depth studies, was rejected. But the least we could have expected was for Parliament now to decide to take serious steps to protect the consumer.

Nothing of the kind has happened, however. The European Parliament has just given way on three vital issues, in circumstances I consider shameful:

On banning the release of GMOs containing antibiotic-resistant genes: Amendments Nos 11 and 37 which called for such GMOs not to be released into the environment were rejected. Instead we have adopted an amendment that simply calls for particular consideration to be given to this problem in order to identify and phase out by 2005 antibiotic resistance markers in GMOs which may have adverse effects on human health and the environment;

On the risk of unintentional gene-transfers to other organisms: Amendment No 12, which called for measures to be taken to prevent such unintentional transfers, was not adopted. Instead, Parliament adopted Amendment No 38, which is much more vague and simply calls for an assessment of the various forms of risk that might be involved in such transfers;

On the liability and insurance obligations of persons deliberately releasing GMOs: to our great indignation, Parliament rejected Amendment No 33 which called for persons legally responsible for releasing these GMOs to assume total liability for any damage they caused to human health or the environment and which required them to take out adequate insurance to compensate for possible damage. Instead, it adopted much weaker amendments that express the hope that, in the future, general legislation will be adopted in relation to environmental liability and that call on the Commission to submit a proposal on the impact of biotechnology on all areas over which the European Union has jurisdiction. Alas, as we already know from the White Paper it prepared on the subject, the Commission is not in favour of compulsory insurance in this area.

We are particularly disgusted that Amendment No 33 was rejected, for if we want to authorise the marketing of products containing GMOs, we should at least ensure that those who sell them assume liability. The pressure groups in the biotechnology industry explain that there is no risk, while at the same time saying that compulsory insurance is impossible because the risk is not insurable. That tells us something. I have never seen an insurer refuse to insure a non-existent risk.

One obscure aspect of this business is that the French Government which, according to the most recent information, includes ecologists, had officially expressed reservations about this Amendment No 33. Once again the biotechnology industry pressure groups have done their job at every level, out of sight of the citizens.

3-104

Caudron (PSE), in writing. – (FR) I warmly congratulate Mr Bowe on his report on the deliberate release into the environment of GMOs. This subject, which has given rise to much debate, is a very topical one, given that yesterday two European regulations entered into force which require manufacturers to label “food and food ingredients” containing more than 1% of GMOs, together with “genetically modified additives and flavourings”, although without setting out any threshold value in this case. As a consumer, I am very pleased about this compulsory labelling because it will allow us to

make an informed choice, although I would have preferred stricter rules that required a very clear indication on the outside packaging! Yet this is a positive first step, since it has led several large firms to stop putting GMOs into their products.

Coming back to the issue under discussion today, this is a proposal to amend Directive 90/220/EEC, which covers both the deliberate release of GMOs for experimental purposes and their deliberate release with a view to putting the products concerned on the market. In the light of the progress of scientific research in this field, it seemed vital to clarify the scope of this legislation in order to give due protection to consumer health as also to the environment. The proposals of the Committee on the Environment, Public Health and Consumer Policy set out a strict and transparent framework, thus responding fully to consumer concerns.

The purpose of the three main amendments I support is as follows:

- to prevent any accidental contamination of fields by cross-pollination between GMO and non-GMO crops. To that end, we must require either minimum distances between fields in which GMO crops are grown and those reserved for traditional crops, or that GMO crops are confined to special greenhouses because of the inherent risk of genetic pollution;
- to prevent any risk of antibiotic resistance developing as a result of the transfer of the resistant gene from one species to another. So we must ban the release of all GMOs containing an antibiotic-resistant marker gene;
- to impose a strict liability system on producers. Like the rapporteur, I am convinced that the person legally responsible for releasing a GMO into the environment must assume full civil liability for any damage to human health or the environment. This principle of responsibility, together with that of GMO traceability and, in particular, the precautionary principle, will enable us to limit the risks as far as possible! Given the uncertainties that remain in this area, we must be as prudent as we can!

Let me conclude by repeating and emphasising that we must listen to what the people of Europe expect of us! Public opinion has in fact expressed its reservations about the development of 'Frankenstein foods' on several occasions and its desire for healthy and natural food. So we must be the spokespeople of this desire to preserve high-quality food in the European Union!

3-105

Figueiredo (GUE/NGL), in writing. – (PT) It is good that the Council common position already incorporates some of the amendments approved by the European Parliament. However, as proposed by the rapporteur, the amendments approved at first reading but not accepted by the Council must now be included.

Following the approval of the Biosafety Protocol in Montreal in January 2000, we must take further steps to protect the rights of consumers and to re-establish their confidence.

We therefore support the amendments which aim to include in the directive the ban on the release of GMOs containing antibiotic resistance markers, even for the purposes of research, and the requirement imposed on the Commission and Member States that no GMO and/or products thereof should leave the territory of the European Union without the prior informed consent of the importing country.

We also support the defence of total environmental liability as it is unacceptable not to force companies in the biotechnology sector to take the necessary measures to protect human health and minimise environmental risks.

Finally, when consenting to a deliberate release, Member States and the Commission must ensure that measures are taken to prevent gene-transfer from GMOs to other organisms in the environment.

3-106

Martin, David (PSE), in writing. – I welcome Mr Bowe's report as a balanced and considered approach to the important subject of the release into the environment of GMOs.

The three key issues covered in Mr Bowe's report are: environmental liability, antibiotics and gene transfer.

On environmental liability I tend to take the Commission's view that this is best dealt with through horizontal legislation. On antibiotics I would be in favour of a ban on the use in GMOs of genes conferring antibiotic resistance. As far as gene transfer is concerned I believe measures must be foreseen in the new Directive to control the release of GMOs which can outcross with other plants.

A strong Directive which deals with concerns about the environment and the health risks of GMOs could go a long way to ensure we realise the potential benefits from GMOs and avoid the pitfalls.

3-107

Sacrèdeus (PPE-DE), in writing. – (SV) Genetically modified organisms, or GMOs, mean that industry and, ultimately, human beings themselves are, in the name of health, medicine, larger harvests, insect-resistant crops and other supposed forms of future progress and improvements to human existence, embarking upon a path towards an unknown destination.

The path may one day prove to have led to something which is the total opposite of all the promises which were given when the journey was begun. I want to issue this warning *today*.

The European Union needs new, tighter regulations in place of the first and still current directives concerning GMOs from 1991. Since 1998, the Commission's proposals have been under discussion. Further delays would be a mistake.

As a Swedish Christian Democrat Member of the European Parliament, I want to state that it must never be the GMO industry and economic interests which are allowed to govern legislation and regulations. The representatives of these have, on repeated occasions, expressed the view that Europe has "fallen behind" the GMO industry in, above all, the United States and China, that the GMO industry cannot be "developed" as "freely" in Europe and that opportunities for new jobs and businesses "are being lost" in the EU's fifteen Member States.

Our political decisions must instead be guided by the concept of stewardship and not by manipulation of the genetic code. Our task is to hand the earth and the environment over to future generations in as good a state as possible. We must be able to show that, on the basis of stewardship and the precautionary principle, human beings have a desire to forgo what might appear to be short-term "gains" in favour of higher and significantly more long-term values such as a concern for creation and for genetic diversity.

In purely practical terms, this means regulations which guarantee a minimised risk of the spread of GMOs, a halt to the use of antibiotic resistance markers, an increase in independent research into the risks presented by GMOs, liability for damages based on the principle that those who release GMOs into the environment with deleterious effects upon health or the environment should be held strictly liable, long-term evaluations of the socio-economic and environmental consequences of the release of GMOs into the environment, permanent labelling of GMO products, compliance with all current regulations, such as the Biosafety Protocol, and an open application and decision-making process in which the public are entitled to express an opinion and in which each application is dealt with separately and no simplified application procedures are approved.

3-108

Thors (ELDR), in writing. – (SV) It is an important report which Parliament has voted on today. There are many uncertainties surrounding the use of genetically modified organisms, and there is good reason for being very careful. On important points, the Council has wished to introduce risk assessment, together with evaluation of the use of genetically modified organisms. The Directive guarantees a high level of protection.

Where most of the points are concerned, I have been able to agree with the amendments tabled by the Committee on the Environment, Public Health and Consumer Policy. Where other points are concerned, however, other measures can justifiably be demanded. In the case of genes expressing resistance to antibiotics, the Council's position makes continued research possible under strict conditions based upon environmental considerations and respect for the consumer.

Nothing is so enduring as the accidental. I therefore consider it very important to devise general regulations governing liability for environmental damage. Dealing separately with the GMO sector may lead to major differences in the regulations governing liability in different areas.

When it comes to investigating the costs, together with the benefit to the public finances, of releasing genetically modified organisms into the environment, I have voted in favour of Amendment No 8 in order to guarantee continued discussion of how such an investigation ought to be carried out. I do not, however, believe that investigations of that kind can be carried out annually. The EU ought not, therefore, to become inundated with reports on the matter.

3-109

Titley (PSE), in writing. – Madam President, I wholeheartedly applaud the efforts of my Labour colleague, David Bowe, to put forward measures to control the release of GMOs into the environment. With such fast-changing science and a host of possible unknown effects, it is important to protect Europe's people and our environment.

Strict controls on plants to prevent the transfer of genes from GMOs to other species are crucial. This will ensure that other species are protected. We must put safety first and make sure that GMOs do not enter the food chain unseen by the back door.

Furthermore, those responsible for the release of GMOs should bear full financial liability for any damage to human health and the environment. Industry should pay and face the consequences of its actions, not the man-on-the-street. Europe should stand up for the rights of the citizen and force industry to take responsibility.

Of course, the health and well-being of our citizens is of paramount importance. I say no to the release of GMOs resistant to antibiotics. We must not put our people or our animals at unnecessary risk.

Labour Euro MPs have been at the forefront of protecting our citizens and our environment. We have consistently backed proposals to ensure that the use of GMOs and products derived from GMOs are strictly controlled within the EU. David Bowe's report is yet further proof of Europe greening up its act and putting the safety of our citizens first.

3-110

- **Papayannakis report (A5-0088/2000)**

3-111

Fatuzzo (PPE-DE). – *(IT)* Mr President, I voted for the measure on the labelling of beef. At last, we are going to be told the place of birth and residence of the cattle, and, doubtless, whether they were called Daisy or Buttercup. Likewise, however, it would be as well if everyday folk, human beings, pensioners even, were not treated as mere numbers; it would be as well if, rather than just being a file on a desk, they were to become a person with a name, a surname and a life story. All too often, the governments of our 15 States think of citizens, particularly pensioners and the elderly, as numbers, people without an identity, a life story or a date of birth. Let us place photographs of our citizens inside all the bureaucratic files with which the States fill our offices.

3-112

Figureiredo (GUE/NGL), in writing. – *(PT)* It is a good thing that a system for the identification of bovine animals and the It is right that this should enter into force as soon as possible but not, however, before September given the codecision procedure which is being used.

Through this system, consumers can obtain information about the origin of the meat which they buy and the background of the animal can be checked. Due to this improved link between producer and consumer, potential risks to public health can be detected at an early stage and avoided much more effectively.

It is essential that identical labelling rules are applied to beef imported from third countries. If not all the information required by Community regulations is available, it is vital that a specific label is attached to the product clearly indicating its non-EC origin.

The European Parliament report also proposes, to ensure consumer protection, that operators or organisations producing and marketing minced beef, beef trimmings or cut beef should also be subject to the compulsory labelling system. They should not benefit from the exceptions proposed by the Commission as this would be equivalent to automatically exempting between 30% and 50% of beef from the labelling obligation.

3-113

Martin, David W. (PSE), in writing. – I welcome Mr Papayannakis' report on proposals for an EU-wide compulsory identification system for cows and the labelling of beef and beef products.

The main aim of the new regulation is to enable consumers to trace the source of the meat they buy right back to the animal. This system should enable any potential threats to human health to be tackled early and effectively.

I support the rapporteur in stressing that the same rules must be applied to imported beef from non-EU countries and, in cases where not all information is available, a clear indication to that effect should be provided.

Mr Papayannakis is right to insist that labels mention antibiotics and stimulants that have been administered and to oppose derogation from the regulation for minced beef, beef trimmings or cut beef.

Properly applied this regulation will go a long way to enhance the reputation, quality and safety of EU beef – good news for consumers and producers!

3-114

Thomas-Mauro (UEN), in writing. – *(FR)* By way of introduction, let me point out that Directive 79/112 clearly sets out the purpose of food labelling, by stating that the prime concern of all rules on food labelling should be to inform and protect the consumer.

Consumers need to have confidence in the food they eat. In this case, the aim is not simply to change our tastes and our traditions in regard to chocolate, but to deal properly at last with the consequences of "mad cow" disease. It is quite astounding that, given the gravity of the situation, today, so many years after the crisis, we still do not have an effective system of traceability in place. We do not propose to repeat the debate we had in December 1999, but the Commission would have been well-advised to scrupulously monitor the application of that regulation; so once again it committed a serious political mistake.

Let us look back for a moment at the embargo on beef. Although one swallow does not make a summer, in this case the French Government gave precedence to reason and caution over the ideology of the single market. Knowing the options that exist in matters European, we can gauge what that must have cost it. The reason why France chose this option is that the Community institutions are not always able, *at this point in time*, to ensure real traceability of food products.

Our consumer information and protection system is totally inadequate: for example, there is no way a citizen of the Union can know whether ravioli imported from another Member State contains any British beef. Should the general public trust a Commission that does not ensure the compulsory traceability of beef yet lifts the embargo?

I did not find it acceptable for the Commission to teach lessons to France, which, for its part, knows that the impact of the voluntary rules it adopted effectively helped restore consumer confidence. Indeed we also defended that point of view by tabling amendments in the Committee on the Environment, Public Health and Consumer Policy and the Committee on Agriculture and Rural Development.

We note with satisfaction that some of the amendments we tabled in the Committee on Agriculture and the Committee on the Environment were adopted.

The Committee on the Environment amended important points of the Commission proposal. It is high time we set up a reliable and transparent system. During this vote, we supported the rapid and rigorous application of traceability, with a view to ensuring unflinching traceability and clear and transparent information, and we are satisfied with the results. We hope that today's vote will not lead to new and shameful calls for an extension or a derogation a few months hence.

3-115

Titley (PSE), in writing. – May I support the efforts of Mr Papayannakis to endorse proposals for an EU-wide compulsory identification system for cows and the labelling of beef and beef products.

Following the hullabaloo of food scares in recent times, most notably Mad Cow Disease, it is vital that we take measures to ensure that this type of food hazard does not happen again. Food safety is a top priority and we must work hard towards alleviating the fears of consumers.

These new proposals enable consumers to trace the source of the meat they buy right back to the animal. This should allow for any possible health threats to be tackled early and effectively. From September 2000, beef labelling must show the point of slaughter of the animal, and from 2003, the origin of the animal including where it was born, reared and slaughtered must be added.

Public confidence in food safety has fallen tremendously in the past. We must, of course, put safety first, and also make moves towards rebuilding public confidence. British farmers particularly recognise that clear labelling is the best way of reassuring worried consumers that the beef they buy is safe. This House should do its utmost to ensure that public health and safety is high on the agenda. Pushing for clear labelling is the only way to convince our customers that food safety is top of our list.

3-116

- Lisbon European Council

3-117

Fatuzzo (PPE-DE). – *(IT)* Mr President, I have taken the floor, for the last time today, to explain the way I voted on the conclusions of the Lisbon Summit.

I am not very happy: I would have preferred our 15 heads of government to have been more effective, more decisive, more energetic and more courageous. With regard to social security, I would have preferred it if the decision had, at last, been taken to create a single European pension for the Union. When the European citizens grow old, all the governments abuse them. They are told off for living too long, whereas the real problem is that their contributions have been wasted. The European citizens call upon the Union to set up a single European pension and thus show itself to be more capable, a better administrator and less careless with money than the individual governments.

3-118

Krivine and Vachetta (GUE/NGL), in writing. – *(FR)* The Lisbon Summit was supposed to focus on a social Europe. In fact, a new wave of neo-liberalism swept through Lisbon and gave the EU its marching orders in the global economic war. Far from focussing on social and democratic rights, indeed looking more to the US social model, the summit once again sang the praises of the law of profit, workforce flexibility and all-out competition, with new forms of privatisation and liberalisation. In short, everything should be quoted on the stock exchange. And this was done with the complicity of all the left-wing governments present in Lisbon.

To sugar the pill, the EU is promising us quasi-general access to the Internet and cutting-edge vocational training. To crown it all, it is actually dangling the idea of full employment, i.e. the creation of 20 to 30 million new jobs, before our noses. These splendid promises mean only one thing: a huge rise in insecure jobs, casual work and low wages, with the constant threat of redundancy and, on top of that, a scheme for an inegalitarian overhaul of the social protection system. Employers, for their part, will once again enjoy quite indecent subsidies. A new economy, but we are being served up the same old recipes again.

3-119

Martin, David (PSE), *in writing*. – The Portuguese presidency is to be congratulated for calling a summit to agree new strategic goals for the Union in tackling unemployment, economic reform and social cohesion in light of the new knowledge-based economy.

The Council is right to say that the shift to a digital, knowledge-based economy, prompted by new goals and services, will be a powerful engine for growth, competitiveness and jobs. In addition, it will be capable of improving citizens' quality of life and the environment. However, it is equally true that without active intervention this shift will widen the gap between the haves and have-nots.

The Council is therefore to be applauded for acknowledging the importance of promoting social inclusion, for emphasising the role of education and training for living and working in the knowledge society; for highlighting the need for more and better jobs; and for stating that social protection must underpin the transformation of the knowledge economy.

I understand the presidency's conclusions as confirming the goal that every section of society should have the opportunity to benefit from new technology.

3-120

Ribeiro e Castro (UEN), *in writing*. – (PT) The Lisbon Summit created enormous expectations. Some saw this as the 'Employment Summit', others as the 'Summit for the Society of Innovation and Knowledge'. In the end, it turned out to be the 'Internet Summit', as it was in this area that some of the most promising promises were made, if you will forgive the repetition of terms. If only these promises could be fulfilled.

We share these expectations but we should also like to be able to congratulate the practical results achieved. On this score, only the future will tell. Yet we already regret certain weaknesses. Furthermore, the mainly socialist European leaders who met at this summit could not resist the bewitching rhetoric of promising results for which they are not really responsible, yet did not make any promises on the issue which is their responsibility, namely the actual means to achieve these results. We should also like to have seen more practical emphasis on two basic points. These are the reduction in tax and the obligation to pay employment contributions and the effective deregulation and removal of red tape, thereby stimulating entrepreneurial initiative and promoting growth. The desire to defend the 'European social model' is admirable. Yet this defence cannot be achieved at the expense of economic dynamism and, ultimately, the very future and quality of this social model. These thoughts are reflected in our votes and the amendments tabled.

3-121

Theonas (GUE/NGL), *in writing*. – (EL) The Lisbon Summit, which can only euphemistically be termed "an Employment Summit" despite the clamorous declarations that went with it, achieved no more than to take another step towards changing employment into employability, redefining the concept 'working person' and destabilising labour relations and rights, to serve the celebrated 'New Economy' in the best possible way for big business, this being the new name for the old, familiar but still more unrestrained and harsh economic and social liberalism.

Masquerading with the greatest cynicism under the grandiose title of 'modernising the European social model by investing in people', are the demands of big business for greater profitability as a means of 'supporting employment'. The competitiveness of enterprises is being increased by cutting labour costs, the labour market is being fully liberalised and made more flexible, atypical forms of employment are being promoted, social security systems are under review and any remnant of the welfare state is being provocatively squeezed. That is not 'investing in people' as the Summit meeting would have it. That is the estrangement of people to the benefit of the market, the subjugation of working people to the demands and criteria of monetary credit, and the subjugation of the social state to the indexes and criteria of nominal convergence and EMU.

What the Lisbon economic and social policy guidelines are promoting, what is in practice being prepared for working people and 'served up' under a misnamed 'modernisation' – intended to 'sugar the pill', deceive working people and reduce public reaction against the anti-labour and anti-grass roots economic and social policy of the EU – is a minimum level of poverty and not a minimum level of prosperity. The 'New Economy' is actively preparing the creation of an extensive stratum of 'employed poor', with miserly wages, restricted security and welfare rights, who will be obliged to change jobs according to the dictates of the unaccountable market and the laws of the lawless interests of big business.

The EU does not seem interested in fighting unemployment and promoting and supporting stable and full employment. On the contrary, it is preparing working people, and this indeed at a fast rate, to live in a situation of complete and permanent insecurity. Besides, the Presidency's conclusions boldly state that the aim is 'improved employability' and both the information society and education are dragged along in chains to serve that rationale as tools to support part-time work, tele-employment and piecework employment.

Prosperity is destined for big business, to which splendid fields of glory are being opened since, in order to satisfy its demand for a 'fully operational internal market' and greater competitiveness against the USA, the pressures of international competition are being fully transferred to the labour market, liberalisation is being speeded up and the so-

termed 'structural changes' (privatisations, market liberalisation) in vital sectors such as energy, telecommunications, postal services, transport, water supply and others are being promoted. Instead of being controlled, restructuring, mergers and company relocations leading to tens of thousands of job losses are being made even easier. Public and social investments are dwindling, equal opportunity and the fight against all forms of discrimination related to access to employment, and labour relations are being undermined, and priority is being given to whatever serves the aim of the 'economic productivity of labour' for big business, in other words low wages, lack of social protection, flexible and temporary employment, and the persistent exclusion of women, young people and people with special needs from the labour market.

The more than 60 million people who are victims of long-term unemployment, mass poverty and social exclusion, and all the working people in Europe too, cannot react 'adaptively', 'supportively', 'obediently' or 'cooperatively' to such choices. You will find them in front of you, unsubdued, uncompromising and unyielding, fighting for and demanding full and steady employment and a system of social policy that includes insurance, health, pensions, protection for the unemployed, real equality of opportunity, quality education and substantive professional training.

The only thing in the Lisbon conclusions one could agree with is that 'people are Europe's main asset', except for the fact that they are not disposed to be 'liquidated' in the international money markets and to sacrifice themselves so that the monopolies can inflate their profits. That asset is, and will prove to be, valuable in the struggle for a social, democratic and supportive Europe, a Europe of peace, progress and socialism.

3-122

- EU-Africa Summit in Cairo

3-123

Queiró (UEN). – (PT) Mr President, I voted against the motion for a resolution on the EU-Africa Summit for several reasons. The first was because the respective conclusions do not contain any significant reference to the issue of protecting human rights in Africa or to the development of independent legal systems. The second reason was specifically because there is no mention in the text of last week's events in Angola which involved yet another brutal attack on the freedom of expression and freedom of the press, values which are so dear to the European Union.

Two journalists and human rights activists – Rafael Marques and Aguiar dos Santos – were sentenced by a court in Luanda to imprisonment and fines for simply having criticised, in a press article, the Angolan President, José Eduardo dos Santos. As defendants, their rights to a defence, which are fundamental in any rule of law, were violated, particularly by the absence during the trial of Rafael Marques' lawyer and by them not being permitted to prove the veracity of the facts as the judge argued that the case concerned the figure of the President of the Republic.

The international community and the political leaders of Europe must react against this climate of intolerance and constant disregard for human rights in Angola. On this first occasion for the discussion of EU-Africa relations in this House, I must therefore once again strongly protest about this attack on the freedom of expression by the Angolan authorities.

Finally, having taken advantage of this opportunity to highlight these events, I must remind you that this Parliament recently approved a resolution on freedom of expression and press freedom in Angola which condemned the abuses occurring in that country. I therefore ask the Council and its presidency, and also our President, to use all the means at their disposal to put pressure on the Angolan authorities to re-establish the rule of law, freedom and peace in Angola. This is the only way to end the suffering of a people who are as entitled as anyone to human dignity and happiness.

3-124

Bordes, Cauquil and Laguiller (GUE/NGL), in writing. – (FR) The solemn declaration of the first EU-Africa summit in Cairo opens by stating, and I quote: "Over the centuries, ties have existed between Africa and Europe ... developed on the basis of shared values of strengthening representative and participatory democracy".

Given that this secular past was a story of slavery, massacres, forced labour, plundering, colonial conquests and oppression, during which the rich European countries bled that continent dry, we can only wonder what is the most shameful aspect: the pride of the representatives of the imperialist countries or the baseness of the local Heads of State who agreed to co-sign such a declaration, on the pretence that they were doing so in the name of their peoples.

We express our solidarity with these African peoples who have paid a heavy price to our ruling classes; and it is not even enough for us to cancel a debt that has already been largely repaid. Genuine cooperation with Africa could only begin if we return to the people of that continent what was stolen from them over a century of colonisation and is still being stolen from them today.

Genuine cooperation on an equal footing can only be established between Europe and Africa if they are no longer in thrall to industrial and banking groups that grow rich on exploiting the working classes of the two continents.

In view of these circumstances, we voted against the joint resolution that welcomes the Cairo summit, while voting for the only amendment that contains concrete proposals.

3-125

Krivine and Vachetta (GUE/NGL), in writing. – (FR) This Cairo summit is the first meeting at the level of the EU and the African continent as a whole. Yet the EU persists in wanting to divide Africa between the Mediterranean area and black Africa. During this neocolonial transition period, the EU is seeking to impose a system of neoliberal relations dominated by liberalisation and structural adjustments. In fact the only purpose of the famous equal partnership is to remind the Africans that they are indebted to international law and must bow to the panoply of neo-liberal instruments.

The various conflicts in Africa were discussed, but no support is being given because of the rivalries between the great Western powers that are either sharing out or contesting spheres of influence. As for the question of Aids, although its urgency is recognised, and aside from a moralising approach, the fine speeches cannot mask the cold reality of the figures, which reflect the fall in EU development aid to Africa now that priority is being given to Central and Eastern Europe.

Although the Africans have managed to wrest a few promises of debt cancellation from a few EU countries, the EU remains opposed to the idea of a global cancellation of the third world debt, which means the people are starving daily.

Like the EU-Africa civil society Forum in March, which brought together more than 80 NGOs, we declare our opposition to the structural adjustment programmes and our continued support for the debt-cancellation campaigns.

3-126

President. – That brings us to the end of the explanations of vote.

(The sitting was suspended at 1.25 p.m. and resumed at 3 p.m.)

3-127

IN THE CHAIR: MRS LIENEMANN
Vice-President

3-128

Ribeiro e Castro (UEN). – (PT) Madam President, I did ask to speak this morning when my intervention would have been more appropriate. However, as this was not possible, I will speak now.

I regret that the President-in-Office was this morning struck down by an Austrian malady and was absent from this Chamber. As a result of his indisposition, he was also absent when we voted on two issues of particular interest to the Portuguese presidency, namely the Lisbon summit and the EU-Africa Summit.

As a Portuguese person and as an MEP, I regret that the Portuguese presidency has confused the position which it took as a government in its bilateral relations with Austria with the responsibilities which it must assume and fulfil when holding the Council presidency. As we were all here, apart from one political group which was also absent from a certain point, I must regret that the Portuguese presidency chose to align itself with a political group which has the most recent totalitarian memories in this House.

In a fair and respectful manner, I must also criticise the behaviour of our President. I have the highest respect for her but she must also respect us. Frankly this does not appear to be the case. Our President exceeded the rules of protocol. She must realise that being President of the European Parliament does not make her the leader of the majority. She represents this institution and must act and speak in this House with respect for all the different positions expressed here. She is not the leader of the majority and I must therefore register my protest.

3-129

President. – Mr Ribeiro e Castro, your views will certainly be conveyed to the Council and to the President.

3-130

IGC (continuation)

3-131

President. – The next item is the continuation of the debate on the report (A5-0086/2000) by Mr Dimitrakopoulos and Mr Leinen, on behalf of the Committee on Constitutional Affairs, on the European Parliament's proposals for the Intergovernmental Conference (14094/1999 – C5-0341/1999 – 1999/0825(CNS)).

3-132

Segni (UEN). – (IT) Madam President, tomorrow I am going to vote for the Dimitrakopoulos/Leinen report. The Committee for Constitutional Affairs has done a good job and has taken a progressive, courageous position on certain areas of reform of the Treaties. However, if I were asked to give my opinion on the overall status of the situation in Europe, I would have to say that I am somewhat confused and concerned. There is no point in trying to deny anything. Certain facts which have become clear in the last few days, some of which have been the subject of furious political debate

in recent weeks, show that, in actual fact, much of the confusion and fear that has been expressed and many of the objections raised are well-founded.

In connection with this, a few days ago, *Le Figaro* published a revealing article by Mr Schmidt and Mr Giscard d'Estaing, the founders of the European monetary serpent, which frankly and explicitly repeated an observation previously made by Jacques Delors, to the effect that if the institutions do not undergo thorough reform, the European Community will rapidly be reduced to a free trade area.

Personally, I find some of the decisions adopted extremely excessive, if not rash, such as, for example, the proposal to open the Community to Turkey – a country which I respect and which it is right to respect, despite its differences from the European Community in terms of history, culture and politics and the concept of the State as well, quite apart from the issue of human rights – and these decisions are evidence of an organisation which is becoming increasingly more economic than political.

There are two alternatives: either the founding countries of the Community change direction, or else, slowly but surely, we will be forced to abandon all hope. There is no longer even any question of the creation of a different State; it is history which must change course. The Europe which we Europeanists dream of is a Europe of States, and it should therefore be no cause for concern to anyone who, and rightly so, believes strongly in national identity. Nobody wants to eliminate the States: however, all these different national situations in the different States, which have reached the point where they are incapable of overcoming the challenges of the world today, must be adapted and tuned to something greater.

I should now like to touch on the vicious attacks on President Prodi, not only from the press but also within the political sphere. There is no point in denying anything in this case either. I am not passing judgement on President Prodi now, for it would not be appropriate to do so at this time, but I do feel that these attacks are evidence of strong criticism of a Commission line, a line which has been progressive and open. It has sometimes been a little on the optimistic side, but it certainly represents progress.

Madam President, the fact that I am addressing Commissioner Barnier in this Chamber, with whom I have often had the opportunity for discussion in smaller meetings, gives me a positive feeling about tomorrow's debate, but my view of the medium- and long-term progress of European development is pessimistic. I feel that Parliament will be required to take courageous, decisive action in matters much more important than a resolution, if, as I fear, the agenda is not extended, and if, in the end, as the current state of affairs would suggest, an excess of caution results in a Conference which makes nothing more than cosmetic changes to the Treaties and avoids any substantial modifications.

3-133

Garriga Polledo (PPE-DE). – (ES) Madam President, as far as the budget is concerned, it is becoming increasingly essential that we bring the Treaty up to date with the procedures. The integration of the financial perspectives into the Treaty will thereby be a medium-term financial plan which will be agreed between Parliament and the Council. This integration will create much more stability, as well as the legal certainty which Mr Colom i Naval, the permanent rapporteur for the financial perspectives, spoke of this morning. Let us remember that the financial perspectives procedure has brought budgetary stability to the European Union.

Nevertheless, Parliament believes that the integration of the financial perspectives into the Treaty will mean that, as well as stability, there will be sufficient flexibility to allow for a review of those perspectives when necessary. If we do not do this, we will run the risk of confusing the financial perspectives with the annual budgets. This confusion will lead to conflict year after year.

With regard to the classification of expenditure, which this House has also long wanted to see, we must find an institutional point of balance which combines the European Parliament's requests for a greater degree of codecision in budgetary matters with the defence of the privileged nature of certain expenditure which forms the basis of the European Union's economic and social cohesion.

The European Parliament wants the Community budget to be financed by own resources rather than by contributions from the Member States. The fiscal and budgetary autonomy of the European Union rests on this, as does, to a certain extent, its political autonomy. However, let us remember that, if what we want is an autonomous financial system for the Union, we must at the same time create a fair tax system. Progressiveness cannot only be based on expenditure. Sooner or later we will have to be sufficiently progressive in terms of own resources as a basis for this fair tax system.

3-134

Imbeni (PSE). – (IT) Madam President, we are usually very quick to criticise the Commission or the Council when they do not attend our debates, but this time, ironically, the finger seems to be pointing the other way. At the very least, the two rapporteurs should have been present during the debate on their reports. I am aware that these days are extremely tiring for all concerned, but duty comes before everything else.

I listened to Mr Segni's speech. Somewhat aided by the fact that he was speaking in Italian, I realised that he was not speaking on behalf of the Union for a Europe of Nations Group, whose views are completely different from those he expressed and which I share. We are on the brink of an historic occasion where the risks are great, but so are the opportunities. We must be aware that this historic occasion provides us with the opportunity to enlarge a community of values and not merely orchestrate the geographical and territorial enlargement of an advanced economy which has raised the standard of living of our communities. This is the real challenge. Enlargement is thus our opportunity to change our operating rules and ensure that they are based on greater transparency and stronger guarantees of the rights of citizenship, and also streamline our decision-making. The basic requirement we uphold is the need to confine unanimity to constitutional issues and to use qualified majority voting for all other matters.

In the very short space of time remaining, I would like to refer to paragraph 51, which puts forward the idea of our coming together with the national parliaments to examine the possibility of holding an Inter-Parliamentary Conference on the future strategies of the Union. Clearly, a substantial amount of responsibility would fall to our President and to the French Presidency. I am convinced that this opportunity for representatives of the national parliaments of both the Union countries and the candidate countries to meet and discuss future strategies and the implications of the Intergovernmental Conference is extremely valuable and must not be passed up.

3-135

Van den Bos (ELDR). – (NL) Madam President, why is the gulf between the European Parliament and the European governments so wide? There is an excellent resolution on the table which refers to the many necessary reforms. Indeed, majority decision-making as a rule and reinforcement of the Commission and the European Parliament are essential in order for the enlarged Union to function. Cooperation should be more flexible and each Member State must retain a Commissioner.

Unfortunately, the many sound proposals from Parliament are at odds with the willingness of the governments to extend the IGC agenda and reach compromises. If the European governments do not change their attitudes soon, a treaty will be drawn up in Nice which guarantees to cripple the Union once it has been enlarged. Over the past few years, many European government leaders have presented their own people with the view that the European Union is becoming too powerful and too bureaucratic and is taking away too much national sovereignty. They have contributed to a climate of Euroscepticism where there is no room for compromise.

At the same time, the same politicians have decided in favour of a substantial enlargement, necessitating reforms which were declared taboo in the first place. As such, many European politicians are hostage to their own rhetoric. If the European government leaders are serious about new countries joining, they must display the necessary political courage and agree to far-reaching reforms. We are the representatives of the people. If the governments manage to narrow the gulf between themselves and Parliament, they will ultimately be able to narrow the gulf between themselves and their own people and, at the end of the day, this is what matters.

3-136

Onesta (Verts/ALE). – (FR) Madam President, aside from the letter of the report, I want to draw attention to a few of the numbers contained in it.

First number: 700. Limiting the number of Members of the European Parliament to 700 would not be a cause for concern were it not that it would render our Parliament less representative. By marginalising small countries, while at the same time allowing high electoral thresholds to be set up in the largest ones, this sordid electoral mechanism would prevent whole sections of European society from being represented any more in this Chamber. We must reaffirm that it is our Parliament's prime and absolute task to represent the people and the peoples of Europe in all their diversity.

Second number: two thirds. Two thirds of the vote is the majority required for our Parliament to censure the Commission. This very high threshold of two thirds is a sad and unique case. For what European government can boast of being so safe from any real parliamentary control, of having such impunity? We must create a formal symmetry. If a simple majority is good enough for the investment of the Commission, then the same majority should suffice for a vote of no confidence. The people's representatives have the power to undo anything they have done. That is the rule everywhere, and it must be the rule here too.

Third and last number: 2009. The report proposes the year 2009 as the date for electing MEPs from transnational lists. Now this is a case of either or: either our Parliament decides this measure is not a good one, which would mean abandoning it – even in 2009 – or, like the Greens, it must admit that such lists are vital if we want to create real families of thought in Europe, in which case this important political debate can begin by the time of the 2004 elections. Otherwise we would be being neither lucid nor ambitious enough.

Nor does this report, which, without being bad, does not match up to the issues at stake, seem very lucid or ambitious. In changing size, the European Union will change in nature. So our continent will have to rethink its rules rather than simply tidy them up. This timid IGC 2000 can in no way represent an end result, but only the first step towards a constitution.

3-137

Ribeiro e Castro (UEN). – (PT) Madam President, ladies and gentlemen, we should go back to basics and ask ourselves what makes the European Union different. Over the centuries many attempts were made by some countries to dominate others. Ideas may have varied according to the times and individual countries' interests, but the system stayed the same, with power for some and subjugation for others. We suffered centuries of war and even destruction and ruin on several occasions. Many times we had to start over and it was the last time this happened that the European idea came into being. So what is different? The answer is everything. We have a system based on mutual freedom for everyone, instead of supremacy for some. We have a framework agreed between nations and not one imposed on the nations. We therefore have a permanent contract between free and sovereign states which are all equal. Instead of changing majorities, we have the rules of a stable contract in which we are all minorities. This is the secret of the unequalled peace and progress which we have enjoyed, based firstly on a common culture of human rights, democracy, the rule of law and free markets and, secondly, on strict mutual respect with no trampling over other countries. The instruments which we use are procedural rules, unanimity or at least broad convergence, and substantive rules, concrete harmonisation policies and the promotion of economic and social cohesion. The price is patience, which is a small price to pay for such great results!

We need to be patient with each other and in terms of time so that Europe can continue along the same lines. We particularly need to resist the age-old temptation of wanting to impose ourselves on others, to break this contract between equals, for this has never led to union. By cherishing the idea of union in Europe we are being realistic, not imposing a rose-tinted fantasy. It would be wrong to strip away the rules of the game which have brought us so much success to date.

In my opinion, the motion for a resolution is a dangerous anti-Europe deviation, which completely alters the balance. This would be a disaster for my own country, Portugal, as for other smaller or medium-sized Member States. For Europe in general it would mean a crisis or breakdown. We cannot have a Europe in which less rules over more, which gets annoyed but does not listen and which aims to replace a Treaty between states with a constitution imposed on the states. We want an open Europe, not one tied in a straitjacket.

Finally, I must mention the idea of transnational European parties. As a Conservative Christian Democrat, I stand as a witness against this. My party, the Popular Party or CDS-PP, founded the PPE. Some years ago we were expelled from the PPE because we advocated a referendum on Maastricht. It is now our former Austrian companions from the Christian Democratic Union who are in difficulty because of elections in their country. What a frightening idea of democracy! We need to be careful, for federalism is so dazzling that it destroys with its hands those concepts which it asserts with its own mouth. This is because it covets power and ignores partnership and we cannot go down this road.

3-138

Schleicher (PPE-DE). – (DE) Madam President, ladies and gentlemen, as far as I, and I believe the majority of my fellow delegates are concerned, the crunch question is whether a programme will be put forward at the end of the Intergovernmental Conference that creates the conditions we need to strengthen our own foundation and admit a further 12 States.

When I hear the ongoing debate and consider how much opposition there has been from the Council over the past few months, some members of which are barely prepared to go beyond the three "leftovers", then I think it is hypocritical to conduct negotiations with the candidate countries at the same time. Today's statement by President-in-Office of the Council Gama has inspired me with a little more confidence, but I still see no evidence of political will on the part of the other Member States.

Our goal must be to equip our parliamentary representatives at the Intergovernmental Conference with a clear negotiating brief, which we will then also use as a yardstick for assessing the outcome of the Intergovernmental Conference. In my view, it is crucial that we set down a clear marker for the proportional composition of a future European Parliament, subject to an upper limit of 700 Members. Extending majority voting in the Council must lead to codecision rights for the European Parliament. The Council must have open meetings when it takes on the role of legislator. We need to clearly distinguish between competences at European and national level without delay.

The self-inflicted crisis in the Council is a matter of deep regret to me. I would like to ask the Council how it proposes to pull off the stroke of excluding a certain Member State from taking part in discussions without any legal basis, when it needs this State's support in order to achieve unanimity in the Council on Treaty amendments.

I cannot support the proposal in recital 29 of the report to make the procedure for suspending a Member State easier. How I vote at tomorrow's vote on this resolution will depend on the outcome of the vote on these issues.

3-139

Väyrynen (ELDR). – (FI) Madam President, the IGC should prepare the EU for the reorganisation needed to bring about the complete process of enlargement that is in hand. The most important consideration regarding enlargement in the Dimitrakopoulos/Leinen report is increased flexibility. Only differentiation within the EU can create the preconditions necessary for enlargement on such a massive scale.

It is important that the report proposes that closer cooperation should be facilitated. The Group of the European Liberal, Democrat and Reform Party has recommended that the principle of flexibility should also be realised in the form of greater scope for cooperation for those countries that cannot or do not want to accept the Union's statutes in their entirety. This would facilitate and speed up enlargement of the Union.

In making its review the Group of the Liberal, Democrat and Reform Party states that flexibility might lead to a larger concentric Europe, composed of a federal core and a less integrated outer circle. At this stage it is not necessary to adopt a precise position on how the Union should be differentiated. It is enough for now that we create an institutional framework in which it is possible to deepen and expand the Union in practical terms. I hope that Amendment No 154, which the Group of the European Liberal, Democrat and Reform Party has tabled regarding increased flexibility, will be adopted.

3-140

Nogueira Román (Verts/ALE). – (PT) Madam President, the European Union is starting the necessary process of enlargement, initially involving thirteen new Member States, without defining what the Union is and even without knowing the size of its future territory. This is causing a situation of uncertainty which could lead to the dilution of its political character into a union of national governments without the means to solve the internal problems of social cohesion and territorial balance or to take its place in the world according to its full political and economic weight.

As a Member for Galicia and a European citizen, I must express my disapproval of this legislative initiative from the Commission. This disapproval does not relate so much to the issues dealt with in this initiative as to its fundamental failings which this House still has time to remedy.

How can this Parliament, which represents all European citizens, rule out its own full legislative initiative? How can we, in the same context, not accept that the Commission President must be elected from among MEPs? Why is the exercise before the Union of the powers of the national authorities, federal states and Autonomous Communities not recognised? How can we deny the establishment of a European employment policy linked to the Structural Funds policy? These questions are useful to highlight some of the grave deficiencies in the legislative proposal on reforming the Treaties.

3-141

Sacrèdeus (PPE-DE). – (SV) Mr President, eastward enlargement is the foremost issue concerning the EU's future. The Swedish Christian Democrats think that the European Parliament must change a number of points in the proposal that has now been approved by the Committee on Constitutional Affairs. I shall concentrate on these.

1) *One Commissioner per Member State.* This concerns the Commission's legitimacy, popular support and future. If, in the future, there is no Commissioner for each Member State, the Council of Ministers may assume the Commission's current role.

2) *Six Members of the European Parliament per Member State, reflecting the political breadth and diversity in each Member State.* This is especially important in a situation where States such as Estonia, Latvia and Lithuania, together with Slovenia, join the European Union after having previously been part of the Soviet Union and Yugoslavia against their will.

3) *No Europe-wide lists.* The distance from the voters would be too great.

4) *A more flexible approach to a maximum of seven hundred Members of the European Parliament.*

5) *No financing by the EU of parties which operate at European level.* This would be an unwarranted use of resources and would make for a good deal of arbitrariness. Party financing may be misused. That is something of which we are well aware in today's Europe.

6) *The qualified majority in the European Council, as referred to in paragraph 8.1 of the resolution should be a two-thirds majority, not a simple majority.*

7) *The suspension of a Member State must be by unanimous agreement of the Member States, except for the State concerned.* Suspension is a serious measure.

8) *In the future too, the EU should be dependent upon the Member States for financing.*

9) *There is no wording concerning the principle of subsidiarity and the clear distribution of competences.* There is a need for wording of this kind.

3-142

Berès (PSE). – (FR) Madam President, Mr President-in-Office of the Council, Commissioner, what are the issues at stake in this Intergovernmental Conference? Manifestly, the first and main issue is the quality of the decision-making process in the Union. Here we attach the utmost importance to extending the scope of qualified majority voting.

If we were certain that tomorrow every decision could be taken by a qualified majority in the European Union, we would not have raised the question of closer cooperation. But we have to acknowledge that undoubtedly we will also need this instrument. That is what this Parliament said when it first stated its position and I think that in a way we have helped persuade the community of Heads of State and Government to listen to our refrain. Of course we can only be delighted at this.

But today I want to address those MEPs who see, behind this closer cooperation, the risk of too far-reaching consultation between the large countries. It seems to me that at present it is in the interest of all the members of the Union that any closer cooperation within the Union should be established on a basis of respect for the Union's legal system and institutions. To that end, let us authorise closer cooperation when one third of the Member States takes part or is involved, and let us authorise this closer cooperation by a qualified majority, after obtaining Parliament's assent. Tomorrow we will certainly have to consider the question of the democratic scrutiny of this closer cooperation, an area where our Parliament will have to play a major role.

So I understand why the Intergovernmental Conference will look into these questions and I am glad the discussions are thus going to the heart of the matter. But you will find these same questions coming up again in other discussions you will be holding during the Intergovernmental Conference.

Let me make one more point before concluding, Madam President. I want to sound the alarm about the progress in drafting the Charter of Fundamental Rights we want to see incorporated in the Treaty. It is most important to incorporate that Charter. At a time when the values of the Union are at times being overturned or seem undermined, that Charter is coming at just the right moment; but it will be meaningful only if it is incorporated in the Treaty and has real substance, based on the Cologne mandate, the entire Cologne mandate, i.e. only if it includes economic and social rights.

3-143

Stockton (PPE-DE). – Madam President, this is a strange, uncomfortable and schizophrenic report. Parts of it are clearly crafted as helpful suggestions to the IGC; other parts form a list of pious hopes and hopeful wishes which are certain to be rejected by the Conference. How much of this schizoid quality reflects the positions of the two rapporteurs is hard to estimate. If so, I am sure that I can attribute the better parts to my friend and colleague Mr Dimitrakopoulos and the more unusual parts to Mr Leinen.

However, the majority of my Conservative colleagues have voted to reject the report and will vote accordingly in this House. The Conservative delegation regards many of the ideas in the report as centralising, syndicalist, unnecessary and backward-looking. Instead of examining new, flexible and radical approaches to an enlarged Union in the global market, the message of this report is: carry on regardless down the road from Maastricht and Amsterdam!

Nevertheless, in rejecting this report the Conservative delegation shows it too has a schizophrenic quality, since it therefore rejects the excellent amendment by Mr Duff, to give a legal opt-out to Member States, and that of my friend Mr Perry and others, to enable Parliament to put public money where its mouth is by saving wasteful expenditure entailed in the absurdity of these Strasbourg sessions. That is the nature of democracy and democratic decisions. They too are often strange, uncomfortable and schizophrenic, but they remain the best we have all the same.

3-144

Poos (PSE). – (FR) Madam President, the report by the two rapporteurs is very ambitious, very ahead of the times, but it has two major defects, which ought to be corrected by the vote in plenary.

Firstly, to generalise the system of dual simple majority voting is not the panacea of the future integration of Europe. A principle of that kind could induce public opinion in the Member States and the national parliaments to reject that system for the most sensitive issues which are in fact exceptions to the general rule. It would be better to seek a compromise acceptable to all, as in the past. It is a question of legitimacy and acceptability.

Secondly, Member States with a large population get more than their fair share. The underlying principle of "one man – one vote" is unacceptable. It conflicts with Article 190 of the Treaty which provides that the number of elected Members must ensure the appropriate representation of the peoples of the States brought together in the Community. It is a question of equality and solidarity.

Finally, there is no serious argument to back up the thesis we keep being served up, namely that a Commission of more than 20 members would not work.

Equally, in the case of the Commission, let us avoid making numbers into an absolute principle. On the contrary, if we want decisions proposed on the Commission's initiative to gain wide support in all the Member States, it is vital for them all to be represented. The important vote we will be holding tomorrow will, I hope, enable the European Parliament to put an end to this ambiguity and to make some adjustments. Only a more politically realistic proposal will have a chance of being taken into consideration. IGC 2000 is not the end of the story.

3-145

de Sarnez (PPE-DE). – (FR) Madam President, at a time when the future of the European Union depends more than ever on the balance and smooth functioning of our institutions, I want to begin by thanking the two rapporteurs, Giorgos Dimitrakopoulos and Jo Leinen, for the high quality of their work.

We all agree today that we must adopt institutional and political reforms prior to any enlargement of the Union. That is the challenge we have to meet at a moment when many of our fellow-citizens are beginning to feel doubts and see few political prospects. Today the European Union which the founding fathers conceived, achieved and then bequeathed to us must evolve and change. Europe is at a crossroads. Either we content ourselves in future with being merely a free trade area, or we seek to construct a political Europe.

But let us make no mistake: if we choose to sit on the fence, we are likely to see the worst scenario. A Europe with a single currency, but without its attributes of political power, would revert to being merely a geographical area, which would give free rein to national rivalries. The time has come for Europe to be a power capable of genuine political expression, of sustaining a social project and framing a common foreign and defence policy. It is up to us, the elected representatives of the people of Europe, to work towards improving the efficiency and democracy of our institutions.

But Europe will only be democratic if the people themselves determine the principles and rules of its organisation. I am happy that the Dimitrakopoulos report takes this aspiration into account in the framework of a constitutional process aimed at simplifying and clarifying the Community treaties. But I think we need to go further; we need a constitution, i.e. a basic law, so that Europe can assert itself as a genuine democratic society.

Thus the reform of the institutions is not only the condition for enlargement, it is also the condition for the survival of Europe. Commissioner, I hope the representatives of the Member States will embark on real reforms and take the measure of the issues at stake in the Intergovernmental Conference, so as to make this century into the century of Europe.

3-146

Van den Berg (PSE). – (NL) Madam President, I would first of all like to thank both rapporteurs. Long before the IGC was launched, the Dutch social democratic delegation had already taken an active interest in the IGC. We have held large public debates in the Netherlands and have done a great deal of groundwork. After all, the IGC should prepare the Union for enlargement, and this enlargement will require the current Member States to make sacrifices. These sacrifices, however, are small, given the historic opportunity of unifying the East and the West in a secure Europe characterised by peace. In addition, it should, of course, bring Europe closer to its citizens, because the distance between Brussels and our citizens is still far too great. The IGC should therefore make up the democratic shortfall. For this purpose, it is essential to extend majority decision-making to all legislation, except for constitutional matters, and have codecision power for Parliament, as well as the well-known double formula in the Council decision-making process. Simply reducing a democratic deficit is not sufficient to improve contact with the citizen. This is why we have specifically committed ourselves to a better and institutionalised social dialogue with non-governmental organisations, since they look after many of the citizens' interests. This is provided for in Amendment No 162.

Another subject which is close to our hearts is that of making closer cooperation more flexible. It is clear that the *de facto* veto, currently inherent in this procedure, must go. Once enlargement has taken place, closer cooperation could do a great service to a Union containing a still greater diversity of Member States within its borders. In our opinion, the report does not go far enough regarding another point, namely that relating to individual responsibility which must be granted by Commissioners. We firmly believe that it must be possible for Parliament to issue a strong warning to a Commissioner who loses the confidence of Parliament. In our opinion, such a procedure does more justice to a democratic balance between the institutions than the Prodi procedure, but unfortunately, the majority of MEPs considered this step a bridge too far.

Madam President, with regard to our Euro-Commissioner, we would ideally like to have one Commissioner per country. We would accept a rota system for all states at a pinch, because we support the compromise made by the socialist group. We think that, ultimately, our compromise has struck a sound balance between small and large Member States. We hope that this will receive support from this Parliament.

3-147

Rack (PPE-DE). – (DE) Madam President, where should our travels in Europe take us? To a European federal state with a strong centre and far-reaching competences, or should we carefully develop what has so far been the trademark of European integration and a guarantee of its success, namely a Union of Europe's peoples and States? To read the text of the Committee on Constitutional Affairs, you would almost believe that the European federalists have already won the day: a Commission that does not contain representatives from every Member State, a Parliament in which even the representatives of the medium-sized States no longer carry any weight, and a Council that essentially bases its majorities on 51% of the total population of the Member States. This would be a travesty, even for an ardent European.

The text we adopt tomorrow will, I hope, be a different one, a more balanced text that is geared to continuing teamwork between large and small States, and which continues to respect the distinguishing features of our European peoples and

States, and therefore does not make even more demands of the citizens of Europe, who have enough problems with the degree of centralisation in Brussels as it is.

My second point is that I am hoping for a change to the Committee's text. Mr Dimitrakopoulos and Mr Leinen put forward a proposal in recital 29 to modify the procedure for suspending a Member State in the event of serious democratic and human rights violations. Allow me to leave you in no doubt as to how the vast majority of people in my country, Austria that is, feel about such a development. They are already learning, from bitter experience, what it is like when Community law in force is not adhered to, in the name of political correctness. This does nothing to boost confidence in the central tenet of a united Europe. A community of law must uphold its own law.

It is simply not true that the policies adopted towards Austria at present are only bilateral in nature. Anyone still requiring confirmation of this fact need look no further than the speech made today by the President of this House. How else are we to interpret Nicole Fontaine's statement to the effect that she hopes that Austria will become a full member of the Union again one day? What does that make us now? Therefore let us dispense with hypocritical amendments to Articles 6 and 7 of the EU Treaty. Let us abide by the law in force and handle the Austrians as required by the EU Treaty. Inclusion, and not exclusion, is what we need!

3-148

Hedkvist Petersen (PSE). – (SV) Madam President, enlargement is important for the people of Europe. We must therefore find a way of cooperating throughout Europe. The accession negotiations are now under way. It is therefore important that it should be possible to conclude the Intergovernmental Conference before the end of the year. Both large and small States must be able to exercise influence in the future EU. We must strike a balance. This is necessary if our citizens are to have confidence in European cooperation.

If the composition of the European Parliament is to be adjusted, I therefore advocate a proportional, degressive reduction in the number of Members. All present Member States must be included and make their contribution. At the same time, the smallest States must be guaranteed a certain number of Members within the framework of the seven hundred seats we have set as a ceiling.

When it comes to votes in the Council, we must find a method of distributing votes which does not need to be renegotiated at each subsequent enlargement. I therefore recommend a system which takes account of differences in the size of the population.

It is important that each country should have a Member in the Commission. The Commissioners work for the whole of the Union and are, in fact, important if consensus is to be achieved between the Member States. The Commission must therefore be able to draw upon knowledge and experience from all the Member States.

EU cooperation is, in the first place, a civil European project and ought to be distinguished from anything of a military nature. The Member States do have different backgrounds where military alliances and neutrality are concerned. In Cologne and Helsinki, great progress was made in terms of preparing ourselves for preventative crisis and conflict management. It is therefore important that the Treaty should reflect the difference between civil and military cooperation. A European military alliance should not, therefore, be created within the framework of the EU's institutions but between individual States. Military support of a kind which places States under an obligation to each other has no place in the EU's Treaties.

3-149

Cederschiöld (PPE-DE). – (SV) Madam President, Commissioner, ladies and gentlemen, enlargement is the most crucial European issue as far as we are concerned. It is now also at the top of the agenda prior to the Swedish Presidency. We do not, however, want to see European cooperation cease or degenerate into bickering, which would be a risk if 30 countries could constantly use their vetoes.

Development of the Union can only seriously be accorded priority through also, at the same time, welcoming qualified majority voting in the majority of areas but excluding, for example, the area of new treaties. We also want to see majority decision-making in regard to Article 289, because it would then be possible, where the European Parliament's headquarters and meetings are concerned, to establish rules which would prevent the waste of human resources and tax revenue. Swedish taxpayers, who also pay net amounts into the European Union, are in fact at a loss to understand the madness of travelling backwards and forwards with thousands of cases every month. Perhaps it would be more efficient to have the offices in a pan-European caravan than to waste all these man-months, as we now do, upon plane journeys. We have every respect for symbols of peace, but the billions spent on gadding off to Strasbourg could, of course, be spent instead on our neighbours in the East, who perhaps have more use for these "peace billions" than we do.

Finally, I want to thank the rapporteurs for a very good report and to express my hope that the Citizens' Charter will usher in the new Treaty. I also want to end by expressing special thanks to Commissioner Barnier for being present throughout the debate and for his commitment to these issues. In fact, he gives me hope and inspiration on many occasions when I

think that the Member States are being both negative and unreasonable on a whole range of issues with which, as European citizens, we really have problems. I would thank you, Commissioner Barnier, for your efforts which in fact help me to take an optimistic view of Europe's future development.

3-150

Myller (PSE). – (*FI*) Madam President, we have a very challenging task before us. We have to find answers to the challenge of enlargement, but the Union at its present size also needs to re-establish the rules of the game and the decision-making process. We have to strike a balance between efficiency, democracy and Member State equality. Above all, we have to be able to restore confidence of our citizens in decision making in the European Union. This will come about by increasing genuine transparency and by developing the way administration actually serves the people. The Commission must be given support while it puts the changes into effect, but the Council and Parliament must also themselves be able to work to strengthen confidence among our citizens. Both an enlarged Union, and one that is the present size, must ensure that decision making is mainly in the form of qualified majority decisions. We have seen that matters of taxation, for example, have become stumbling blocks. It is hard to understand why we cannot introduce a reasonable tax on capital in Europe. At present, capital is like a dog off its leash.

We all have a lot to gain and protect in a common Europe. We also have to cling to the notion of European solidarity for as long as possible in changing circumstances. I cannot accept the idea that closer cooperation can be achieved on the strength of the vote of one third of the Member States. In my opinion, we need more than that. The Commission should also be as thorough as possible in the way it drafts topics for debate, and this is why in future there should also be a Commission Member representing each Member State. The balance between the small and the large Member States must also be preserved in the Council so that double majority voting can never be acceptable under any circumstances.

3-151

Lulling (PPE-DE). – (*FR*) Madam President, the constitutional questions we are debating today are highly controversial, as the vote in committee clearly shows. In fact 12 Members voted for and 12 voted against. Of the latter, 8 voted against and 4 abstained. That is not something to be proud of. But I find it reassuring that so many Members agreed that the length of the shopping list of proposals contained in the report's 52 paragraphs and 58 sub-paragraphs is exaggerated and that, as things stand, there is a risk that the Intergovernmental Conference will not take it seriously.

But unlike Talleyrand, I cannot console myself with the idea that what is exaggerated is by the same token insignificant. I want to dissociate myself from demands such as that we should cut my country's delegation in the European Parliament by one third. I know that by head of population the Grand Duchy of Luxembourg has more representatives here than the large countries, but that is a primitive and premature method of calculation. With 6 Members it is materially impossible to follow up all the dossiers that are crucial to our country. Moreover, we cannot sit on all the committees. It is easier to divide up the work and to specialise in a large delegation: even if the largest delegation, comprising 99 Members, was reduced by a third, they would still be able to share out the work. For the time being, it is enough to propose that the seats in the European Parliament should be allotted on the basis of a degressive proportional system, with a minimum number of seats per Member State, while of course respecting Article 190 of the Treaty.

The idea of European lists is premature, if not hare-brained. There can be no question of a majority of MEPs deciding the location of the seat of this Parliament here, against the views of the others: we must respect the Edinburgh compromise. In the case of a qualified-majority Council decision, it is inconceivable to provide for a simple majority of Member States. We must have a majority of two thirds of the Member States, even if that means providing at the same time for a simple majority of Member States representing a majority of the total EU population. There can be no question of restricting unanimous Council voting to decisions of a constitutional nature. We must also retain majority voting for fundamental questions, such as own resources, taxation and so forth. I hope the idea of not allocating one Commissioner to each Member State is well and truly dead. Finally, if we really need closer cooperation, it must involve at least half of the Member States, otherwise we risk ending up with something like the French Directory.

This document contains other incongruities too, especially in relation to the budget, which fortunately have no chance of success in the Council and even less chance of being ratified by national parliaments that have any self-respect. I will not vote for this shopping list unless it is amended along the lines I have just set out.

3-152

Carnero González (PSE). – (*ES*) Madam President, I wonder which of these is more serious: what the Council has done by means of an intergovernmental method, once again, to reform the Treaties and an extraordinarily limited agenda for this IGC, bearing in mind the challenges facing us, or the report that we are going to adopt tomorrow in this House. I believe that our report is more serious.

How can it be argued that this report is less serious when it proposes exactly what we need? It speaks of constitutionalising the European Union, it proposes suitable changes for its institutions, it requests an extension of policies and, above all, through its proposals, it tries to put the Union in a position to confront such important challenges as, firstly, globalisation and, secondly, the new economy which we have just discussed in Lisbon.

I do not believe that the proposals which we make in this report are extravagant. They are consistent with what this Parliament has always demanded: more democracy and efficiency for the European Union. Furthermore, in this respect, I believe that the effort of the rapporteurs in drawing up the original draft and seeking a compromise through the amendments will lead to a position which should be taken into account by this Parliament and by the national governments.

Madam President, I would also like to welcome the efforts of the Portuguese Presidency at the moment, and ask certain governments – I am not going to say which ones – to be a little bit more generous when it comes to European construction.

3-153

Almeida Garrett (PPE-DE). – (PT) Madam President, enlargement and its strategic, political and economic consequences for the European Union cannot remain issues undiscussed by the public or viewed exclusively from the national perspective. This is why the debate caused by the presentation of the European Parliament's position on this promising Intergovernmental Conference is vital in understanding this new phase of European construction which is both risky and open to question. We are pleased that this contribution from Parliament stresses, as the main themes and guiding principles, the democratisation, efficiency and greater supervision of the European institutions, exactly where the respective deficits have been most felt and where the risks of disintegration, caused by the significant increase in the number of Member States, were greatest.

Although the majority of the proposals aim to enable and reinforce the joint progress and the integration process in this new and complex framework, and these are to be applauded, there are others which are not so great. I am specifically referring to the European lists for this Parliament or to the rules on decisions by qualified majority or on closer cooperation, for example, in which a fairer balance between the Member States, more in accordance with the representation and legitimacy of the respective bodies, could be attempted. We fortunately have the opportunity to improve these points tomorrow in plenary. As for the countries which were for years subjected to forced and authoritarian integration and which are now knocking on our door, attracted by the success of our joint experiment, we must receive them with our house in order and operating properly. There must also be no doubt about everyone's participation in the search for the best solutions for all and about the primacy of the values of justice, democracy and solidarity within these countries. I warmly congratulate the rapporteurs on their work.

3-154

Seguro (PSE). – (PT) President-in-Office, Commissioner Barnier, I must start my intervention with the same question as Mr Carnero González. I wonder why, as a committed Europhile, I find myself disagreeing in this debate with many other committed Europhiles and specifically the rapporteurs. In my opinion, the grounding of the European project in the dual legitimacy of a union of peoples and a union of States is not reflected in the end result of this report's proposals. At a time when the European Parliament should be achieving a consensus which could act as an important reference, politically speaking, for the Intergovernmental Conference, our position is cause for regret. We hope that certain amendments will be approved tomorrow. These are essential to guarantee a balance between small and large Member States and even between the dual legitimacy of a union of peoples and a union of States. We therefore hope to have reason to vote for this report tomorrow. We will if this House approves a set of just six or seven amendments which we feel are essential to ensure that this issue is considered not from a position of national egoism but from one which defends the coherence and solidarity of the European project.

My second point is directed at the President-in-Office. We were puzzled about what Mr Gama said, in his initial intervention, on the current state of the work in the IGC. We are well aware of the Portuguese presidency's determination. I would therefore like to encourage the presidency to continue working to ensure that the Member States understand how vital it is that more questions are decided by qualified majority and that there is greater flexibility in EU decision-making. I would also encourage you to ensure that the IGC agenda is extended to questions which we regard as essential, such as the Charter of Fundamental Rights. We hope that this can be included in the Treaty as, if so, not only would we be making a significant contribution to the EU's future but we would also bring ourselves closer to the people at this politically important time. We must now reaffirm once again the community of values which will be enshrined by this Charter of Fundamental Rights. Congratulations, Mr President-in-Office.

3-155

Leinen (PSE), rapporteur. – (DE) Madam President, this is an extremely interesting debate. I am also grateful for the many suggestions put forward for the report compiled by myself and Mr Dimitrakopoulos. It is clear that "Operation Intergovernmental Conference" is an extremely difficult one, but I also see that everyone is taking the trouble to reach a compromise, because we must move the European project forward. Parliament must be a driving force in this. Our demands must not be more conservative than those of the European Commission or of individual Member States. That is not on! Our role is to be the driving force behind further European unification, and that is the spirit in which this parliamentary report, which we are to vote on tomorrow, has been compiled.

I believe we have struck a balance between Europe of the States and Europe of the citizens. We are the citizens' chamber; Parliament is the chamber of the citizens, the Council of Ministers is the chamber of the States. We have not struck the right balance yet. After all, Parliament is excluded from a whole range of important issues that parliaments normally

decide on; issues pertaining to legislation, the budget, and to codecision concerning the nomination of individuals appointed to institutions. Therefore I hope that this Intergovernmental Conference will use the opportunity to at last restore the balance between the two institutions, Parliament and the Council that is, and to give Parliament more powers.

I too feel that it is extremely important to strike a balance between the large and small countries. This is a very sensitive issue, which we must take into account, and I feel that everyone has endeavoured over the past few weeks to strike this balance. We will see that small and large countries alike will enjoy equal rights where the composition of the Commission is concerned, and that the double majority in the Council, which we are proposing, will favour the small countries. There will be far more small countries than large countries in the enlarged Union. When the support of the majority of the States is required, then the small countries will in fact be very much at an advantage, because it will not be possible to reach any kind of decision unless a large number of them support it. I can also see that we are favouring the small countries in applying the degressivity factor to the distribution of seats in Parliament, so that the number of MEPs is suitably representative.

The European Union is not just an economic community. We are also a community of values. The European Union must also defend itself against forces that are injurious to the European spirit, and that abuse it. We know who the populists are, and the nationalists and the racists who are to be found in many European countries, and if we are a political union then we must also have the instruments we need to implement sanctions and measures, both at party and government level.

We have an excellent report for voting on tomorrow. I would like to thank the Portuguese Presidency, which has been most cooperative. I would expressly like to commend them for this. I would also like to thank the Commission and Commissioner Barnier, who is always very approachable and cooperative, as I would like to thank my colleagues on the Committee and my co-rapporteur. I believe that tomorrow, Parliament will adopt a position that will afford us a prominent role at the Intergovernmental Conference and also lead this European Treaty to success.

3-156

Seixas da Costa, Council. – (PT) Madam President, with your permission I should like to use this brief opportunity at the end of this debate to respond to something which was raised in a point of order at the start of this sitting. I consider this to be the Council's legitimate right.

Comments were made about the Council's absence during the address by the Austrian President to this Parliament. I must say firstly, to clarify matters, that the Council presidency was not supposed to be present nor was this Parliament's understanding. We did not have any indication from the President of this House that we should attend for what was purely a parliamentary matter. Secondly, I must say that, on questions of political responsibility, the Council refuses to be given lessons and be subjected to pressure by something that has much more to do with the internal chicanery of Portuguese national politics than properly with matters of substance. In my opinion, this House has ended up being used as a kind of platform for political provocation and we will not accept this situation.

There is a clear boundary around the work of the Portuguese presidency with regard to the functioning of the institutions and the role of Austria in these institutions. This was totally obvious from my intervention in this House when this issue was first debated. Within the European Union we have met all the requirements allowing Austria to act and participate fully in the European institutions and in their own functioning as a country. We are therefore not confusing any of our positions and we refuse, due to a mere internal political provocation, to consider in this debate issues which have nothing to do with the European Parliament and the European institutions.

Moving on now to the Dimitrakopoulos-Leinen report, I must say firstly that I have the greatest respect for the work carried out by the two rapporteurs. This is a report of great depth and vision but, conceivably, it might not be the subject of consensus in Council, which would allow it to represent a step forward in the enlargement of the Union. However, I must repeat that I have great respect for the work carried out as it provides a certain vision of Europe and of what European ambition must be. I wonder, like everyone else – and we will probably have the opportunity to consider this in more detail during the debate within the IGC – whether the conditions exist within this framework to achieve the ambition expressed in this report, particularly by the deadline. I wonder whether we can close an IGC such as we all want, by the end of this year, with such a high level of ambition in terms of reform.

This point is very important. This House must also consider, in voting on this report, whether or not the set of proposals which it contains is sufficiently realistic about what can be approved by the end of this Conference. This is regardless of the excellent quality of the proposals, as I have said, and the vision of the future which they provide. We must realise that the European Union, being governed as it is by rules of efficiency, democracy and transparency, must always consider, as stated by Mr Poos, the problem of whether public opinion will systematically accept all the reforms to be made. There are fifteen parliaments to which we must answer and which must ratify this Conference. If one of these fifteen does not ratify the IGC, then we will be faced with a European crisis. I hope that the people will realise that the work we are doing in the IGC is serious, realistic and responsible. We do not want this to become a fatuous exercise which may tomorrow have a negative effect on the whole reason for its existence, namely the expectation that the EU will modernise and reform in order to make it compatible with the future enlargement which may know no bounds.

(Applause)

3-157

Barnier, Commission. – (FR) Madam President, ladies and gentlemen, at the end of this debate, after listening to each and every parliamentary speaker with the attention they deserved and before the extremely important votes you will be holding tomorrow on the various proposals, I want once again to thank the two rapporteurs, Jo Leinen, who is present here, and Mr Dimitrakopoulos, for the extremely thorough and useful job they have done. As I pointed out this morning, they have sought the greatest possible convergence between the Commission and the European Parliament, in order to imbue these negotiations with the political impetus they need. Following on from what Mr Seixas da Costa said, let me also say, and I can testify to this, that these negotiations conducted under the Portuguese Presidency have indeed, as the Portuguese Minister just said, been conducted with great authority, realism and pragmatism. From that point of view, as I had hoped, the Portuguese Presidency has proved itself to be in no way an interim or secondary presidency. It has an extremely important role to play and it really is playing it, in order to make the necessary progress before handing over to the French Presidency. And from that point of view, I want to thank the Council.

Madam President, ladies and gentlemen, I just want to make three comments at the conclusion of this debate. Firstly, many speakers discussed the question of the equilibrium between what are termed the large and the small states. We are well aware that this equilibrium is both necessary and difficult to achieve. It is necessary because, since 1957, all the states are recognised as equal, as having equal sovereignty; but at the same time it is difficult to achieve because they do not all have the same size of population and because, out of respect for democracy, we must by one means or another take account of the fact that the number of citizens differs from country to country. What I mean to say is that for its part the Commission has sought to establish this equilibrium in the proposals it put forward on 26 January, and which it has defended week after week, as indeed it did on the double majority question. One way of achieving an equilibrium is for qualified-majority voting always to secure the support of at least a majority of states and half the population.

We even went a little further on an issue which has given rise to much comment and at times to anxiety, namely the Commission. We have gone beyond the search for an equilibrium and proposed an egalitarian solution in relation to the composition of the Commission. And to those who are worried, let me say again that I have seen no sign of any proposal that any Member State should not have a Commissioner. What we proposed, let me repeat, is one Commissioner per Member State, but with two options. I would like you to consider these options carefully, and indeed we have the time to carefully consider the consequences of these options between now and the end of the year. The first option is one Commissioner per Member State on a permanent basis, all sitting at the same time, but with a Commission which will one day have 30 or 35 Commissioners, which will inevitably mean a hierarchy within the College. The second option is a Commission with one Commissioner per Member State, but not all sitting at the same time, which would mean the Commission would remain more collegiate by nature.

That, ladies and gentlemen, remains our aim: to establish an equilibrium between the small and the large states. In that regard, I share the concerns expressed by a number of speakers.

Second concern: the role of the European Parliament as the driving force, as referred to by Jo Leinen. As I said this morning, I really believe that we, and you, ladies and gentlemen, during your term of office, must spend some time explaining these European issues not just in your constituencies, your countries, but everywhere else too, to all the citizens, and as often as possible. Opportunities must also be created to convince and speak to the national parliaments. President Napolitano proposed the idea of an interparliamentary conference. At his invitation I myself took part in a meeting between the national parliaments and the European Parliament, where I found a great deal of interest expressed. The Commission will be prepared to take part in any exercise aimed at enhancing this dialogue and this mutual understanding between the national parliaments, which we need in order to ratify a genuine reform, and the European Parliament.

Lastly, I heard Mr Poos say earlier that this IGC 2000 was not the end of the story. Of course we know that history will not stop at the end of the year 2000 and that there will be further institutional changes. But let me state quite emphatically and formally that, after the end of the year, we will not be returning to some of the important issues under consideration during these negotiations. These issues are: the composition of the Commission, the scope of qualified-majority voting, the composition of the Court of Auditors and the Court of Justice and the voting system. One way or another, these questions will be settled at the end of the year and they will be settled for the long term, the very long term.

So we must take the time to reflect carefully about what we are doing. There is no way that later, when we have 20, 25 or 30 Member States, we will be able to do what we did not manage to do either in Amsterdam or today, this year, for lack of political will. So I hope that together, working with the Council, we will manage to give a sufficiently strong political impetus so that in the final analysis, at the end of this year, we succeed with these negotiations, rather than merely concluding them, and that together we demonstrate a collective political courage that goes beyond considerations based merely on caution or national interests.

(Applause)

3-158

President. – Thank you, Commissioner.

The debate is closed.

The vote will take place tomorrow at 11.30 a.m.

3-159

Famine in Ethiopia

3-160

President. – The next item is the statements by the Council and the Commission on the famine in Ethiopia.

3-161

Seixas da Costa, Council. – (PT) Madam President, ladies and gentlemen, we can all remember the pictures of the famine in Ethiopia in the 1980s. We can also remember the drought in Africa in the 1990s, which affected around ten countries. Yet we must also remember that we managed to get nearly four million tonnes of food to sub-Saharan Africa thanks to action by the international community. This was partly in response to media coverage, which is playing an increasingly important role. We must realise that, notwithstanding the crisis situations which now exist, the international community has taken objective action in response. This has probably not been adequate and not what we would have liked it to be, but at least the international community has adopted an objective attitude. Within the international community, either individually or through the European Union as a whole, the European countries have made an important contribution. We must remember this, now that the crisis in Ethiopia is occurring again due to drought.

The European Union is keen to ensure that this situation does not worsen and is trying to mobilise all possible means to lessen its effects. Certain instruments are currently working effectively at both EU level and in the role played by the EU within international organisations. This intervention is very important in tackling the problem of nearly 16 million people currently at risk throughout this area. Commissioner Patten will explain, at the appropriate moment in this debate, the actions which the Commission has planned or has been developing. These actions are very important and have been implemented in time. The decisions were also taken at the right time. Both the Directorate-General for Development and ECHO have already sent enough food to satisfy the most urgent needs. At this precise moment, the Executive Director of the World Food Programme is in Addis Ababa for discussions with the Ethiopian Government on this issue, which involves technical and practical problems in transporting the food. We cannot separate from this issue the current political and military position in Ethiopia. We must be aware that this situation, which is in itself extremely serious due to the drought, is currently being made worse precisely because of political and military circumstances which are hindering the distribution of aid. In particular, means of transport may be lacking because they are being used for purposes other than those for which they are intended.

As I said, the European Union has been monitoring this situation. In the General Affairs Council the day before yesterday the Commission presented a report on the current situation in the Horn of Africa and specifically tackled one point of the humanitarian situation. However, these concerns are the centre of attention not only for the Commission but also for the Council. A meeting was held yesterday in Brussels of a group of experts specifically to analyse the best ways of tackling this situation. There were representatives from ECHO, the Directorate-General for Development and the Member States of the European Union. This meeting was preceded by one with the Ethiopian Ambassador to ensure the most effective coordination of the aid and support which the European Union can mobilise, both overall and in terms of that from individual Member States.

To conclude, the situation in the Horn of Africa, in both political and humanitarian terms, is at the centre of our concerns. On Monday in the General Affairs Council we had a debate on this subject at which the Council's Special Envoy was present. He gave a presentation on the situation and its gravity. The European Union approved in this same Council a set of recommendations which are to be added to all the political actions which the Union has been developing, particularly since last year, following the severest onslaught in the conflict between Eritrea and Ethiopia. We are monitoring this issue. Unfortunately, sometimes we cannot react as rapidly as we would like to the various situations of humanitarian need and shortage. However, we are watching this issue and we hope that the attention raised by this debate may itself also help to mobilise public opinion on such a serious problem.

3-162

Patten, Commission. – I am grateful for the opportunity to speak in this debate – grateful but sad that the debate is necessary at all. I am standing in for my colleague, Commissioner Nielson, who would have liked to have been able to respond himself.

For me there is an awful sense of *déjà vu* – or perhaps I should say *déjà entendu* – about this debate today. Over a decade ago, from 1986 to 1989, I was my country's development minister. I know that there are a number of honourable Members in this House who have done the same job for their own countries. I was speaking in similar debates then, tackling similar crises in the Horn of Africa. I am afraid the story is grimly familiar: there are military conflicts, there is environmental

degradation, there is drought, and sometimes there have been – and this was especially true in the past – extremely ill-judged policies. It is a lethal mix. It is capable of producing hunger and misery on a massive scale. We face the same old frustrations, as I said in the Chamber yesterday.

Despite all the problems we will, in the end get help to the starving, never quite as fast as we would like, but faster than used to be the case. So we improve our capacity to deal with the humanitarian problems in spite of the difficulties. But alas we are still incapable of preventing the humanitarian problems arising in the first place – very often problems with largely political causes. That is the frustration.

Let me set out for honourable Members what we are doing to alleviate the present crisis. There are currently two Commission teams in Ethiopia: one from ECHO and one from the Food Security Unit of our Directorate-General for Development. They will be making recommendations on our future efforts. The Ethiopian Government has asked for 821 000 tonnes of food aid, 25% more than in recent years. This amount is nearly covered by existing pledges by the international community. The Commission has programmed the delivery of 283 000 tonnes and we are about to take decisions on delivering an additional quantity of up to 260 000 tonnes.

Let me also correct an inaccuracy that is circulating as a result of an Oxfam statement which claimed that the Commission provided only 50 000 tonnes to Ethiopia last year. The real figure is more than three times that.

The deliveries this year come on top of a quarter of a century in which the Commission has been involved in providing food assistance to Ethiopia. During that time nearly 40% of our total aid to Ethiopia has been in food assistance or food security programmes: some EUR 875 million's worth, EUR 250 million in the last four years alone. That is the background. It is important to be aware of it.

There have been a number of allegations about an inadequate European response to the crisis. There is an admirable letter in the London newspaper, *The Independent*, by the honourable Member, Mrs Kinnock, who knows a very great deal about the Horn of Africa, in which she sets out the real facts. I hope that letter gets wider circulation. One of the things that she said in her letter – and I guess she speaks with almost more authority on this subject than anyone else – is: “The European Union, together with Member States, remains the biggest donor of food aid to Ethiopia”. She then argues: “This is not ‘visible’ since it is directed through the government, the World Food Programme, the Red Cross, NGOs and others.” It is important to remember that point.

What matters most is not to rake over these old controversies. What matters most is what we are doing right now to get help to the starving. I want to remind Parliament that total Commission food aid, now being off-loaded, shipped or procured, amounts to over 282 million metric tonnes. An EC food aid shipment of 30 000 tonnes channelled through the World Food Programme arrived in Djibouti port last weekend. A further shipment of over 16 000 tonnes through EuronAid is due to arrive on Sunday.

This will be followed by further shipments through Djibouti and Berbera in view of the limited port-handling capacity. Total shipments from all donors expected to be offloaded between now and July amount to 504 000 metric tonnes. This quantity should be sufficient to meet immediate needs. Total donor pledges, as I said earlier, are over 800 000 metric tonnes. So that is what we are doing. We will continue to devote our full attention to this crisis until it is over, and our people in ECHO on the ground will continue to work tirelessly to get help to where it is needed.

We are facing a major problem posed by the lack of adequate port facilities for food-aid deliveries, not least because of the non-availability of the Eritrean ports at Assab and Massawa, which means that only Djibouti and to a lesser extent Berbera can be used. Djibouti is expected to be congested with the arrival of 600 000 metric tonnes over the next three months. We are looking urgently for alternatives, including better use of the Port of Berbera through rapid improvements to the road from Berbera into Ethiopia. We are also considering using the Port of Sudan. Road improvements are under way on the Sudanese side and roads on the Ethiopian side are reported to be quite good.

As my friend said in opening this debate, of course there are problems because of the conflict zone and I just want to repeat what I said at the outset. I have had to speak in too many debates like this dealing with the consequences of crises like this, in the Great Lakes, in Ethiopia, in the Sudan and now in Ethiopia again. I repeat, we are better at delivering assistance now than we were a decade ago, but it is intensely frustrating that all the assistance should be required in the first place. It is intensely frustrating that as millions starve, governments spend small fortunes on guns and weaponry to wage war against each other when the only war they should be waging is a war against starvation, a war for food security, a war against poverty and environmental degradation, a war in which we are morally bound to help them. It follows therefore that as we combat the hunger, we should also lend our full support to those who fight for peace. We give our whole-hearted backing to the efforts of all of those, including the OAU and the European Presidency's Special Envoy, Ambassador Serri, who worked for a peaceful settlement to regional conflicts. They will have our unstinting assistance. I am afraid that I should add that experience suggests that they need our prayers as well.

Corrie (PPE-DE). – Madam President, I wish to begin by welcoming Commissioner Patten's statement, which sets out the truth about our European assistance. Once again, we see the scenes on our TV screens of starving children in Ethiopia and we remember the horrors of the last famine in the Horn of Africa. Once again, we have pop stars and celebrities criticising the institutions of Europe and national governments for doing too little too late. It is amazing how quickly some people become experts when a situation like this arises and they can see some publicity, without knowing more of the background to the overall position.

Somalia is war-torn into small fiefdoms, which makes it extremely difficult for anyone – institutions or NGOs – to deliver food aid to the starving people. Who does one negotiate with in such a situation?

Ethiopia is engaged in a border dispute with Eritrea, which means most of the manpower is tied up on a war front and much-needed food is being diverted in both countries to feed soldiers rather than starving children.

Of course we must do everything in our power to alleviate famine. However, where countries are at war, all our aid must be humanitarian and channelled through NGO organisations to ensure that aid goes to the starving people and not to the war front. We must watch the situation in Eritrea and balance humanitarian aid there, if required. We desperately want these two countries to sign a peace agreement through the efforts of the OAU so that we can resume full development aid to both countries.

I recently spent a week in both Ethiopia and Eritrea. I visited refugee camps in both countries and saw for myself the hardship and the poverty people are suffering. It is not true to say that Ethiopia has not been crying for help for food aid over the past two years, but the war situation has blurred the vision of many looking on. When I was there they were pleading for help. I saw children with serious malnutrition and in need of health care, as well as food and proper shelter. I saw families living in caves, the walls running with water, and listened to the hacking coughs of children racked with fever. It looks bad on TV; it is a hundred times worse when you stand amongst it, when people are in such dire situations.

However, I saw food aid being delivered in Eritrea by German NGOs to a camp of 16 000 people, spread over 7 kilometres in case of bombing raids. I watched two strong men lifting 50-kg bags on to women's backs and saw them stagger off to their plastic shelters kilometres away. I saw children aged eight walking eight kilometres out and eight kilometres back to get water. They were the lucky ones: they were the ones with food.

We never seem to learn a lesson from the past. It should not be TV cameras and pop stars who alert us to starvation and drought: there should be a proper monitoring system in the sensitive areas of the African continent. Perhaps this could be built into Commissioner Patten's rapid reaction unit we heard of yesterday. We must have action and we must have action decisively and urgently.

3-164

Van den Berg (PSE). – (NL) Madam President, I gladly concur with the previous speakers, Mr Patten and Mr Corrie. We all witnessed the fight against hunger ten years ago. We subsequently visited many projects and saw many things, such as very expert local farmers who were involved in reconstruction projects both in Eritrea and Ethiopia. I find Ethiopia's criticism hard to take: Europe undertakes too little, you need to send food. Meanwhile the logistical capacity, such as lorries, roads and money, is used to wage a regional war. The least both parties could do is to impose an absolute freeze on military activity. If we talk about distributing food fast to the right places, then these lorries are needed, and these lorries were the force behind the movement which now leads Ethiopia and the movement which leads Eritrea. Both have a great deal of logistical experience, expertise and know-how. If they really channel their energies – and want to channel their energies – into what is available at this stage, if they want to make their ports and roads available, their capacity would be enormous. According to them, we are entirely to blame. But there is huge responsibility on the part of Ethiopia and Eritrea, and they should not try to throw it back at us using a cheap marketing trick. They are jointly responsible. Put a freeze on the military trade, try to reach a peace agreement and meanwhile, deploy your military lorry capacity and manpower where they are needed.

My second point concerns food. There is enormous pressure to send food fast, and I mean fast. Experience has taught us that things can go very far wrong depending on how food is distributed, and it could well end up sitting in the warehouses. I would suggest looking at all the options – this will certainly be done by the monitoring clubs of the EU now in Ethiopia. Is there anything for sale locally in the region? We were right to turn our food aid policy round. We should not send our surpluses there but examine whether anything can be bought locally. After all, anything we can get and arrange there will help their economy and will prevent the local situation from being distorted. Because, ultimately, that is what causes the structural hardship which accompanies these wars. I hope that the early warning facility, which involved a great many experts, will also be built into our ability to receive signals at an earlier stage. It is not easy. Everyone knows that, but it could be an enormous bonus in removing the image of inadequacy when we handle such situations. Ethiopia and Eritrea bear the ultimate responsibility. I give my full backing to any action undertaken by the Commission on this score.

3-165

Vice-President

3-166

Van den Bos (ELDR). – (NL) Mr President, Commissioner Patten wonders why Africa's fateful history keeps repeating itself – with good reason. Millions of people are again threatened with starvation. This is not just caused by extreme drought. The blame lies mainly with the unusually irresponsible leaders who prioritise the fight for a dry piece of land over the suffering of their own people. Surely it is absolutely appalling that the governments of poverty-stricken countries such as Ethiopia and Eritrea buy arms on a massive scale instead of building up sufficient food reserves. The blinkered Ethiopian government, in particular, contributes through its obstinacy to the suffering of its own people. How else can you explain the fact that Ethiopia rejected the offer to use the ports of Massawa and Assab? As a result, aid is now unable to reach a large part of its own population. The Organisation of African Unity and the European Union must exert maximum pressure on the governments of Ethiopia and Eritrea to settle their dispute in Algiers, and aid workers must gain safe access to the population without delay.

An Ethiopian Minister has said that the international community does not spring into action until the skeletons appear on television. He failed to mention that these macabre images are not only due to a lack of rain but mainly to a lack of proper leadership.

I am pleased that Commissioner Patten has addressed the criticism to the effect that European aid is inadequate. Despite this, I would like to ask him what lessons he has learnt from how Europe responded this time round. It is difficult not to despair in the face of the misery in the Horn of Africa. We should nonetheless not lose hope. Nature can only destroy where people fail. After all, war and mismanagement are down to people. Africa's fateful history does not have to repeat itself, provided that people's lives take priority over the feuds among its shameless leaders.

3-167

Bautista Ojeda (Verts/ALE). – (ES) Mr President, Commissioner, it is terrible and disappointing for mankind that every now and again we hear these cries of pain from Africa begging for food and water, in the 21st century.

Why do we still allow this to happen? Do we not have a conscience? Every day the European Union provides less funding, less aid, in global terms, to the poor countries of Africa. So how can we be surprised at this situation? How can it be that we have warehouses full of surplus food which we are obliged to destroy when it rots away pointlessly or when it does not meet the conditions for consumption which we demand? There are reasons to justify this, but none of them justifies the death of a single person from starvation.

It is not true that we show solidarity. No. All we do is try to put the fire out with occasional aid, without a clear or decisive policy for prevention although we know perfectly well that famine in Africa, and in the third world in general, happens periodically.

I hope that these thousands of tonnes of food aid provided do not silence the media and that they continue to report on the tragedy in Africa.

I am not saying anything new. It has been said a million times and it will be said again, but today I am speaking from the heart and I feel Africa's pain as if it were my own.

When will we have a Marshall Plan for Africa? To this end, I propose that there be set up a prestigious and independent committee of international experts to assess the situation together with the international organisations and to implement a series of urgent proposals and initiatives for food and health aid, acting immediately, planning for the future and putting all our humanitarian weaponry into the hands of the non-governmental organisations.

3-168

Miranda (GUE/NGL). – (PT) Mr President, the situation in the Horn of Africa, and particularly in Ethiopia, is reaching a level of drama rarely exceeded. It requires from the international community, and particularly the European Union, a corresponding level of attention and aid in order to prevent an unparalleled human catastrophe. Action is already being taken, like the food aid which the European Union is providing, as mentioned just now by Commissioner Patten. Yet we cannot relax. We also have to overcome all the difficulties on the ground in getting food and medicine to the starving and dying people and children, and as quickly as possible. We must therefore firmly stress to the governments in the region, bearing in mind the political and military situation, that they must allow and ensure rapid movement and access by the international organisations to the areas where these people are gathered. They must also guarantee that this aid reaches those for whom it is really intended. It is essential that these international organisations, such as the World Health Organisation, UNICEF and the FAO in particular, act together and with all the speed and efficiency which the situation demands. They must deliver the food and medical aid but they must also take steps to re-establish the primary sector which is decisive in this type of economy, in order to guarantee a sustainable and medium-term solution. This may be achieved by sending technicians and experts who can set up projects in this area.

The gravity of the situation and the need for our solidarity with these people to result in exceptional and priority action lead me finally to ask the Commission, and particularly Commissioners Patten and Nielson, to keep us regularly and closely informed about how the situation is developing and especially the measures which they intend to use or are developing to ease this situation.

3-169

Van Hecke (PPE-DE). – (NL) Mr President, the Ethiopian government has blamed the international community for not being sufficiently alert in its aid efforts to feed its hungry population. The donors, including the European Union, are said not to have kept their promises. I share the Commissioner's view that the reproach made by Addis Ababa is misplaced to say the least. Misplaced because this statement is made by a government which has been embroiled in an absurd war over borders with its neighbour, Eritrea, for two years now. Hundreds of millions of dollars, desperately needed for social provisions and increasing food production, have already been pumped into the war machine and, at the time when the Ethiopian Minister for Foreign Affairs was heaping abuse on the international community, reports were circulating that his government had bought a military aircraft from the Russian Republic. It is high time that the Ethiopian government faced up to its responsibility and made every effort to end the war with Eritrea. It could then focus its attention on the economic and social development of the country and so be able to prevent famines such as these. But also, and I would like to make this quite clear, the aid industry should stop blaming the international community unilaterally and, in this way, stop providing the local regime with an alibi. Emergency aid is absolutely necessary and must be increased, but development aid to both warring governments must be combined with accepting and implementing the OAU peace agreement. As a token of goodwill, the Ethiopian leader could in the meantime begin by accepting the offer of a humanitarian corridor from his Eritrean colleague, or could the pride and ego of one man get in the way once again of the interests of millions of his people?

3-170

Carlotti (PSE). – (FR) Mr President, famine and Ethiopia: these are two words sadly etched in our memories. In the Horn of Africa, which has become the site of every conceivable scourge, 16 million victims of famine, of which 8 million are in Ethiopia, are awaiting aid. In Ogaden, the most hard-hit region in south-east Ethiopia, there has been no rain for three years, to the point that the notion of dry seasons and wet seasons is now devoid of all meaning.

So of course we have to react, and do so quickly, and unfortunately we know all too well that the price of our procrastination and delays is paid in human lives. At the same time, let me thank the Council and the Commission for what they have already done and for the information they gave us a short while ago. Of course the 800 000 tonnes of emergency aid promised by the international community must be delivered as soon as possible. But at the same time, the countries in the region must do their utmost to facilitate this delivery: by opening up the ports, supply routes and infrastructures.

Nonetheless, in a region torn apart by a rearguard conflict, this crisis leaves a particularly bitter taste, because every penny paid to buy a gun, to buy ammunition, aggravates an already precarious economic, social and nutritional situation. We must demand that Eritrea and Ethiopia freeze their military activities so that all the assets, all the logistical and human capabilities of these countries are put at the service of their peoples. The sound of guns has for far too long drowned out the cries of the hungry.

That is why we must appeal to the reason of the Ethiopian and Eritrean leaders and call on them to put an end to the conflict, to reach rapid agreement on the technical arrangements for a ceasefire under the OAU peace plan. But at this moment, of course, we must simply listen to the appeals of the suffering people.

3-171

Khanbhai (PPE-DE). – Mr President, misery and death in Ethiopia were on our screens four years ago. The cameramen left but misery and death did not leave Ethiopia. Starvation and death continue today. The population of Ethiopia pray for rain. Sadly they see only a rain of bullets. People crave water, food and medicine. Sadly all they see is their land and their homes blown to pieces by the tanks and planes our governments supply to the Ethiopian and Eritrean politicians.

These politicians are hungry for power: politicians who argue over territorial boundaries whilst their people die. These politicians fly their national flags on their parliaments and presidential palaces, but sadly the only flag their people see is the flag of death. Famine, disease and death remain the hallmarks of these countries. Hunger for power must not be allowed to override the hunger for life.

Mr Patten has listed a number of measures the EU has taken to help. Such help has been received with gratitude, but let us put it into perspective. Sixteen million people are starving today; 15 000 tonnes have been delivered. I accept the difficulties of the logistics but that means less than a kilo per person. No time limit is given, in other words it is a kilo that has to last forever. These measures are palliative. They only relieve the symptoms; they do not cure the disease.

The EU must take the lead in curing this serious problem and the only way to do it is firstly to stop arms reaching all the warring parties and make sure we use our influence with those who supply them; and secondly teach these people how to grow food and harvest, store, package and process it so that they can be independent and self-reliant, not beggars for life.

3-172

Seixas da Costa, Council. – (PT) Mr President, ladies and gentlemen, today's debate was very important as a way of demonstrating the commitment and attention which this House gives to humanitarian issues, particularly the one discussed today. Commissioner Patten's words made clear not only an objective awareness of the work already carried out but also an absolute awareness that this situation is intolerable and that the European Commission will be determined on this issue, that it will take specific action and also closely monitor future developments.

As for the Council, I should like to say that there is great interest in ensuring that situations of this kind can be permanently followed and monitored in close coordination with the Commission. It is important that an objective awareness is created within the European Union that humanitarian issues must be dealt with in an increasingly committed manner and that the European Union and its Member States must, within the relevant international organisations, ensure priority attention for these issues. The summit between the European Union and the African countries was held just a few days ago. Its extensive agenda offered an opportunity for what we hope is the first in a series of organised dialogues between Europe and the African countries. Specifically we want to try and establish a more integrated and coordinated vision of all the issues now affecting the African continent about which we are concerned. This must be made clear. These issues do matter to the European continent for a whole range of reasons, even ones which relate to the very safety and stability desired for the European continent.

Dialogue with the African authorities is essential, as is dialogue with the sub-regional authorities. It is vital to guarantee coherent action in preventing conflicts and creating rapid intervention mechanisms for these situations. Without this collective and organised dialogue, there can be no hope. The problems cannot be solved through ad hoc actions and one-off interventions. If we cannot organise the international community within the global international organisations and within the more regional organisations, we will not have any response to all the crises which are systematically affecting the weakest countries in particular. The European Union has, in this respect, a particular responsibility the tradition addressing this type of problem could almost be said to be part of its civilisation. The EU has an awareness and a responsibility which today's debate has clearly demonstrated.

3-173

President. – Thank you very much Minister.

I would like to inform you that pursuant to Rule 37 (2) of the Rules of Procedure, I have received five motions for resolutions.¹

The debate is closed.

The vote will take place on Thursday.

3-174

Stabilisation and association process for countries of South-Eastern Europe

3-175

President. – The next item is the report (A5-0069/2000) by Mr Lagendijk, on behalf of the Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy, on the communication from the Commission to the Council and the European Parliament on the stabilisation and association process for countries of South-Eastern Europe (COM(1999) 235 – C5-0124/1999/2126(COS))

3-176

Lagendijk (Verts/ALE), rapporteur. – (NL) Mr President, in the time allocated to me, I would mainly like to focus on the Funding Conference of the Stability Pact which has just been held, because it is more beneficial, in my view, to focus attention on this than on the text of my report which, of course, was written for the Conference.

I would like to make a general comment regarding the Conference. It is safe to say that it was a huge success, not only in financial terms but also due to the fact that the emphasis was most definitely on projects which link up the different regions. In fact, this was one of the central themes of the report and the main thrust of the Stability Pact. Indeed, regional development is one of the Stability Pact's key points. It was good to see all-round commitment most definitely present at all the desks at the Conference. It was also a success – and I do not simply say this to flatter the Commissioner – because it was clear that the European Union or the European Commission took the lead at long last. In my opinion, it had been taking a back seat for a little too long. This concludes my general comments on the Funding Conference.

Further to this Conference, I would like to single out five key points from my report. First of all, the funding. Everyone was waiting with bated breath for the moment when the Commissioner would produce the amount. He finally came up with EUR 530 million. That was very smart creative accounting, I must say, because, of that EUR 530 million, 50% was old, pre-2000 money from the Obnova and Phare programmes and 30% was taken from the same programmes for the year 2000. In the final analysis, therefore, there was little new money in it. This is not a reproach to the Commission but an

¹ See Minutes

observation, and one which will, of course, create even more bad feeling, bearing in mind that another EUR 5.5 billion is still to be found. This is an amount which was quoted by the European Investment Bank at one time, which was later taken over by Commission President Prodi and in respect of which it is still completely unclear, to me in any case, how this is to be raised in the coming year. I would, therefore, like to ask the Commissioner how the first year, the year 2001, is likely to take shape? How are the preparations for the Stability Pact budget coming along? What is his reaction to the ever increasing protests, both in terms of loudness and number, coming, for example, from the Council or the Member States, to the effect that those 5.5 billion intended for the western Balkans, by way of pre-accession aid for Bulgaria and Romania, have been pitched far too high and that, in terms of absorption capacity, for example, a much lower amount would be far more realistic? I am in favour of retaining the figure of 5.5 billion for the time being. I am only very curious as to how the Commission hopes to raise all this money.

A request had also been made to spread the projects and planning for this Conference over all the desks: democracy, reconstruction and safety, in the knowledge that, at the end of the day, a bridge is more expensive than a training centre or mine-clearance programme. Unfortunately, I have to note that, looking at all the figures after the Conference, the emphasis has been shifted quite considerably towards reconstruction. Of 4.2 billion, 80% has been set aside for reconstruction, 17% for democracy and only 3% for safety. I would call on the Commission, and Europe has more or less pledged to use the same scale, to take the 3 to 4% really seriously and expand it. I would just remind you of a tragic report in the paper this morning about three children who stepped onto a mine near Sarajevo yesterday and were killed. A mine-clearance programme is part of safety, is of key importance and should not be overlooked.

Thirdly, I would like to comment on the appeal in the report, backed by the General Affairs Council, to lift trade restrictions for the countries asymmetrically and, if necessary, unilaterally, the underlying idea being that, in time, trade will be just as important as subsidies. What is the progress here? What does the Commission intend to do to lift these unilateral trade restrictions in the short term?

Fourthly, the NGOs. Regrettably, very little attention has been paid to the role of NGOs, especially the local NGOs, both in terms of preparation and implementation. This is all the more unfortunate if one considers the level of knowledge regarding the Stability Pact in the region. I am convinced that it is vital to introduce local NGOs in order to improve the quality of the programmes but also to raise the awareness of the Stability Pact, and the exact plans, in that region.

Finally, the distribution of tasks. Who will ensure that all these tasks are carried out promptly and efficiently? I would like to give the Commissioner a word of advice. Last week, he was accused of wanting to saw the legs from under Commission President Prodi's chair. If you are having a go at chair legs, could you take those of Mr Solana's chair? In my view, he has been given a leading role in the Balkans for no good reason. It would seem far more logical to give this leading role to the European Commission, notably Commissioner Patten, to implement this Stability Pact promptly and efficiently.

3-177

Seixas da Costa, Council. – (PT) Mr President, ladies and gentlemen, I must start by congratulating the rapporteur, Mr Lagendijk, on his excellent and important report. The debate caused by this could not have come at a better time. As you know, the Special European Council held in Lisbon reiterated the strategic priority for the European Union of ensuring peace and stability in South-Eastern Europe and, as such, this is an issue which is on the EU's immediate agenda and permanently on our political agenda.

The European Union is by far the body which has contributed the most aid to this region. Between 1991 and 1999, the total aid from the EU to South-Eastern Europe, including that from the EU as a whole and the Member States individually, was in excess of EUR 19.3 billion. The EU is furthermore the main trading partner of all the countries in this region. It has allowed valuable trade concessions and, as you know, several thousand soldiers, police officers and civilian workers from the EU are active in the region, particularly in Kosovo.

We read with great interest the rapporteur's conclusions on the stabilisation and association process for South-Eastern Europe. The assessment of the solidity and possible deficiencies of this process certainly provides points for discussion and I will try to comment on some of these. The Lisbon European Council confirmed that our overall objective remains the greatest possible integration of the countries in the region within Europe's political and economic system. The Stabilisation and Association Agreements constitute a central point of this policy. As the rapporteur quite rightly notes, these new agreements will not enter into force immediately as we firstly have to prepare, negotiate and conclude each one. As a result, the rapporteur concludes that it will be necessary to create a type of medium-term stabilisation and regional development programme.

I am not necessarily convinced that this is the most appropriate way of tackling the problem. The general stabilisation process for the area cannot, by any stretch of the imagination, be reduced to just agreements. Clearly these are, shall we say, the most visible and most well-known feature of this process, but other important instruments are required such as preferential trade agreements, direct aid from the European Union and political dialogue. Most of the countries already benefit from trade preferences and the Lisbon Special European Council confirmed that the Stabilisation and Association

Agreements should be preceded by greater asymmetric trade liberalisation thereby specifically favouring these countries in their bilateral trade with EU countries.

The idea underlying the stabilisation and association process is sufficiently broad and flexible to ensure a constant project in this area. With regard to the agreements, the fact that it is taking some time to prepare these should not, in our opinion, jeopardise the whole stabilisation process. This has not been the EU's experience in equivalent regional processes in the past. As with other comprehensive agreements, we therefore hope to be able to establish interim agreements covering the period between the signature and ratification of these agreements, bearing in mind that normally almost twenty months pass between these two events. It is also worthwhile to remember that we already have contractual relations in the form of trade and cooperation agreements with Albania and the Former Yugoslav Republic of Macedonia. The new agreements, which will be more comprehensive and also more demanding on our partners given that they include elements of political conditionality which obviously form part of the Union's current approach in this area, will specifically replace the existing agreements in these two cases. They will concentrate much more on regional cooperation than the current agreements and will include provisions on cooperation in the area of justice and home affairs, an area which is of great importance to the Europe of the future.

Negotiations have already begun with the Former Yugoslav Republic of Macedonia on the Stabilisation and Association Agreement. The Albanian Government recently indicated its reaction to the viability study on the opening of negotiations, which was prepared by the European Commission, and the Council will very shortly analyse this report. Following internal political changes, the European Commission is also to prepare a viability study for Croatia which the Council hopes to be able to analyse immediately before or after the summer.

Bearing in mind the request made by the local authorities, Bosnia-Herzegovina was sent a guide whose use will help towards preparing a viability study on negotiations for an agreement of the same type. This work is moving forward at a good pace given, of course, that in this specific case, we must be careful and not create excessive expectations, as the reality of the situation there does not allow us to be overly optimistic in this respect.

I should like to refer briefly to the new regulation. As we agree with the European Parliament about the need to create a uniform legal basis for support to the region, the Council is waiting for a Commission proposal on a Council regulation which will replace the support granted to the region by the Phare and Obnova programmes. The recommendations to be made will form a valuable contribution to the debates which we will start within the Council on this issue. I note in particular that the report highlights that the reconstruction of the region must not be regarded as merely physical and economic but must also be aimed at the social infrastructure, civil society and the public institutions. These are the main objectives of our reconstruction strategy for the area which does not just involve a merely physical dimension but also an overall stabilisation dimension.

The rapporteur also refers briefly to the Stability Pact on which we have been cooperating with these five countries and with the countries involved in the enlargement process. The recent regional financing conference which was organised jointly by the European Commission and the World Bank, in close cooperation with the Special Coordinator for the Stability Pact, gave significant impetus to the Pact's objective of reviving the reform processes and stimulating regional cooperation. It proved that the Stability Pact mechanism has already gained a certain maturity and can and must advance. We believe that reciprocal commitment is the key to the Pact's success and I feel that this point was made very clear in the recent discussions at the Commission and World Bank conference. The commitment of the countries in the region to implement institutional policy reforms and to create an environment allowing economic progress is a fundamental element in this Pact. In return, the international community is supporting the reform commitments and the donors and financial institutions have promised or mobilised a total of EUR 2.4 billion. Of this amount, the European Union alone, that is, the Commission and Member States combined, have promised or mobilised EUR 1.08 billion. The international community has financed in particular a quick-start package of EUR 1.8 billion announced at the conference and has made available the necessary financing to accelerate the preparation and implementation of projects and initiatives in the short-term package.

However, the conference was only one initial step in a long process. The European Union is committed to acting as leader and guaranteeing the coherent management of this whole support process. It has also pledged to closely monitor and support the regional reform processes in a way which corresponds to the efforts made by each country so that these can be rewarded with advances in the development of new instruments. This will allow economic and social development and progress in line with European standards. With the exception of Belgrade, all the governments in the region have stated that they will start on the road to reform. I must clarify, however, that the Council considers that, without Serbia, our common efforts will be incomplete. A democratic and cooperative Serbia, at peace with its neighbours, will be welcomed within the European family. We must be aware that overall stability in this region can never be complete when one country in the region represents a factor of instability. This message about Serbia must be received by the respective civil society. Our support for Montenegro and for the stabilisation efforts being made in this country by the respective government must also be reconfirmed.

To conclude, we also note that the rapporteur intends that the mandate of the European Reconstruction Agency should not be limited to Kosovo. In the meeting of 20 March, the Council invited the Commission to work on a proposal and to present this to the Council with a view to including Montenegro in the Agency's mandate. Discussions are also ongoing about the possible extension of the EIB's activities.

Finally, the Council has invited the Secretary-General and High Representative, under the authority of the Council presidency and in full cooperation with the Commission, to ensure the coherence of the policies for the Western Balkans. At the last General Affairs Council, an initial commentary was given on these ideas which specifically stem from the presentation given by Commissioner Patten and Mr Solana. We are sure that in future meetings of the General Affairs Council this issue will be followed with close attention and by effective steps towards its realisation.

3-178

Pack (PPE-DE). – (DE) Mr President, first of all I would like to offer my sincere thanks to Mr Lagendijk for his report. I can give it my full support, and I am delighted that a Christian Democrat can fully support a green report, because that would suggest we are going down the right track together and have shared the same experiences.

This debate is taking place at an opportune moment today, as has already been mentioned. The donor conference had a positive outcome, at least on paper. Money is to be poured into projects that will at last be able to give the pact a face. It has been something of a mirage so far: the outcome was intangible. Work is now to begin at last, and the costly palaver is over. It is in fact a shame that the coordinator's apprenticeship had to last so long.

Experts on the region have long been familiar with the projects to be undertaken there, which have now been defined by the European Union and the European Investment Bank. We could have, and in fact should have, made a start on them in the autumn. However, I would also like to take the decisions reached by the Council of Ministers to task at this point, and say that establishing a reconstruction agency in Thessaloniki and a coordinator in Brussels, and then not allowing the two to cooperate, shows what little inclination there is to promote efficiency. There can be no stability without reconstruction, and vice versa.

We must now swiftly regain lost ground. EUR 1.8 billion for the next twelve months can be used to set one or two things in train, so that the people in the region are at last able to see that we are serious when we make our grandiose statements about securing stability in the region. But this will not be possible without reconstruction and functioning institutions, and we need to work quickly to achieve both. Every euro that actually goes towards the projects and does not get caught up in the imbroglio of excessive activities and organisations, or even disappear on account of corruption, will be a euro well spent. We must be on our guard here. However, the wars in the region were more expensive in every respect than all the necessary measures will prove to be.

The idea of having a Stability Pact is a sound one because it is geared primarily towards cross-border measures, and thus to prevention of conflicts. Many local politicians and governments have grasped this and have already created a cross-border, regular working level. In implementing this instrument with rigour the European Union will be able to establish a successful and exemplary policy. However, all parties involved in the Stability Pact will need a great deal of stamina. It takes time and continuity to establish and consolidate stability. The recipient countries face the particular challenge of reforming their administration and their institutions, so as to create the right conditions for foreign investment and to enable them to become ever less dependent on external aid.

However, stability in the region depends to a large extent in most spheres on the eradication of criminal power structures and the construction of structures befitting a state under the rule of law, as is the case in Bosnia for example. Elections are no panacea. One cannot vote democracy into being. Take last Sunday's elections in the Republika Srpska in Bosnia. The parties of Karadzic and Kraijnik gained the most support. The return of the refugees is precisely what is needed to help restore normality and democracy, and that is why the refugee merry-go-round of Bosnia and Croatia, for example, must be set in motion without delay within the context of the Stability Pact. This will cost money. Mine clearance, job creation, schools and preventive health care must go hand in hand with repatriation. Unfortunately, the High Representatives in Bosnia have also wasted a great deal of time. They have tolerated, or even promoted, parallel structures for too long. We have not made nearly as much progress as we could have done when it comes to bridging the ethnic divide, which was created by the war, and, I am sorry to say, perpetuated by Dayton to some extent.

Efforts to initiate and undertake judicial reform, in Bosnia for example, are in a state of disarray. The court judgements are not even being implemented. Instead of maintaining a protectorate for decades, more commitment should be given to establishing the nation state of Bosnia Herzegovina.

Turning once again to the idea of a Stability Pact: as with European unification, the key is to motivate social groupings and their various interests, as well as States, to work towards a common goal. If we are to stabilise South-Eastern Europe, then the institutions concerned with the economy, culture, and educational policy that are either present or to be created in the respective States, must be encouraged to cooperate ever more closely with each other and with their European counterparts.

We must now seize the opportunity and quickly create examples that will show the Serbs in Yugoslavia that it would be better if they were to rid themselves of the dictator Milosevic and then tread the path to Europe along with their neighbours.

3-179

Souladakis (PSE). – (EL) Mr President, the report on the stabilisation and association process for the countries in eastern Europe we are debating today attempts, and I believe successfully so, to formulate a stable political framework with which to address the Balkan tragedy. Now is not the time to pass judgement past events and situations. Today, let us take it that with this report we are taking a step towards the future and creating the platform for a first successful substantive European Union policy, in a way the first successful action of the CFSP.

Here, however, we must pay attention to certain issues. So what are these issues? It is an open secret that interests are being expressed in the Balkans by many sides and many people, who often do not have common strategic aims. In all circumstances this must be stopped by non-negotiable political answers given in every direction. So what are they?

Firstly: absolute compliance with the UN's decisions on the area.

Secondly: the boundaries of the states in the area are non-negotiable, even if it proves necessary in critical cases to adopt flexible forms of administrative autonomy and greater decentralisation. I note that if there are some who think solutions will emerge either by creating new states or by redistribution between states, they are making a tragic mistake. That would lead to continued and lasting tension with no foreseeable end. A domino effect. Without exaggeration, at the beginning of the 21st century we would have a new thirty-year war, 10 years of which, in any case, we have unfortunately lived through.

Thirdly: our policy must concern the peoples, and only them. That is what is also in Europe's interests.

Fourthly: the issue of economic and institutional reconstruction is an urgent priority. Positive results will emerge through development, democracy and prosperity. For the first time you are passing judgement on a complex problem at the very periphery of the European Union. The EU's political credibility and competence must prove successful. It is a bet which must be won. I hope that the strong convergence of support for the Lagendijk report achieved in the Committee on Foreign Affairs will find the same response in Parliament, and thereby express the desire of us all for a positive and stable outcome.

3-180

Dybkjær (ELDR). – (DA) Mr President, I would thank the rapporteur for a report that the Group of the European Liberal, Democrat and Reform Party can fully support. I should like to take up a subject mentioned neither in the Commission's announcement nor in the report and so run the risk of its being said that I am operating at too low a level. The subject I want to bring up is that of women's involvement in the reconstruction programme, and I wish to do so because women and children have always been the major victims when it comes to conflicts, civil wars and wars generally. Assaults upon women, rape, killing and torture are daily fare and have been so for many years recently in the countries of south-eastern Europe. I think it is absolutely crucial, if cultural understanding is to be promoted and a proper reconstruction programme prepared, that women should be involved – and involved very centrally – in the processes concerned. I am taking up this matter because not enough – although, fortunately, a little – has in actual fact been done in this area. It is in fact the case that a gender task force has been established under working party 1, but this has not happened because of any initiative from above but because of an initiative from below when a number of women have – if I may put it like this – approached the conference table and asked if it were not unreasonable for them, in one way or another, to have a central place in the whole of the reconstruction work. It is a number of quite concrete, down-to-earth things these women have proposed, such as developing a proper programme for women and involving women in the general development plans. The initiative is also, of course, about getting women to stand at elections at local, regional and national levels. If, however, the initiative is to succeed, these women also need to receive money for the projects concerned. Otherwise, these will not happen. Moreover, the amount of money involved is small in relation to the other money which, hopefully, will eventually be paid out in this area. I would therefore ask both the Commissioner and the President-in-Office of the Council to take care to ensure that, where future work is concerned, women are involved in the reconstruction processes. I do not, in fact, believe that the project will succeed if that does not happen.

3-181

Korakas (GUE/NGL). – (EL) Mr President, whatever its positive points, this report is flawed by the demands and requirements set out in the Stability Pact. In other words, it essentially accepts that the wolf can guard the sheep. By its very nature, the Stability Pact in Eastern Europe is intrusive, on the pretext that human rights and democracy are being protected. I will not yet again refer to how the European Union is reacting to the flagrant violations of human rights in Turkey and elsewhere or the strident violations of those rights inside the European Union, i.e. the double standards policy. For the moment, I will just note that the Pact's real aim is to ensure the political and economic dependence of the countries in the area, to plunder their wealth and to overexploit their workforce.

As is also stressed in the report, it is particularly worrying that in the area there will be a test of the European Union's – I quote – 'ability to develop an effective civil and military crisis management strategy aimed at conflict prevention'. In other words, new interventions are being prepared, even military ones, with the aim of converting the area into a protectorate. The tragic situation brought on by the criminal intervention of NATO and the European Union in Kosovo and particularly in Yugoslavia is indicative of what is likely to happen.

Besides, respect for borders is not a matter of generalised declarations and wishes, as they occur in the report, but practical respect for the territorial sovereignty and integrity of these countries, in other words precisely the opposite of what the European Union and the USA are doing. It is clear that those who support this Stability Pact want to frustrate any resistance to their plans, especially when it involves conflict. They try, either by force or by economic blackmail, to terrorise peoples and subjugate them to the new order. And the question is this: what principle of international law are they basing their actions on?

Convinced, then, that the Stability Pact will bring new strife to peoples in the area and reinforce the dominance of the USA and the European Union, we will vote against the report and step up our fight against the Pact and on behalf of peace, friendship and solidarity between the peoples.

3-182

Belder (EDD). – (NL) Mr President, I would like to make three observations regarding Mr Lagendijk's inspiring and excellent report.

Firstly, the Stability Pact for South-Eastern Europe focuses on regional cooperation in the Balkans. It is precisely this cooperation which the European Union wishes to promote in the best possible way. Well, this regional cooperation still leaves too much to be desired. The basic pursuit of common interests is being undermined by a longing for prestige and rivalry among the various nations. In this way, the swift implementation of the innovative Stability Pact is being hampered. What is needed here is a powerful response from the European Union. This should go hand in hand with a selfless and more balanced selection of regional aid projects.

Secondly, I consider Paragraph 26 in the Lagendijk report to be a fine idea. Indeed, the Stability Pact applies just as much across the borders of the region. As such, the Republic Moldavia definitely deserves the opportunity of being directly involved in the Pact. After all, the alternative would be that Moldavia would be in danger of finding itself in a kind of political no man's land. What is more: Moldavia is linked with neighbouring Romania both culturally and politically. If Romania falls under the scope of the Stability Pact, so does Moldavia, therefore.

Thirdly, the success of this Stability Pact may well set a positive precedent for the East, with the Pact extended in the direction of the currently very unstable Caucasus. Am I right in thinking that Russia already subscribes to the Stability Pact for South-Eastern Europe?

3-183

Swoboda (PSE). – (DE) Mr President, Mr President-in-Office of the Council, Commissioner, ladies and gentlemen, firstly I would like to congratulate Mr Lagendijk on his excellent report. I think it is both pleasing and highly productive to have achieved a consensus spanning several groups on how the problems facing South-Eastern Europe should be tackled – one could revert to saying "the Balkans" again in the light of the fact that, interestingly, a representative of Croatia at the meeting under the chairmanship of Mrs Pack, said they would dare to go as far as to say again that Croatia is part of the Balkans.

We must take an overall view of the Balkans or South-Eastern Europe – whichever term we prefer – because there are pronounced similarities between the countries. However, that must not prevent us from responding differently to individual countries, all depending on how willing they are to take part in this overall process. We had a discussion on Macedonia recently – I had the opportunity to draft a report on this, and would again like to thank those of you who supported me – in fact we were debating a stabilisation and association agreement.

Croatia is currently the main object of our attention. Croatia has experienced a political watershed. I do not want to pass belated judgement on what has been, but only express my hopes for what is to come. That is why we must support Croatia every step of the way as it strikes out in this new direction, which does not involve excluding the opposition but endeavouring to enlist their support. But there is a new government and attitudes towards the refugee situation, economic development and, in particular, Europe, have changed. I would particularly like to ask the President-in-Office of the Council to work together with the other fourteen countries to ensure that the European Investment Bank is at last in a position to extend credits to Croatia. It is grotesque that Croatia, I am sorry to say, still does not have the option of receiving credits from the European Investment Bank.

Of course the other countries must also be given due regard and support. That much is clear. There can be no discussion whatsoever on that point, but for the moment I believe Croatia is to the fore. If we have a few cornerstones of regional

development, such as Macedonia, Croatia, and hopefully also Albania soon, then it will be possible to create a network of stability in South-Eastern Europe.

There is a final point I would particularly like to address: the donor conference, which was highly successful – I am grateful to the President-in-Office of the Council, but I would particularly like to thank the Commissioner, both of whom helped to make the donor conference a success – concentrated above all on material infrastructure, and indeed that is what we need in South-Eastern Europe. However, we also need the appropriate mental infrastructure. We need a change of attitude on the part of the people in this region. That is why I am particularly keen to urge you, despite all the rumours we have heard, to see to it that due attention is given to furthering all matters to do with learning and education, and with the “Graz process”, i.e. to do with changing people’s attitudes and behaviour, solidarity and tolerance.

It may cost relatively little, but it is still important to enable the people there to see that above and beyond the material aspects of their lives – bridges, roads, railways etc. – they also share a common future, reached through mutual understanding and support.

3-184

Alavanos (GUE/NGL). – (EL) Mr President, I will make three points. The first is that Mr Lagendijk’s report has interesting ideas, positive proposals, but I very much fear that it is a naïve report which cannot be implemented in the Balkans by the European Union’s policy. When basic factors such as respect of the Balkan borders are missing, when we play games with Montenegro and Kosovo, when this is coupled with the antagonism being shown towards the Milosevic regime, I think we are already undermining every positive effort we should be making. The European Union must conclude that it should respect the frontiers in the Balkans, and that is something quite different from its attitude towards Milosevic.

The second point I want to stress is that financing part of the reconstruction plans by reducing agricultural expenditure must finally stop. I think that the donor conference makes this possible, or seems to at least.

The third point I would like to make here is that there are parts of Greece, yes, unfortunately Greece, for example the Prefecture of Pieria, a tourist province in Central Macedonia, which has suffered enormous economic damage because tourists no longer come to that area. Such issues should be considered by the European Union as well.

3-185

Posselt (PPE-DE). – (DE) Mr President, I am not about to start arguing the toss with Mr Swoboda over where the Balkans begin. In fact, it was once said that the Balkans begin at the Rennweg in Vienna. But leaving that aside, the fact remains that this Stability Pact is of course adversely affected by the heterogeneity of its States. We have first and second wave candidate countries. We have countries such as Croatia and Macedonia that are about to overtake candidate countries. We have States such as Bosnia-Herzegovina and Albania in which the State is scarcely functioning, and then the two decisive challenges, namely Yugoslavia, or Serbia, where it is a question of doing everything we can to foster democratisation and develop a long-term strategy for the Europeanisation of Serbia.

Secondly, Kosovo, where we will never achieve success unless elected political structures come into being there, along with a long-term vision of what is to happen to this region, which will never again be a Serbian province. We cannot afford to hang about over this issue any longer; otherwise all we will be doing is tinkering about at the edges, as it were. But that is not the only factor adversely affecting the Stability Pact, it is also suffering from a lack of credibility on the part of the international organisations and also the European Union, which owing to a confusion of competences, wastage, and mismanagement, are displaying traits that would be dismissed as being typical of the Balkans, were it not for the fact that this is happening in our own organisations. We are losing a great deal in the way of credit and respect in this region, and this respect and credibility are fundamentally even more important than the promises of funding that are made and then not kept. I truly believe we must put this situation in order in the European Union, primarily by strengthening the Commission’s role in the matter.

Commissioner, I have a great deal of faith in your work, but I must say that we as a Parliament must also ensure that you are able to give this work more in-depth attention than you have been able to hitherto. What we need here is cooperation between our two institutions, so as to strengthen the EU and its credibility.

3-186

Napoletano (PSE). – (IT) Mr President, I, too, consider this to be a satisfactory, significant report. I would, however, stress certain points. We know that the countries of the South-East are a priority, but we must be careful not to give ourselves more priorities than we can handle and not to establish conflicting priorities or we will lose credibility. I refer to the Mediterranean policy and the Middle East peace process, which are also priorities. We must be consistent, as I will remind the Council when we come to discuss the budgetary issues.

Secondly, it should be borne in mind that the regional approach is appropriate and important, and that it is important for the European Union to play a guiding role throughout this matter. I therefore call upon the Commission and the Council to ensure, in the management of this extremely complex process, that the balance is maintained between the regional

dimension of the Pact and the bilateral Association and Stabilisation Agreements, or we may end up sending contradictory signals to these countries.

Finally, I would like to mention two other points: the former Yugoslavia and crime. With regard to the former Yugoslavia, I feel that we must follow the recommendations of the report and gradually reduce the embargo on the civil community until it has been lifted completely, because to continue to enforce it will only serve to postpone the fall of Milosevic. The sooner we do this, the better. Apart from anything else, the embargo is affecting other countries in the region, including several candidate countries. It is causing serious harm. And who can lift it if Europe does not? It appears that even the United States are expecting us to lift the embargo. We must find the courage to take this step.

Lastly, as other Members have reminded us, we must deal with society as well as infrastructures. It might be interesting to meet with the chairmen of the three Working Tables to discuss these projects; maybe the Committee on Foreign Affairs could see to this. Society is important, and that is why we must continue with information and culture projects. For example, my city, Rome, is organising the young artists' biannual event in Sarajevo and funding the Sarajevo Concert Hall, precisely to give a sense of the reconstruction of a society within which there is dialogue, but which has dialogue with us as well.

Then there is the issue of crime. My country, Italy, has a very high organised crime rate. Puglia, for example, is a region which has to tackle crime organisations with a base in our country as well as elsewhere. I would include this among the priorities I mentioned before, because investments will also be affected if this level of organised crime is maintained.

3-187

Patten, Commission. – Mr President, I arrived in the Chamber this afternoon with an extremely good speech, which I would like to thank my cabinet for most warmly; but perhaps I can deliver it on another occasion because I would actually like to respond informally to this debate.

Members of the House will have noticed that the High Representative and I produced a report for the Lisbon Council, and I suspect that Mr Lagendijk might have noticed that it bore a striking similarity to his own report. I am not sure which was chicken and egg, but I feel that in complimenting Mr Lagendijk on the report he will not take it amiss and think that I am really congratulating Mr Solana and myself. Yet there was a great deal of similarity. It is fair to say that our work for the Lisbon Council was very much motivated by the strong feeling that unless we can make a success of our efforts in the Balkans, the whole credibility of our attempts to construct a common foreign and security policy will be shattered. It is enormously important that we rise to the challenge in the Balkans.

A point we made to the heads of government in Lisbon in our report – which was very much reflected in the week that I spent recently in the region – is that the stabilisation and association process has to be at the heart of our strategy. To put it in a rather more demotic way, in the phrase used by my honourable friend Ms Pack, what it means is designing, helping countries along the road to Europe. They want to be integrated with the Euro-Atlantic structures; they want that as an alternative to the traumatic disintegration of the last few years. We have to make that a real process for them.

There were a lot of references to the Stability Pact conference the other day, which as several people have said was a considerable success. The offers made by donors exceeded by a comfortable margin the expectations at the beginning of the conference.

There are a couple of points I want to make about it. One, in response to Mr Lagendijk, it is true that some of the money going into the quick-start projects supported by the European Union was money from the 1998 and 1999 budgets. There is a simple reason for that, which is that in some cases we had already carried out feasibility studies and made preparations for these quick-start projects. In my book, new money is money you have not spent already. Unfortunately, given the fact that our budget is based on commitments and payments, and not just payments unlike the budgets in almost all the Member States, that is a particularly important factor. Committing money does not always mean spending it, the next year or the year after or even in the next decade. It is important to be clear about that.

This follows up the point made by Mr Swoboda and it is a point with which I strongly agree. We are not just talking about infrastructure in terms of hardware, we must also talk about infrastructure in terms of software. That includes the rule of law, democratisation, the sort of civil society projects to which the honourable gentleman was referring; and it includes education – a point I will come back to in a moment.

I want to make one or two other points which arose at Lisbon and which we are following up. First of all, we were charged in the Commission at Lisbon to bring forward a package of proposals on asymmetric trade concessions for the region. It is worth remembering that the total exports from the Balkans to the European Union represent about 0.6% of our total imports. For agricultural products the figure is about 0.16%. So this is an area where we could afford to be a little generous.

We are also trying speed up our assistance and make it more effective. I announced yesterday agreement in the Commission on a rapid reaction facility. We will be coming forward to Parliament in the next few months with our new regulation for assistance to the West Balkans, which I hope will make it more rapid, more flexible and will, of course, have to include sufficient funding for projects supporting gender issues. I can think of no single model of successful economic or political development which does not include at its heart sensible programmes to ensure that women can develop their full potential and play a full role in their communities.

One point on education: last winter, despite all the cynicism, our energy for democracy programme in Serbia was extraordinarily successful. Alas, there are not many occasions when people cheer the European Union in the streets – all too few occasions in the country I know best. But that happened in some of those cities last winter. The Mayor of Nis has just written a letter saying that Energy for Democracy was a model of the sort of political support we should be providing in his country.

The winter is over, so there is not the same urgent necessity for oil at the moment. We are looking at ways to extend that sort of scheme. What we have been thinking of, among other ideas, is education for democracy: providing schools with equipment, school-books and other facilities, cash to carry out small improvements to classrooms and so on, and with sports equipment – all those sorts of things which can make for a better life for the kids in those towns while they have to wait with their families for the departure – sooner rather than later, I hope – of Mr Milosevic.

I hope we are at last going to see more progress on the cleaning up of the Danube, which is crucial for the region. We had useful meetings with the Danube Commission last week and I hope that the annual meeting of the Danube Commission this week will see us managing to set all that in motion, with the European Union meeting about 85% of the cost of the clean-up.

I have spoken before of my concerns about Montenegro. Following my visit there about a month ago, we have doubled our Obnova support for Montenegro from EUR 10 to 20m. We are also providing a good deal there in terms of food security and so on. I very much hope that the European Investment Bank will lend some money within reasonable limits to Montenegro before too long.

Finally, the honourable Member asked about the scale of our financial commitments to the Balkans. There will be other occasions when I can follow this up in greater detail. For me one of the real tests is whether all those yards of Council communiqués and all those promises about Marshall plans and so on for the Balkans actually amount to a row of beans! This year we will be spending about EUR 540m in the western Balkans. Because of the front-loading of our commitments in Kosovo, next year we will need to spend about EUR 800m in the Balkans. About EUR 350m of that will go to Kosovo.

It must be said that it does not involve huge increases in expenditure elsewhere but we have to provide support in a country like Croatia where there is a good and decent government trying to do a difficult job in extremely problematic circumstances. We have to spend money with those stabilisation and association countries which are negotiating seriously with us on the road to Europe.

For me, in public-spending terms, the crucial year is always year one – you are lucky if you get to year two or three. Year one is actually the big year of expenditure for us.

Overall, at Istanbul, when we were asked how much we thought we could spend in the region, recognising that it was subject to the budgetary authority – I know all the theology of these matters now – we reckoned about EUR 5.5bn. People say that is a crazy figure. Well, I am keen that we should no longer be in the position we are in now where, despite the interinstitutional agreement, we are told by a lot of people that we have to find the extra money for Kosovo within the financial envelope agreed before Kosovo became a necessity.

One thing I have insisted on is a realistic figure in our budgeting for reconstruction in Serbia, because I do not want to find myself in two or three years time having to find additional costs for Serbia out of that same budget. We reckon that applying the same sort of figures applied in Kosovo, we would need about EUR 2.3bn for a serious reconstruction programme in Serbia. That could only start once Milosevic has gone. However, in my view it would be thoroughly irresponsible for us to suggest figures to this Parliament or Council which did not include an element of what we think would be realistic for Serbia. That is based on economists' figures and our assessment that we need to meet the same sort of a proportion of expenditure on Serbia that we have met in Kosovo.

The rest – EUR 3.2bn – over seven years does not strike me as being outlandishly generous. That is how we reached the figure of EUR 5.5bn and I have slightly resented the implication in some newspapers that this is a figure we have plucked out of the air and does not make any sense. I should be delighted to explain it not just in more detail to Parliament but I am looking forward in due course to explaining it in more detail to the General Affairs Council. Who knows, if I was lucky enough one day, I might even be able to explain it to finance ministers.

I respond to the honourable Member's well-intentioned question in that way. This is not a figure plucked out of the air: it is an attempt to provide an honest assessment of what our rhetoric actually means. People cannot resent the fact that they do it: they asked us to do it in relation to the Middle East – to give some idea of what the cost of a peace settlement would be for the European Union's programmes. So let us see the cost of it in the Balkans. If we are going to have an argument about the relationship between rhetoric and reality, let us start here.

My final point: we are clearly talking in the Balkans about building peace and security, not just in our backyard but in our front yard too. We are talking about building peace and security in an integral part of our European common home. I hope we can do so in practice with the rhetoric, with the promises, with the optimism that we show in all those rhetorical communiqués.

3-188

IN THE CHAIR: MR PUERTA
Vice-President

3-189

President. – The debate is closed.

The vote will take place on Thursday at 11.30 a.m.

3-190

Question Time (Council)

3-191

President. – The next item is Question Time (B5-0216/2000). We will examine questions to the Council.

As they deal with the same subject, Questions Nos 1, 2 and 3 will be taken together.

3-192

Question No 1 by Efstratios Korakas (H-0255/00):

Subject: Flagrant violation by Turkey of the rule of law and human rights

The leader of the People's Democracy Party of Turkey, together with 17 other members of the party's leadership, has been sentenced to a three-year and nine months' term of imprisonment for supporting the hunger strike that took place in solidarity with Abdullah Öcalan when he was handed over to the Turkish secret services in Kenya. Three mayors of towns in S.E. Turkey, who are supporters of the same party, were also arrested on charges of collaborating with the PKK. Other Turkish parties besides HADEP have voiced their opposition to the arrests and sentences, arguing that they are a flagrant breach of democracy, freedom of expression and the basic principles of the rule of law.

Will the Council raise the matter of the arrest and conviction of democrats for their opinions, and call for unhindered freedom of expression in Turkey together with freedom of formation and operation for all political parties?

Question No 2 by Emmanouil Bakopoulos (H-0286/00):

Subject: Human rights violations by Turkey

In December 1999 Turkey became a candidate country for accession to the European Union. Article 10 of the conclusions of the Helsinki Council Presidency states that Turkey must fulfil the general accession criteria, and in particular the Copenhagen criteria, if it is to become a Member of the European Union.

In February of this year three Kurdish mayors (of the towns of Diyarbakir, Siirt and Bingöl) were arrested on their return to Turkey after they had signed the Aalborg Charter in Hanover in Germany together with 4 colleagues making their towns members of the 'European Sustainable Cities and Towns Campaign'; they are still being held in prison.

Since Turkey is guilty of continuous and repeated human rights violations, what does the Council intend to do prevail upon Turkey to meet the EU accession criteria?

Question No 3 by Ioannis Theonas (H-0299/00):

Subject: Continued muzzling of freedom of expression and violation of the rule of law by Turkey

The leader of the People's Democracy Party (HADEP) of Turkey and 17 other members of the party leadership have been sentenced to prison terms of three years and nine months on charges of supporting the hunger strike organised in support of Abdullah Öcalan when he was handed over to the Turkish secret services in Kenya. Three mayors of towns in south-eastern Turkey who are close to this party have also been arrested on charges of collaborating with the PKK. Other Turkish parties apart from HADEP have expressed their opposition to these arrests and sentences, arguing that this move is totally incompatible with democracy, freedom of expression and the basic principles of the rule of law.

Will the Council say whether it intends to raise with the Turkish government the issue of the arrest and sentencing of democrats merely for making statements and to demand, as part of the pre-accession procedure, that Turkey give guarantees regarding unrestricted freedom of expression and allow all political parties to be founded and function without hindrance?

3-193

Seixas da Costa, Council. – (PT) Mr President, the Council has already raised with the Turkish authorities the issue of the democratic rights of Turks of Kurdish origin, including those mentioned in the question. It will continue to monitor this situation in Turkey as it develops and to act accordingly. An Association Council meeting was held yesterday between the European Union and Turkey in which this issue was mentioned again. The Turkish authorities were told of the EU's concern about this type of issue and of its hope that the Turkish authorities will end what is currently interpreted as a non-compliance with certain basic criteria of respect for human and democratic rights and the protection of minorities.

Turkey was named by the Helsinki European Council as a candidate country for accession to the European Union. This status places Turkey in absolutely the same position as any other candidate country in terms of both obligations and benefits. Therefore, Turkey is subject to the same requirements as those imposed on any other candidate country but also naturally has the same rights. The European Union cannot make a special case of Turkey which must be treated exactly the same as any other candidate country.

Turkey is therefore currently involved in a process in which its situation must be assessed in light of the criteria of the Copenhagen European Council. These criteria are clear enough with regard to respect for the rule of law, democratic guarantees, fundamental freedoms and the protection of minorities. These are a prerequisite for the opening of any negotiating process. On the road towards this, a pre-accession strategy must be established between the Commission, on the EU's behalf, and Turkey. The preparation of this strategy involves non-governmental organisations, the Member States and the Turkish Government. This accession partnership will define the priority areas for reform on which the European Union considers that Turkey must concentrate its efforts in order to comply, hopefully in a progressive, capable and complete manner, with the Copenhagen criteria. Clearly it is in this context that the issues mentioned in the questions will be considered.

3-194

Korakas (GUE/NGL). – (EL) Yesterday we heard Mr Verheugen and today the Council's representative acknowledging, even in small measure, some of the problems related to respect for human rights in Turkey concerning which, indeed, they expressed their sorrow. Yet, both yesterday and today they underlined the supposed progress made by the Turkish regime in that area. And we heard the representative of the Council telling us the same thing today. The truth, however, is that contrary to what some people are claiming even in Greece, the Helsinki decisions on Turkey have emboldened the Turkish regime. It is no mere chance that on the next day Turkey's leaders declared that Turkey has become a candidate for accession without attached conditions. It is not by chance that, while they have not complied with any of their commitments, they protest that they have not been given the appropriations provided for under customs union. They also told us that Turkey intends to take steps. But we have been hearing that in the Council of Europe for very many years, perhaps more than ten, without anything happening. If anything, things are worse. The campaigner for democracy and human rights who was shot was sent to prison again instead of his attackers being punished.

My question, then, is: specifically when does the Turkish regime intend to progress with democratising that country's constitution and criminal code, to set free the leaders of HADEP and the Members of Parliament as well as all the political prisoners? Will the Kurdish issue ever be resolved, will all the political parties be allowed freedom of formation and operation and finally, will Turkey ever withdraw its troops from Cyprus?

3-195

Seixas da Costa. – (PT) With regard to the comment that Mr Korakas' question was not a new one, I must say that Turkey's application for accession to the European Union subjects it to closer scrutiny of its responsibilities in complying with the basic criteria for accession. I believe that the Turkish authorities are well aware of this. With regard to defining the pre-accession strategy and the accession partnership, Turkey's problems will certainly be paid close attention, particularly in terms of respect for the basic criteria of acting in accordance with European standards. In the past Turkey was a country in which we regularly and systematically undertook certain ad hoc initiatives according to the development of its internal situation.

But no more! The internal situation is now becoming a strategic element in the progress made by Turkey towards approximation with the European Union. In the specific case of Mr Birdal, I was able to meet him in Turkey in January of this year and I told him during this meeting of the EU's solidarity with his situation. It is clear in this respect that the EU has already indicated its concern to the Turkish authorities, through the appropriate channels, about his status and in particular his return to prison.

3-196

Bakopoulos (GUE/NGL). – (EL) For a long time we have adopted a foreign policy which we allege is based on moral rules. And not just that. We have come to believe it ourselves and we claim to represent the world-wide moral conscience. Already, however, we have reached an impasse, and not just in Turkey. You see, morality must be applied towards everyone equally, regardless of risks and interests. But that cannot happen. You see, Belgrade can be bombed, but not Moscow, Beijing or Ankara. Let us therefore acknowledge the obvious and return to tried and tested prescriptions. In other words, let us speak of interests, the balance of powers and policy as the art of the possible. If we do that we will certainly not be more moral, we will be more sincere and in that case we can all put our time to better use instead of play-acting as we are all doing now.

3-197

President. – I am not sure that you have asked a question. If there is no question, the Council is not obliged to answer, only to listen, as you know, Mr Seixas da Costa. Mr Theonas wishes to rephrase his question. I recommend to all of you that you begin with the question before making a declaration.

3-198

Theonas (GUE/NGL). – (*EL*) I have a comment and a specific question: would it not be better for the Council to give more specific answers when it asks for specific questions? That was my comment.

Now, the question: if the pre-accession process for Turkey were to last twenty years, would all those who are imprisoned today have to wait those twenty years for the European Union to express interest? Secondly, would the Council be prepared, in this whole process, to suspend or cancel obligations of the European Union relating to the pre-accession process as long as the people we are talking about remain in prison? And finally, could some action ever be demanded from Turkey which would help resolve the Cyprus issue, granted that this is one of the issues which should be addressed as part of the pre-accession process?

3-199

Seixas da Costa. – (*PT*) Firstly, Mr Theonas, I do not agree with the comment that the Council presidency is not explicitly answering the questions raised by Members. In fact, quite the contrary is true. The ongoing process of Turkey's approximation towards the European Union, which was started with its designation as a candidate in Helsinki, is one of progressive approximation. The Member should realise that this process of progressive approximation is resulting in greater attention being paid than in the past by the European Union to Turkey's internal situation and to the way in which this country acts with regard to the requirements imposed by the international community. It is this point which really must be borne in mind. Turkey is currently, on its own initiative and therefore as a result of its own political decision, the subject of close scrutiny in terms of compliance with the basic criteria. This is not to be assessed over the next ten years but rather on a daily basis, usually within the pre-accession strategy process. If there were a lack of progress on the fundamental issues under observation, the pre-accession process would suffer the respective consequences. This is very clear to me.

Furthermore, the Helsinki conclusions, regardless of how they may be read, place the issue of Turkey and its relationship with Cyprus in a new perspective, which was in fact welcomed by the Cypriot authorities. We must draw from this the appropriate conclusions about how the development in the Turkish position on the Cypriot issue may also affect the development of the Turkish position in its approximation towards the European Union.

3-200

Korakas (GUE/NGL). – (*EL*) A comment and question to the Council's representative: is the answer he just gave you specific? For goodness sake!

3-201

Seixas da Costa. – (*PT*) Mr Korakas, I must make a confession. In political life, people are used to reading between the lines. On such a delicate issue as the interpretation of a serious situation, like the development in the Cypriot situation and Turkey's approximation towards the European Union, we must be very careful in our choice of words. However, I feel that I made it clear that there is a direct link between Turkey's approximation process and its position on the Cypriot issue. I cannot make this any clearer.

3-202

President. – Question No 4 by Konstantinos Alyssandrakis (H-0294/00):

Subject: Blatant persecution and violation of the rights of the Assyrian-Chaldeans in Turkey

Tens of thousands of Assyrian-Chaldeans in Turkey living in the south-east of the country have found refuge in Member States of the EU after being persecuted by the Turkish Government which has destroyed many of their homes, closed and raised to the ground their churches and banned the use of their language and teaching in this language. There is a danger that, owing to the use of force, the remaining places of worship and even the traces of the existence of this minority will be lost for ever.

Will the Council say whether it intends to raise this matter as part of the pre-accession procedure, to call on the Turkish Government to respect the rights of the Assyrian-Chaldean minority in Turkey and, more particularly, to ensure that the Mar Gabriel monastery in Midyat and the Dayr Zafaran monastery in Mardin can continue to operate without hindrance?

3-203

Seixas da Costa, Council. – (*PT*) Very briefly, what I said about the development of the situation in Turkey and the necessary changes in terms of respect for the rights of minorities also applies in this case which specifically involves the protection of Christian minorities. The reinforcement of the political dialogue agreed in Helsinki requires progress to be made towards compliance with these political criteria, particularly on issues of human rights. All the situations which have been brought to the Council's attention during the pre-accession process will be tackled.

This particular question involves the problem of non-recognition by the Turkish authorities of the Assyrian-Chaldean community under the terms of the Lausanne Treaty of 1923. Under this Treaty, the Turkish Government undertook to ensure full protection for the churches, synagogues, cemeteries and other places of worship of non-Muslim minorities. At

this point in time, the claims of the Assyrian-Chaldean community basically relate to the problem of restoring monasteries and the official teaching of Aramaic and the problem connected with the free movement of citizens from this ethnic group who live outside Turkey.

These are clearly administrative issues. They do have a human rights dimension which obviously must be tackled – and we will be vigilant in this respect – but they are essentially administrative. The Council will be vigilant and the Commission will also raise these issues during the pre-accession negotiations.

3-204

Alyssandrakis (GUE/NGL). – (EL) Mr President-in-Office, I cannot say your answer is satisfactory. If the Council were truly concerned about human rights one would have expected a more specific answer. We are talking here about two very ancient peoples who have been subjected to systematic genocide by the Turkish regime, a genocide perhaps not so impressive as in Armenia, but just as effective. Several thousand people have become refugees or immigrants to the European Union and only a few tens of thousands remain in the area where they have lived since ancient times. I would like to ask whether you can be more specific. Of course, your reference to the Treaty of Lausanne is apt, but beyond that, the European Union also has a responsibility to stress certain things to the Turkish regime concerning the need to respect human rights, whether they stem from the Treaty of Lausanne or in a broader sense. Is the Council going to take any specific action along those lines?

3-205

Seixas da Costa. – (PT) Mr Alyssandrakis says that my answer was not positive enough. It would be useful to remind him of his question. He asked whether the Council intends to raise this issue during the pre-accession process and to ask the Turkish Government to respect the rights of the Assyrian-Chaldean minority in Turkey and, in particular, to ensure the operation without hindrance of their monasteries. He specifically referred to two monasteries. I have no idea what more positive answer I could give him than to simply say yes. It is the Council's and the EU's intention to raise this issue with the Turkish authorities during the pre-accession process. Once again, if this is not a clear answer, I have no idea what is.

3-206

President. – Question No 5 by Alexandros Alavanos (H-0262/00):

Subject: Renewed tension in Kosovo

The results of the 'peaceful' intervention by NATO forces in Kosovo are generally acknowledged to be deplorable. Instead of the 'multi-ethnic' Kosovo which had been the UN's objective, we have a situation in which the refugees have failed to return, ethnic cleansing has continued, but now directed at the Serb population, partition has taken root and the dispatch of increasing numbers of new military and police forces is considered 'indispensable'. The current increase in tension is being fuelled by statements by NATO officials and major new military exercises by NATO forces.

Will the Council say what measures it intends to take to safeguard a 'multi-ethnic' Kosovo as part of the Yugoslav Federation? What action will it take to defuse the crisis and tension in the region?

3-207

Seixas da Costa, Council. – (PT) Mr President, the European Union's objective, in accordance with Security Council Resolution 1244, continues to be the establishment of a democratic and multi-ethnic Kosovo within the internationally recognised borders of the Former Yugoslavia. The Council accepts the urgent need to find a solution to the continued outbreaks of ethnic violence, particularly against the Serbs, gypsies and other non-Albanian communities in Kosovo. The Council has been consistently supporting the efforts made by UNMIK and KFOR to prevent further expulsions and to allow the safe return of all those who abandoned their homes. In response to an urgent appeal from the UN Secretary-General's Special Representative, Doctor Bernard Kouchner, and from the High Representative, Mr Solana, the Member States have significantly increased their contributions to the UN's international police forces with both financial and technical support and human resources. Several Member States have also reinforced their own contingents in KFOR. In the past in this House, we have deeply regretted the failure to meet these commitments, which has clearly hindered the action of the international authorities in Kosovo. There are now new elements involved and some of these commitments are now being met. This is allowing this issue to be handled differently and more effectively, although we are clearly still a long way from achieving a minimally acceptable solution. The Council has urged all the political leaders in Kosovo to adopt urgent measures to combat the escalation of violence, to reject expressions of extremism and to support UNMIK and KFOR. It is very important that the Council manages to further develop the progress already made in the reconciliation between the ethnic groups and that Resolution 1244 can be put into practice.

We are committed to the process of democratisation and coexistence in Kosovo. Only responsibility-sharing by representatives of the minorities can lead to the construction of a multi-ethnic Kosovo. We should all ask ourselves whether everyone, particularly within Kosovo itself, is interested in the existence of a multi-ethnic Kosovo. In this context, the Council repeats its appeal to the Serbian leaders to participate in the joint interim administrative structures. The Council places great importance on the careful preparation by UNMIK and the OSCE of local elections to be held this year, including the provisions on voting by absentees and the participation of minorities. We believe it is important to start creating legitimate structures with local authority in Kosovo. This is the only way we can guarantee that the political forces

which are currently working in an unorganised manner, outside any institutions, will return to normal political life and end up working in Kosovo within a democratic society.

In terms of supporting this process of democratisation and coexistence, the European Union has been working together with other international partners to re-establish daily life for the whole of Kosovo's population, whatever their ethnic background. In addition to the important bilateral assistance given by the Member States, the European Community has allocated humanitarian aid for 1999 to 2000 to the amount of EUR 429 million for the Kosovar refugees, displaced persons within the country and those returning home. The aid for reconstruction and the special financial assistance, including the support for UNMIK, will total EUR 437 million between 1999 and 2000. This set of actions and the commitment shown by the EU in this respect have been recognised by the international community. Unfortunately, at times the practical efficiency of these actions is not sufficient to end an unstable situation beset by tensions which we hope will decrease in the future.

3-208

Alavanos (GUE/NGL). – (EL) Let me first comment that the President-in-Office of the Council is besieged by questions from Greek Members. I think that expresses the great insecurity felt by a Member State, but I would also say the inadequacy of Community policy to address serious issues. I want to thank him for his answer. I take note of that position, which I find particularly positive and which we do not often see, namely that the European Union's objective is a multi-ethnic and democratic Kosovo within the framework of the internationally recognised borders of the Yugoslav Federation. I think that is a positive thing and I have taken note of it. I would like to ask a supplementary question regarding in particular those minorities suffering persecution today in a situation of ethnic cleansing in Kosovo, whether they be Serbians, of Turkish origin or gypsies, who are, on the one hand, under such pressure from Albanian extremists and, on the other hand, living in a Serbia still subject to embargo. Are there any special support and aid programmes planned by the European Union specifically for these people who are living in such misery and desperation?

3-209

Seixas da Costa. – (PT) Mr Alavanos, I believe it was clear from what I said and in fact you recognised yourself that the general objective of the European Union and the international community is to respect the terms of Security Council Resolution 1244, particularly on the establishment of a democratic and multi-ethnic Kosovo. I am not ignoring the major difficulties present on the ground in applying these decisions. There is no point on this issue using euphemisms or diplomatic language. The mass return of the Albanians expelled from Kosovo and the tension which has arisen in the meantime, particularly involving Serbian, gypsy and other minorities, have ended up creating a new and different situation. However, we should not only look at the present. We must consider what happened in the past which was the cause of all this. Perhaps by looking at the causes of this situation, rather than fixing on the present, we will have a fairer and more objective view of the partial responsibility of the Belgrade Government, particularly with regard to what happened to it subsequently due to its actions in Kosovo. However, it is true that, for the Serbian minorities who have had to leave the country since the return of the Kosovo Albanians, the conditions have not yet been established to allow them to return. Those still living in Kosovo are having problems coexisting with the Albanian majority. However, the Member must recognise the clear efforts being made by the international community to protect these minorities and to achieve a safe situation allowing them to coexist with the Albanians. We cannot ignore the fact that this joint effort also needs the Serbian authorities to be involved in the consultative structures. This would be one way of making its own actions in Kosovo credible. Our only objective is to guarantee the continuation of multi-ethnic integration. We realise that there is a long way to go and probably the situation of the Serbs living outside Kosovo, and who cannot return because it is unsafe, is unfair. There is no point beating about the bush on this. This situation is unfair. However, we must realise that the international community is doing its best. Furthermore, we should always remember what happened before, in order to justify what is happening now.

3-210

President. – Mr Alavanos said that until now all the questions we have heard have been Greek. I would like to say that the Spanish and the Portuguese, as well as other Mediterranean people, are accustomed to speaking with the Greeks. I believe that Lisbon, the ancient Olisipo, was founded by Ulysses. The President-in-Office of the Council therefore comes from a country with a long tradition of Greek presence.

3-211

Purvis (PPE-DE). – Mr President, could I ask the President-in-Office of the Council – all of whose good intentions for a multi-ethnic Kosovo I accept – whether he would not admit that the international community's policy there in all its facets – the European Union, the United Nations, KFOR, NATO *et al* – is really an unmitigated and disastrous failure and getting worse by the day. What is being done to get the KLA and the Albanian bully-boys, who clearly have no interest in a multi-ethnic Kosovo, under control? There just seems to be an ineffectual permissiveness of the situation despite all these wonderful, pious good intentions.

3-212

Seixas da Costa. – (PT) Firstly, to comment on what the President said, I must say that I am very happy to be grilled by the Greek Members. I have some great friends in Greece where I have spent several holidays. As for the situation you describe, Mr Purvis, I do not believe that the policy is disastrous. This is the only possible policy, as you know, and it is a result of everything that has happened in the region in the last few years and even in the last few decades. We must realise

that the international community's position, which is not brilliant in terms of the practical application of these measures, is the only one which can resolve a conflict on which the international community was only called to act due to the total inability to find a solution within the Former Yugoslavia.

It was precisely the situation created in the Former Yugoslavia which caused this reaction. You refer to the KLA. Remember that the KLA only exists because the Albanian community in Kosovo was systematically persecuted and totally besieged. Clearly the need to organise themselves militarily to respond to this threat led to the KLA's action. The problem now facing us is to try and ensure that the structures created outside the democratic process, simply because this did not exist in the Former Yugoslavia, allow an approach of solely political action to be adopted in a democratic Kosovo. We are still a long way off from finding such an approach, but I believe that the international community's action is very positive in this respect.

3-213

Frahm (GUE/NGL). – (DA) Mr President, if a mark between 1 and 10 were now to be given for success in pursuing the two objectives of the action programme, namely that Kosovo should be multi-ethnic and that it should remain a part of Yugoslavia, I believe that the President-in-Office of the Council and I can probably agree that the mark concerned would be fairly low. We agree, however, that this is the result of a policy which has been pursued up until now, that is to say a result of what has happened. My question is this: is the Council giving any consideration to how this policy can be changed in the future, or is the intention to go on using the same tools, that is to say military action and initiatives against troublesome areas in the region? What is the basic idea behind setting up a 60 000-strong rapid reaction force when we all agree that a number of other initiatives are presumably required if there is a desire to solve conflicts in Europe and in neighbouring countries?

3-214

Seixas da Costa. – (PT) Firstly, I regret not having the opportunity to put questions to the Members. If I did I would ask them what other solution they propose. As a specific example of what military forces can do, I would refer you to the case of Bosnia-Herzegovina. Just think what the situation was like there for several years. Just think about the international community's failure to act faced with this problem and then just look at the situation today. This is clearly unstable but it is one of peace due to the presence of the military forces. It is clear that there are certain situations in which attempts to deflect ethnic tensions can only be successful by using mechanisms which involve the protection and separation of the waters. This is very probably what is needed in Kosovo, who knows for how long, but hopefully for the shortest time possible. We should also bear in mind that the international community and particularly the Member States have no specific interest in intervening in Kosovo and in mobilising human and physical resources for an action of this kind. In fact quite the contrary. The international community and the European Union in particular were aware that it was their duty and responsibility to react to a totally disgraceful situation in terms of international standards of behaviour. It was the genocide and siege behaviour of Mr Milosevic with regard to the Albanian community in Kosovo which led to our intervention. You say that the practical result of this action is not what was wanted. I would point out, however, that the practical result is that today, with a few exceptions and despite everything, this situation is under control in terms of security. We have made and are making efforts to achieve greater integration of the minority communities. A more effective result has not been possible. We will try to continue exerting pressure in this respect and we believe that renewing in some way the institutional organisation of civil society through independent elections may contribute significantly to this stability.

3-215

President. – Question No 6 by Ioannis Souladakis (H-0279/00):

Subject: Protection of European undertakings in Kosovo

Despite the fact that the Council is unaware of this (answer to Question E-2425/99), the above undertakings have indeed appealed to the EU to protect their interests, as this matter falls within the Council's remit. Given that UNMIK and its head, Bernard Kouchner, do not act of their own accord, but under international supervision in which the Council is also involved, the latter should scrutinise their actions more closely where they affect the interests of European undertakings, if it wishes to avoid raising doubts about its intentions though the answers it gives. Furthermore, the proper management of the fourth Pillar entails a number of additional obligations for the EU institutions. Since the Commission, which is unfortunately taking an unconscionable amount of time to reply, is well aware of the actions of the undertakings concerned, and in order to avoid any doubts about whether the Council is responsible for failing to act, will the latter say to what extent it is prepared to act in accordance with the obligations imposed on it by the Treaties and to support the interests of the undertakings in question?

3-216

Seixas da Costa, Council. – (PT) Security Council Resolution 1244 gave UNMIK, the interim administration in Kosovo, authority over the territory, including full legislative and executive powers, and control over the legal system. The aim was to establish a transitional administration whose mandate was described in the resolution itself. This mandate also includes the development of a phased economic recovery plan. This means that the individual cases mentioned in the Member's question should be dealt with directly by the UN Secretary-General's Special Representative for Kosovo, who is responsible for the territorial administration of Kosovo, or by the Foreign Minister of the Member State in which the undertakings are established. The Council assumes general political responsibility for the EU's participation in UNMIK which is focussed on reconstruction and economic rehabilitation. However, neither the European Union as such nor the Council has any competence or direct responsibility with regard to the administration of the territory and the protection of the individual interests of undertakings in the region. These elements are, on the one hand, the responsibility of the United

Nations, as the administrator of the territory, and on the other, of the governments of each Member State which may act to protect these undertakings.

3-217

Souladakis (PSE). – (*EL*) I have been waiting about six months for an answer on this. There is a whole raft of questions and answers and we are becoming schizophrenic over the substance and content of the answers. What is hiding behind all that? Either the services are not doing their job properly and are giving you wrong information, or there is something rotten in the Kingdom of Denmark and there are many who say that there is something peculiar about Mr Kouchner's administration. My question is this: if the services are not doing their job properly, what are you going to do when they leave you high and dry? If Mr Kouchner is not doing his job properly, what are you going to do about it? And the third question: how can it be that the citizens of the European Union are being called upon to pay for the Stability Pact even though European undertakings established there cannot be protected by the European Union? That does not happen anywhere, it is unreasonable. We should therefore see things as they are, because my impression is that Mr Kouchner is not playing his part properly there. That is where the problem lies and that is what we should all realise, as European citizens and people interested in developments in the Balkans.

3-218

Seixas da Costa. – (*PT*) The question raised has never been submitted to the Council of the European Union, particularly by the undertakings which are complaining. The Council presidency has no knowledge of this issue. Complaints are submitted to the Member States whose Foreign Ministries are responsible for dealing with this type of question. It should be borne in mind that the administration in Kosovo does not come under the EU's competence but under that of the UN. There is a specific body responsible for this administration. Each country is normally obliged to protect the actions of its undertakings within the international sphere. Each country has structures to protect its citizens and undertakings internationally and for this reason there are specific mechanisms which we all use every day in our international action. The European Union is not a country.

I do not know under what circumstances the European Union would have to have a global and specific action plan in this respect or why, as a Union, it would have to deal with this issue. That is unless we reach a point at which national governments prove to be incompetent in protecting their own undertakings.

3-219

Korhola (PPE-DE). – (*FI*) Mr President, an essential element in the reconstruction of post-war society is always that recovery of the local economy should be as rapid as possible, so that it becomes viable once more. Local businesses in Kosovo now, however, have one substantial problem: a dearth of qualified and linguistically competent labour, as all those who can speak English, or nearly all, were recruited for reconstruction projects in Kosovo, and local businesses cannot compete with the high salaries being paid. Many entrepreneurs are naturally very bitter about this consequent stagnation in activity. Mr President-in-Office, I do not know if you have come up against this problem, but I would nonetheless ask you what you think can be done about it at EU level.

3-220

Seixas da Costa. – (*PT*) Doctor Bernard Kouchner has at times referred to the difficulty he has in recruiting staff, not only for the country's administration but also for the normal structures of economic reconstruction. It is clear that the cost of recruiting staff is high. We consider that this type of question comes within the framework of Doctor Kouchner's work which, as I have said, is outside the control of the European Union, although we are cooperating on this issue. The Union as such does not therefore have a specific and direct response to this type of question. We are ready to listen to and consider the requests made to us by Doctor Kouchner and to give him any possible answer within the commitments assumed by the European Union with regard to the extremely high costs involved in the region.

3-221

Posselt (PPE-DE). – (*DE*) Mr President, my question is quite specific and is, I believe, of direct concern to the EU. Is the Council aware that the Serbian government is planning to sell mines and mineral resources in Kosovo to EU companies and to portray this as privatisation? Does the Council know that there are problems here associated with ethnic cleansing in one part of Kosovo, in that Serbs are being settled in one area, which is the area that is richest in raw materials, and there is a risk of the area being partitioned in order to safeguard these raw materials?

3-222

Seixas da Costa. – (*PT*) Mr Posselt, I have no knowledge of this issue. However, we will consider the information you have given us.

3-223

President. – Question No 7 by Jan Andersson (H-0274/00):

Subject: Joint efforts to coordinate IT development

The Portuguese Presidency has commendably highlighted the need for development of the IT sector in order to promote competitiveness and employment. Coordination at European level would be conducive to the further development of the IT sector.

What is the Council's view of the need for coordination at European level to develop the IT sector and, in that context, of the need to set up a European IT agency?

3-224

Seixas da Costa, Council. – (PT) Mr Andersson, to answer your question I should like to start by confirming that a coordinated approach at European level to the information technology and telecommunications sectors is essential for the future development of the European Union. We have already discussed in this House the Special Meeting, which was held in Lisbon on 23, and 24 March. At this it was clear that improving the Information Society policy is central to achieving the objectives which this meeting set and which involve the issues of employment, social cohesion and reinforcement of Europe's competitiveness at world level.

In particular the Special Meeting invited the Council and Commission to prepare an action plan on e-Europe, which will be presented, to the European Council in June. The idea of launching an agency devoted to information technology was presented at the Lisbon European Council in the document provided by the Swedish Government. This idea was not followed up but it responds to our concerns and will definitely be considered and developed in the future. It was discussed, however, particularly in terms of possibly being added to the existing Community mechanisms, which include the Information Society Project Office. This has been producing a range of initiatives during the Portuguese presidency.

On the issue of a possible European telecommunications regulation agency, I would remind you that a study carried out for the Commission in October 1999 concluded that there was no immediate need for such a body. At the same time the Council concluded that regulation should be applied at the closest possible level to that at which the activities to be regulated are carried out. This too involves the principle of subsidiarity.

3-225

Andersson (PSE). – (SV) I want to thank the Council for its answer. I was pleased to see that the issue of information technology and its link to growth and employment were so high on the agenda in Lisbon. What happens in the future is important. The political task is not, of course, to set up IT companies but to build an infrastructure which stimulates development in this area. We do, of course, have shortcomings within the EU. Moreover, there are major differences between the EU's Member States and also between different regions within the EU. Different population groups have varying opportunities and knowledge when it comes to exploiting this technology, and this may lead to great inequality in the future.

I would therefore ask the question: how are we successfully to devise a form of coordination which enables information technology also to be used out in the peripheral areas so that we create greater equality between different regions and between different population groups? Is there not a need for a joint authority to coordinate this work?

3-226

Seixas da Costa. – (PT) Mr Andersson, you have asked me two separate questions. The first concerns the substantive issue of democratising the Information Society itself, which was at the root of the concerns of the Lisbon European Council. This involves the need to spread throughout European society, precisely in the area where it is less competitive and in order to give added value to the usual elements of its economy, all these new dimensions of the society of innovation and knowledge. This effort is scheduled to use specific measures contained in the conclusions of the Lisbon European Council, particularly with regard to the Internet and methods of apprenticeship and vocational training. In our opinion, these may be able to form a future action plan, which will be assessed every year at special meetings of the European Council, which will always take place in the spring. This is the answer to your first question.

Your other question concerns the need to have an organisational structure and an institution to supervise this process and to pay specific attention to the similarity between these types of question within the European Union. You rightly make the point that on many occasions specifying these measures may create and worsen inequalities. This is a danger and risk to which we are alert. In the meantime, the governments have decided that the creation of a new structure and bureaucratic mechanism with high costs is not necessary. They in fact consider that the structures which currently exist for monitoring this process are sufficient for this purpose.

3-227

Rübig (PPE-DE). – (DE) Mr President, Mr President-in-Office of the Council, as an Austrian I am extremely proud of the fact that the Council Presidency has focussed on development in the IT sector. I would be interested to know how the President-in-Office of the Council views the sale by auction of UMTS licences. The proceeds from this sector could create a huge amount of impetus and, above all, boost the Portuguese programme accordingly, if, for example, we were to make the proceeds from the licences that are sold by auction available for research and development, education, training and further education, or for infrastructure. What do you think to the idea of developing incentivisation programmes for the Member States, so as to enable the proceeds to actually be ploughed back into this sector?

3-228

Seixas da Costa. – (PT) The conclusions of the Lisbon European Council specify national actions which are therefore the responsibility of the national governments. These are objective commitments which the governments assumed in signing these conclusions and which involve the reorientation of the mechanisms and structures and action plans and programmes which exist within the European Union. With the exception of the possibility of recourse to the European Investment Bank, there are no new elements in this respect for mobilising financial resources. This was one of the objective concerns raised during discussions of this issue in Lisbon. It was decided to try and achieve greater coherence between the current

instruments for the simple reason that we believe that, rather than creating new instruments, we should reorganise the current ones. Having said this, it is necessary, as we have done in the employment and macroeconomic policies, to try and achieve greater coherence between the national actions on the society of innovation and knowledge and to ensure that these actions are subject to a specific plan which each Member State undertakes to implement internally. This will occur in accordance with a set timetable of objectives and using benchmarking processes which allow us to see which are the best practices and to try, based on these, to encourage similar practices in the other Member States. This process has this national dimension of a commitment on objectives and it is therefore obvious that there are no financial resources for this other than those available in the budget of each country. In the other dimension, in which recourse to the European Investment Bank is possible, there is a set of actions within the competence of the EU itself, which not only complements previous actions but also ensures greater coherence between the EU's programmes and actions in this area. The Commission has been extremely active in this field and the e-Europe programme presented by the Commission and whose action plan will be approved at the Feira European Council in June provides new guidelines for this area and a new reorientation of Community policies on this issue.

3-229

President. – As the author is not present, Question No 8 lapses.

3-230

Question No 9 by María Izquierdo Rojo (H-0275/00):

Subject: Women in the new CFSP decision-making bodies

Has the Council provided for any measures for women to be adequately represented in the new CSFP decision-making bodies, or made any recommendations to this effect? How many women will there be in the crisis management bodies and the security and conflict-prevention political committee? Will the Council be taking due account of the specific contribution women can make to working for peace?

3-231

Seixas da Costa, Council. – (PT) The issue raised by the Member is of fundamental importance. It concerns the involvement of women in the common foreign and security policy and the new crisis management structures, such as the security and conflict-prevention political committee. The Member has asked whether the Council will be taking due account of women's particular skills in working for peace. It is quite clear that the contribution of women in working for peace and in other similar respects, particularly in mobilising civil society, is well-known and unquestionable. We all know, without bothering to be diplomatic about this, that the role and representation of women in the decision-making process, either within the CFSP or generally within other structures, is inadequate. We all know the efforts made by the international community in this area and we remember the conclusions of the Beijing Declaration of 1995 on this issue. Next June there will be a Special Session of the UN General Assembly to draw international attention to the need for women to be involved in actions implemented within the Beijing Declaration. In particular, specific measures will be taken to encourage this involvement.

It should be realised that pro-active policies do not work in some areas of the decision-making process. Greater involvement is needed in political actions, in the training process and in the administrative process in general. We believe it is impossible to implement just one specific action, for example introducing quotas in the common foreign and security policy structures. In our opinion, this is not appropriate and the Council has made no proposal in this respect. However, it is the responsibility of each national government to carry out the necessary reforms of its own system of representation in order to guarantee adequate participation by women. These issues are now being regulated at European level and recommendations are being made as a result of the Treaty of Amsterdam. We believe that, as all representation within the European Union is carried out by people from the Member States, it is the latter which are mainly responsible for mobilising as many women as possible who can rise within the decision-making process.

3-232

Izquierdo Rojo (PSE). – (ES) I would like to thank the President-in-Office of the Council, Mr Seixas da Costa, very much for his reply, which gives us hope since it demonstrates that the Council understands the problem, is responding politically and perhaps even sympathises with the idea. Nevertheless, I consider his reply to be basically too retrograde. The Helsinki and Cologne Summits specifically gave the Portuguese Presidency the job of strengthening this new protection policy. You have said that you are against quotas but in favour of references. I would like to ask the Portuguese Presidency: do you not think it would be highly appropriate to include a reference, in the form of a recommendation, in this respect? I believe that the role of the European Union should not be to remain behind the United Nations or to be content merely with a reference to what Beijing was about. The European Union must be progressive. Women must clearly be involved in political decisions – also decisions with regard to peace – and I ask the Portuguese Presidency to make some reference in this respect.

3-233

Seixas da Costa. – (PT) Mrs Izquierdo Rojo, thank you for the hope which you have placed in the Portuguese presidency. However, I am sure you are aware of the limits of what we can do, particularly in an area such as this. I have no hesitation in saying this because in my own departments 80% of the officials are women, even in managerial posts. It is therefore clear that hope must always be the last resort of political action and that equal opportunities and equal representation of the

sexes must be the practical and specific goal in our daily life and actions. To be totally frank and at the risk of being considered behind the times, I do believe that there are limits to what can be achieved by pro-active political action in this area. Bearing in mind these limits, it will be rather difficult, when we set out to assess the new common foreign and security policy structures in terms of defence, to say to the Military Committee or the Military Staff that half of their soldiers should be female. This is because it is up to the Member States whether or not they have female generals or brigadiers. Mrs Izquierdo Rojo, I cannot raise an issue like this just to appear politically correct. I must always be objectively honest.

3-234

President. – Question No 10 by Eija-Riitta Anneli Korhola (H-0276/00):

Subject: Participation of research partners from the developing countries in environmental research programmes funded by the EU

The key to the development of the developing countries is their ability to participate in development work themselves both as definers of problems and as seekers for solutions. On the other hand, at EU level this approach is being poorly applied in relation to science and technology projects affecting developing countries. The EU's framework programmes do not extend to the developing countries. This means that North African partners, for example, are not able to be involved in science and technology projects relating to the environment. In fact no-one is preventing them from carrying out the research, but there are no funding opportunities, and thus the developing countries have no access to consortia as partners entitled to apply for funding.

Why is this not the case, given that opportunities have been devised for even Russia, for example, to be involved? Has the matter been considered from the point of view of the extent to which, for example, desertification in North Africa or the problems of the Mediterranean affect the EU? Is the EU prepared to provide greater responsibility in the form of funding to local researchers, so that research activities can combine even after the funding bodies have left, and to ensure that projects can be carried out without the investment of local researchers?

3-235

Seixas da Costa, Council. – (PT) In 1998, the European Parliament and the Council adopted the Fifth Framework Programme for Research and Technological Development to run from then until 2002. One aspect of this Framework Programme is its four thematic programmes, which define priority areas for research, and its three horizontal programmes. One of the latter is entitled 'Confirming the international role of Community research' and is intended to promote scientific and technological cooperation at international level and to help implement Community foreign policy in this area. The general objectives of this international scientific cooperation are also set out in this Framework Programme and include support for the development of a Euro-Mediterranean partnership and a contribution to the economic, social and scientific development of developing countries.

In December 1998, the Council also adopted rules on participation by undertakings, research centres and universities and on disseminating research results in order to implement the Fifth Framework Programme. With regard to the participation of legal entities of third countries and international organisations, all the indirect research activities under the thematic programmes are open to research bodies in Mediterranean non-Community countries and developing countries, in principle without Community financing. The only exception to this involves situations in which Community financing is regarded as absolutely vital to achieve the aims of the activity.

Article 6 of the Framework Programme authorises the participation by entities of third countries in specific research and technological development activities under the horizontal programme on the international role of Community research. In January last year, the Council adopted the specific programmes for the Fifth Framework Programme which set out the objectives and activities for the various categories of third countries. With regard to Mediterranean non-Community countries, an indicative allocation of EUR 55 million was established for research and development activities such as integrated coastal management in the Mediterranean, including environmental aspects, water management, natural resource management, conservation and restoration of the cultural heritage, socio-economic modernisation and so on.

With regard to developing countries, an indicative allocation of EUR 210 million was made available for specific activities such as those involving the adoption of innovations, the promotion of a sustainable relationship between population pressure, food safety and the use and management of ecosystems, the improvement of productivity and the prevention of damage to natural resources.

In addition, a grant system was created under a specific programme which allows graduates and doctoral students from developing countries and Mediterranean non-Community countries to work on European projects. Funds were also allocated for coordination with Community technical assistance programmes, including the MEDA and EDF programmes, and also for Latin America and Asia.

The application of these three decisions is clearly the Commission's responsibility, supported by the committees for the relevant programmes. So far calls for specific proposals aimed at developing and Mediterranean countries have been made with a total budget of EUR 85.5 million.

3-236

Korhola (PPE-DE). – (FI) Mr President-in-Office, I thank you for this reply. I would, however, like a brief answer that is clearer and more precise. Do we then have a situation where the developing countries may now apply for funds? They

were not able to before. How is the situation different from, for example, that regarding the INTAS and Interreg programmes in Eastern Europe?

3-237

Seixas da Costa. – (PT) With regard to matters falling within the Commission's specific competence, the only promise I can make, in answer to the Member's supplementary question and her concerns, is that I will try to obtain a more concise answer which will probably have to be given in writing.

3-238

President. – As the author is not present, Question No 11 lapses.

3-239

Question No 12 by Esko Olavi Seppänen (H-0277/00):

Subject: Common defence policy at the IGC

There is a 'shortlist' of proposals for the IGC, according to which the Conference will confine itself largely to 'institutional' issues. It is generally supposed that Portugal plans to expand the list at the June meeting. Is this true, and will Portugal then bring the common defence policy onto the agenda for the IGC?

3-240

Seixas da Costa, Council. – (PT) Mr President, ladies and gentlemen, the Helsinki European Council authorised the Portuguese presidency to establish the EU's interim security and defence structures as from 1 March of this year.

These structures were established on this date. Their activities are currently being developed so that they can assume a more specific and practical form and in particular so that the definitive model which we believe could start to operate next year can be agreed. In parallel with the work on these practical aspects, a discussion is ongoing within the European Union on determining the mechanisms for participation both by EU Member States which are not members of NATO and by NATO countries which are not EU Member States. This discussion is occurring within the overall context of action on the Petersberg tasks specified in the Treaty of Amsterdam. The question which has arisen and which has also been raised by the Member – for which I thank you as it is my responsibility to chair the preparatory group of the Intergovernmental Conference – concerns the extent to which this issue may or may not fall within the scope of the IGC. It will only be placed on the IGC's agenda if and when it is confirmed that amendments need to be made to the Treaty on European Union in order to bring these structures into practical operation. It is still not clear at this stage of our debate within the European Union whether or not amendments to the Treaty will be necessary. As soon as this becomes clear, we will announce this. The Portuguese Presidency will present a report to the Feira European Council in June giving an assessment of the state of progress and an opinion on whether or not these issues should be included within the IGC. If these are to be included, this would only be confirmed during the French Presidency.

3-241

Seppänen (GUE/NGL). (FI) Mr President, Mr President-in-Office, European defence policy is at present being drafted, and different countries are involved in the task. There are Member States in NATO and there are countries which are not in NATO. Mr President-in-Office, do you believe that the European Union can frame a defence policy that would be independent of NATO, or will all the new arrangements be in harmony with NATO's basic structures?

3-242

Seixas da Costa. – (PT) Mr Seppänen, your question indicates that you are clearly confused, unless there has been an interpreting error. We are not talking about defence policy but about crisis management for which powers are now included within the Treaties. The issue in question is not therefore a European defence policy or the creation of a European army. The issue is crisis management and humanitarian actions which are commonly referred to in Community parlance as the 'Petersberg tasks'. All the EU countries, including yours, can make a valuable contribution to this area. We are trying at the moment not to create a European defence policy but rather a common culture of security allowing us to participate in crisis management. In this respect, I can see no major problems. We hope to ensure that all the various cultures which exist within the Union are compatible.

3-243

Sjöstedt (GUE/NGL). – (SV) I would thank the Council. I am nonetheless a little surprised at the answer. I was under the impression that it was not possible to act if it was a national legal system which had pronounced judgement, because that would amount to interfering in national affairs. In that way, Article 6 of the Treaty of Amsterdam would really, of course, be revoked, that is to say if action were to be taken on the basis of national legal systems. It can hardly be intended that a Member State should be able to do whatever it likes as long as it does so via its own legal system.

I would also ask if the Council intends to look more closely into this issue and perhaps examine it in more specific terms.

3-244

Seixas da Costa. – (PT) The crisis management and humanitarian actions specified in the Petersberg tasks to which the Helsinki European Council referred are actions which may be carried out by the European Union. However, our intention is to guarantee that these actions are totally compatible with what currently exists in the relations between certain EU

Member States and the NATO countries. The reason for this is that the mechanisms and means which exist for managing these crises are not extensive. In fact, most of the time, these means belong to NATO. As it is the means for military and security action which currently exist within the EU and NATO which will be mobilised, it is therefore essential to guarantee effective cooperation with all the NATO countries, including non-Community countries and particularly the candidate countries such as Turkey, Norway and Iceland. It is clear that at a much wider level and bearing in mind the dimension of the operations, these actions will also require the involvement of the United States of America and Canada. We therefore need broad cooperation which aims to guarantee the sharing of responsibility among all those countries which currently have a similar security and defence culture and objective.

3-245

President. – Question No 13 by Mihail Papayannakis, which has been taken over by Mr Sjöstedt (H-0283/00):

Subject: Violation of the right to freedom of expression

The Court of First Instance of Thessaloniki, presided over by a single magistrate, recently banned from circulation a book by the author Mimis Androulakis, describing it as irreverent. Article 6 of the Treaty of Amsterdam states that the European Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms. Furthermore, Greece is a contracting party to the European Convention on Human Rights, which guarantees the right to freedom of expression and religious freedom. In view of these considerations and given that the cornerstone of a people's Europe is the fundamental commitment to freedom, pluralism and human rights, what view does the Council take of such a measure and will it intercede with the competent Greek authorities to put an end to the persecution of the author and the ban on his book?

3-246

Seixas da Costa, Council. – (PT) Mr Papayannakis is asking the Council how it interprets this judgement of the Court of First Instance of Thessaloniki banning from circulation a book by the author Mimis Androulakis which it describes as irreverent. He is also asking whether the Council intends to intercede with the Greek authorities. I should like to explain that, under Article 6(1) of the Treaty on European Union, as amended by the Treaty of Amsterdam, the Union respects a set of basic principles by reference to the European Convention for the Protection of Human Rights and Fundamental Freedoms. The underlying aim of this article is to establish a kind of political supervision over the actions of Member States and to ensure that democratic principles and values are respected. It is intended to guarantee the sharing of common values. However, Article 6 cannot be invoked for the purpose of any type of interference in the administration of the internal affairs of Member States, particularly at judicial level. The Union has no competence to intercede in the exercise of legal power by the Member States. Therefore, the Council cannot interfere in the decision-making of the authorities. The judgement delivered by the Court of First Instance of Thessaloniki, which is a judgement of a legal body of a Member State on a specific case, may be subject within the Greek legal system to an appeal to the higher national courts. Having exhausted this recourse to the Greek courts, there would always be recourse to the Court of Human Rights.

3-247

Sjöstedt (GUE/NGL). – (SV) My follow-up question is about how the decision at the Helsinki Summit about military, peacekeeping and peace enforcement operations is to be interpreted. The decision provides an opportunity for the Applicant States too to participate in the military structures to be established by the EU. Does this also apply to Turkey which has, of course, applied for membership? Does this mean that a door has been opened for military cooperation between Turkey's and the European Union's forces in, for example, peace enforcement operations?

3-248

Seixas da Costa. – (PT) Mr Sjöstedt, the Member States undertake to act within the framework determined by the Treaty. This is why they signed the Treaty. If a serious and persistent violation of citizens' rights were to be identified, according to the terms of these articles, then there would clearly be ways of interceding with the Member States. The Union itself has ways of doing this but only in specific cases. A case like this, in a democratic country like Greece, meets all the conditions to be judged and handled within the Greek legal system until the capacities for recourse within this system are exhausted. If we were to intervene in a case like this, we would clearly be transposing to the Community dimension an issue for which there is a whole range of recourse in a country which fully respects human and citizens' rights.

3-249

President. – Thank you very much, Mr Seixas da Costa.

Since the time allotted to Questions to the Council has elapsed, Questions Nos 14 to 31 will be replied to in writing.¹

That concludes Questions to the Council.

(The sitting was suspended at 7.00 p.m. and resumed at 9.00 p.m.)

3-250

Annex – formal sitting

3-251

IN THE CHAIR: MRS FONTAINE

¹ See Annex "Question Time".

President

(The formal sitting opened at 12 noon)

3-252

Address by Mr Klestil, President of the Republic of Austria

3-253

President. – Mr President, you expressed the wish to speak today at our Parliament’s formal sitting. It has always been the case that any EU Member State Heads of State who express that wish are received among us with the consideration due to their person, the high office they hold and the nation over which they preside.

(Loud applause)

It is in that spirit that I now welcome you on behalf of the European Parliament.

At the beginning of this year 2000, the constitution of the present Austrian Government has, as you know, given rise to some strong feelings in all the EU Member States, among their governments as well as their people.

(Loud applause)

In the case of this Parliament, one question broadly transcends any political or national divergences between its Members, and that is their attachment to the values on which the European Union is founded and their determined resistance to the rise in racist and xenophobic ideologies.

(Loud applause)

Mr President, we know that you were not in favour of this coalition, in which an extreme right-wing party has an equal share, and that you spared no efforts to find an alternative solution...

(Uproar on the far right)

...and that, before agreeing to what you believed you could not prevent, you demanded and obtained from the political leaders concerned a strong commitment to the values on which the European Union are founded.

(Applause, and protests from the far right)

It is in that context and in a spirit of profound friendship and respect for the Austrian people that we will listen carefully to the message you wished to pass on to the European Parliament. We have no doubt, Mr President, that it will take account of the very serious concerns our Parliament expressed by an overwhelming majority, on 3 February last. Without further ado, I therefore give you the floor.

(Applause)

(As President Klestil prepared to take the floor, many left-wing Members left the Chamber. Interjection from Mrs Muscardini: “So that is democracy, not to give a hearing to speakers...”)

3-254

Klestil, President of the Republic of Austria. – *(DE)* Before I take the floor, I have this to say to the lady who just spoke: according to my understanding of the principles of parliamentary democracy, one is supposed to listen quietly when someone else speaks, even if the person in question holds a different view!

(Loud applause)

Madam President, ladies and gentlemen, Representatives of the Council and the Commission and all those present, first of all I would like to thank you, Madam President, and the Members of the European Parliament, for giving me this opportunity to come and address you here today.

I have come to Strasbourg to affirm Austria’s firm commitment to the European Union. Recent opinion polls have confirmed that some 80% of Austrians continue to support Austria’s membership of the European Union.

(Applause)

That is a very important and a very positive signal as far as I am concerned. I have come to Strasbourg, with the backing of my fellow countrymen, to deliver an unequivocal declaration of belief in the European Union as a Community of values. I

believe that since its accession, Austria has shown itself time and again to be a conscientious European and willing to engage in constructive cooperation in the Union.

A few days ago the European monitoring centre for racism and xenophobia was opened in Vienna. I took part in the opening at the invitation of the board, and I said in my speech that I fully understood why people should fear a resurgence of racism, intolerance, xenophobia and anti-Semitism – not just in Austria but also in other countries and regions of Europe. I emphasised how important it still is today to nip things in the bud whenever human dignity and human rights are at stake.

We must not hesitate to clamp down on any form of radicalisation and polarisation. And we must take decisive action against those who endeavour, by means of opportunist and populist policies, to stir up people's fears and worries in order to make political mileage out of it.

(Applause)

It is young people, in particular, that we must warn against policies of this kind, and against the risks these policies present to their own future. Present-day Austria, which was resurrected from the ruins of the second world war in 1945, was the product of a generation that learnt the lessons of the terrible experiences of the first half of the twentieth century – from the pessimism and resignation, the propensity to violence and susceptibility to delusions. From the very outset, the Second Republic was marked by the firm commitment of the Austrian people to their State, and it was underpinned by their determination never again to allow themselves to fall prey to nationalism, extremism and xenophobia.

There are at present around 800 000 foreign nationals living in our country, which is approximately ten per cent of the total population. Over the past few decades, Austria has admitted and integrated a total of one million people. Therefore, in relation to the size of our country, we have offered more refugees sanctuary than any other Member State of the European Union.

(Applause)

Think of the waves of refugees that came from the East in 1945, from Hungary in 1956, from Czechoslovakia in 1968 and those that have come from former Yugoslavia over the past decade. Then there are the large numbers of people from other countries. In addition, Austria has helped Jewish emigrants from the former Soviet Union to travel to Israel and other countries or to stay with us.

There have certainly been many shortcomings as far as our more recent history is concerned, and we are more conscious of them these days. For example, I would not wish to conceal how sad I am that Austria failed to invite the Jewish fellow citizens it expelled in 1938, to return, or did so only when it was far too late. It is these very people – and this never ceases to move me – who have often continued to nurture a deep love for what used to be their native land, despite their terrible fate. There is still a great deal of work to be done on the reappraisal of our past. We will not be back on firm ground again until the historical facts have been laid bare, the victims have been compensated, and full cognisance has been taken of our historical responsibility.

However, as Federal President, I am also absolutely determined to counter any unwarranted criticism directed at Austria and its people, and to repudiate it emphatically. There has been a great deal said and written over the past few weeks presenting a distorted picture of Austria and not the facts of the matter, be this for reasons of ignorance or superficiality.

I therefore appeal to the political leaders and also to the media in the European Union – in the very spirit of European values, which are justifiably regarded as the bedrock of the European unification process – to not lose sight of the need to be objective and fair.

I believe that it is in the interests of all Member States to commit themselves to obtaining a clear picture of the true situation in Austria, curtailing criticism, endeavouring to make common cause, and helping to speedily resolve, by means of dialogue, what is a difficult situation for all concerned.

(Applause)

I am also convinced that it is in the interests of the European Parliament to see to it that work within the European institutions proceeds in the proper manner and in accordance with the law, thereby securing Austria's full and unconditional cooperation...

(Applause)

... particularly in view of the major issues facing us, such as EU enlargement, reform of the institutions and the European security policy.

Ladies and gentlemen, Austria is a stable democracy and a functioning state under the rule of law. The Austrian constitution stipulates that the Federal Government must have the confidence of the Federal President. This bestows a special responsibility on me, also with regard to the policies pursued by the government. Therefore, working together with the leaders of the two governing parties, I have drafted a declaration which compels the government to uphold European fundamental values and principles of law.

As Federal President, another of my tasks is to represent the Republic abroad. I have declared before this House on two previous occasions, in 1992 and 1998, that in view of its history and its position at the heart of Europe, Austria feels it has a special mission to make a committed contribution to the completion of the European unification and peace process.

There is no doubt but that Austria has a special interest in the enlargement of the European Union. In view of the fact that we have coexisted down through the centuries with the people of Central and South-eastern Europe, we have gained a wealth of experience that could be of particular benefit to the enlargement process, which would be in the interests of Europe as a whole. We do not want to be one of the EU's border states forever, living along a frontier of affluence that runs through Europe. Only enlargement will afford us the unique opportunity of creating an area of peace, stability and prosperity at the heart of Europe.

In a few days time, the next annual meeting of the Presidents of Central European countries will take place in Hungary. Four Presidents attended the first meeting of this kind in Strasbourg in 1993, at my invitation, and there are now 12 participating countries.

We must also consider the position of the small and medium-sized States within the European Union. This is one of those key, intrinsic elements that have characterised European integration from the outset. The time when Europe's history was dictated by the dominance of large powers is now past.

It is Central Europe that now has the unique opportunity to be at the heart of the new, enlarged Europe, and a lively Community, founded on a common history and shared experiences, and which can make a special contribution to the completion of European unification.

If the enlarged Europe of the future is to endure, then it must gain a full awareness of its common intellectual and cultural foundations. All the people of Europe must play their part in this. Thus, for example, that which we deem to be Austrian in our own culture is ultimately the product of a heritage drawn from European sources, from an awareness of the significance of the Central European area, from the historical and human links we have with the people of this region, from our practical experience of federalism and subsidiarity, and from the insight our common history has given us, namely that supranationality in no way implies the loss of one's own identity.

If the enlargement process is to succeed, then the right conditions must be put in place within the Union for this to occur. The second phase of the internal reform process began with the opening of the Intergovernmental Conference almost two months ago. Austria welcomes with open arms the European Parliament's involvement in the labours of the Intergovernmental Conference. Indeed, when reforms were undertaken within the European Union in the past, it was often Parliament that made the most courageous and visionary proposals, thereby underlining in a credible manner its claim to be the parliamentary driving force of European integration.

Security policy is also one of the major challenges facing the European Union. Bearing in mind the terrible conflicts that have plagued our continent over the past few years, largely in the south-east, it is also essential for the countries of Europe to unite over the issue of a common defence.

Military crisis management is precisely the area in which Europe must be seen to have a particularly high degree of credibility, determination and strength. I am pleased that the debate on this important issue began under the Austrian EU Presidency. More milestones were reached at the EU Cologne and Helsinki summits. Before the European Council takes place in Nice, we must create the conditions that will enable the Union to realise its ambitious goal of creating a European capacity for crisis management.

Austria declares its solidarity with those who wish to see the European Union become a security and defence community. We know that the security of a union is indivisible and we know that the key to the future security of our own country is to work with each other and for each other.

Another matter of special concern to me is the framing of a European Union Charter of Fundamental Rights, relating as it does to quite crucial issues pertaining to the protection and furtherance of fundamental and human rights, and to making

them more coherent and effective. This is further illustration of the fact that in many respects, Austria's stance accords with that of the European Parliament.

What we need to do today, therefore, is to further deepen the European Union in important areas and to tailor it to the requirements of the twenty first century. What continues to be of overriding importance is that this is the first time our continent has been peacefully and democratically united. That is what makes this process so unique, but also so vulnerable. We must make quite clear to those who are already taking the idea of a united Europe for granted, that it is of fundamental importance to the peace and stability of the whole of Europe to press on with the European integration process. Democracy is always a painstaking business. It is especially important in this great union of European countries for democracy to have the active participation of the Europeans, to whose scrutiny we must lay ourselves open on a daily basis.

Madam President, ladies and gentlemen, the situation Austria currently finds itself in is an unpleasant and grave one for my country and, above all, for its people. However, it is also unpleasant and grave for the other 14 Member States of the European Union.

There have been no indications of any kind that Austria is deviating from the path of parliamentary democracy and European values it has trodden hitherto. I therefore appeal to you to join me, and my country, in seeking and finding a solution to this situation, in the interests of the people of my country, but also in the interests of the European Union.

On a final note, allow me to thank you once again for inviting me to speak here in the European Parliament. I can assure you that Austria will continue to work towards the completion of the European project of peace and unification, using all the strength and conviction it can muster.

We Austrians are committed Europeans, and we intend to stay that way!

(Loud, sustained applause)

3-255

President. – Mr President, we have now heard you. Thank you for your statement and for the personal convictions you expressed. We have been aware of them for many years; they are strong and we did not doubt them.

In a few hours' time, the group chairmen and I myself will be meeting you again, this time for an informal exchange of views *in camera*. So I will not comment at any length on what you have just said to us.

To conclude this formal sitting, let me simply point out that our vigilance is not directed against the Austrian people as a whole, whom we respect and love and who, as we know and as you reminded us, remain strongly attached to the European Union. Our vigilance is not partisan. We are not trying to impugn anyone's motives, nor are we unaware of the particular political situation your country found itself in at the last elections. Nor are we interfering, for the European Union is not only a market, it is a community of values, and I am grateful to you, Mr President, for pointing that out again. What happens in one country cannot be a matter of indifference to the others.

(Applause)

We are concerned and vigilant because of one fact and one memory. The fact is that a party of a xenophobic persuasion forms part of the Austrian Government, and you said with some force, Mr President, that you understood the anxiety about a possible new upsurge of racism, of intolerance, of xenophobia and of anti-Semitism.

The memory is of a time in history that tore Europe apart because peoples, and above all their leaders, did not have the strength to react while there was still time.

(Applause)

It is because of that duty to remember that we cannot accept the way that the extreme right is gaining ground.

(Applause)

Nothing would be more dangerous to a human society than for its collective conscience to weaken, for it to become accustomed to the unacceptable and for it to relativise the intolerable.

(Applause)

Thank you, Mr President, for your replies a short while ago to our questions, which give us hope that Austria can once again become a full partner in our Union, which it has never ceased to be in legal terms...

(Uproar on the far right)

... but what we hope, Mr President, is that it will also become so in our minds and, to tell the truth, in our hearts.

(Loud applause. Uproar on the far right)

(The formal sitting was closed at 12.30 p.m.)

3-257

IN THE CHAIR: MR VIDAL-QUADRAS ROCA
Vice-President

3-258

Financial services and complementary pensions

3-259

President. – The next item is the joint debate on the following reports:

- A5-0059/2000 by Mr García-Margallo y Marfil, on behalf of the Committee on Economic and Monetary Affairs, on the Commission communication on implementing the framework for financial markets: Action Plan [COM(1999) 232 – C5-0114/1999 – 1999/2117(COS)];

- A5-0053/2000 by Mr Kuckelkorn, on behalf of the Committee on Economic and Monetary Affairs, on the Commission communication “Towards a single market for supplementary pensions – Results of the consultations on the Green Paper on supplementary pensions in the single market” [COM(1999) 134 – C5-0135/1999 – 1999/2131(COS)].

Before we begin I would like to advise you that, since this is a night sitting and we have a lot of work to get through, I am going to be very strict in applying time limits. I therefore also ask Members to show an appropriate degree of self-discipline so that we can finish at a reasonable time.

3-260

García-Margallo y Marfil (PPE-DE), rapporteur. – (ES) Mr President, ladies and gentlemen, Commissioner, if I had to point here and now to two complex issues in the economic field, I would no doubt choose the following: the consolidation of the financial markets and the approximation of the direct taxation regulations – specifically tax on savings – which is under discussion.

The debate which we held recently on the bodies for collective investment in transferable securities and the reactions to the report on pension funds, which we will hear shortly, demonstrate the complexity and importance of these issues. These two issues, the liberalisation of the financial services market and taxation, are dealt with in the action plan which is the subject of my report.

It is therefore appropriate to thank all the groups for their cooperation and confirm once again to the Commission that it can rely on the active cooperation of the European Parliament in the implementation of this plan, and we will not disregard our duties, but exercise them responsibly.

The complexity of the action plan also reflects the ambitious nature of the report presented by the Commission, which contains 43 measures and involves all the sectors in the field (stock exchanges, banks, investment funds, insurance, etc.) and which applies to what has come to be called the ‘new economy’, which is – according to the Lisbon Summit – one of the elements which will help to put an end to unemployment in Europe.

What is included in these measures? What is intended through these measures? In my judgement, to sum up, it is the following: the liberalisation of the financial sectors and the updating of the regulations on supervision and control in order to achieve a European financial market which is at least as competitive as the United States financial market. In the explanatory statement, I offer a detailed comparison of the two types of market.

In order to achieve these two objectives, the Commission proposes a truly arguable and risky formula: the speeding up of the legal process, which, in turn, would involve three actions.

Firstly, a reduction in the standards which need to be included in a regulation or directive, that is to say, which require the participation of this Parliament.

Secondly, limiting those standards to the definition of the general approaches and basic principles which must be established in this field, allowing the Commission the possibility of implementing them.

Thirdly, granting the Commission broad powers of interpretation.

I do not doubt that we have to speed up the process, Commissioner, but this Parliament is not prepared to relinquish the powers which it has taken so long to acquire. Therefore, one of the first tasks which we will have to undertake together is to find a model which will satisfy both objectives.

With regard to liberalisation, the first of the tasks which the Commission proposes, the Commission starts from one premise: the consolidation of the single market in financial services requires the removal of the barriers which hinder its operation. We could not agree more. The consequence is that, in order for the market to function, these barriers must be removed. Again we agree, but we know that there are difficulties in this approach resulting from the need to reconcile the objective of liberalisation with the objective of protecting investors.

Firstly, the barriers are not identified. Commissioner, it is not sufficient to be able to deduce what they are from the measures proposed by the Commission. Personally, I would have liked to have seen a list of those national measures which, in accordance with the Directive on financial services, are hindering the operation of the market in each country.

Secondly, the solution proposed by the Commission still raises difficulties. It is ridiculous that a financial company has to operate while being subject to, and having to have knowledge of, fifteen different legislations, but it is at least as ridiculous that an investor – especially a non-professional investor – should end up needing to contract services, bound by regulations which he or she does not know, from companies whose solvency is unknown, and, in the event of legal dispute, he or she has to take action in a foreign country, with foreign jurisdiction and procedures.

Liberalisation must therefore be implemented in parallel with the increase in measures relating to control and taxation.

With regard to control measures, we have a new problem: the need to adapt the competence and jurisdictions of authorities which are still national and which, on the whole, apply differing models, to a different world affected by globalisation, international competition and free movement of capital.

Finally, Mr President, my personal conviction is that, if we do not want liberalisation to give rise to distortions in competition and the flight of capital to more beneficial climates inside and outside the Union, the correct operation of the market in financial services will not be possible without a certain degree of approximation of the laws which regulate savings. These are the concerns which are raised in my report. These concerns reflect a constructive attitude towards cooperation with the Commission, which I have always considered to be a loyal ally of this Parliament, in the development of an issue which is so very complex.

3-261

Kuckelkorn (PSE), rapporteur. – (DE) Mr President, ladies and gentlemen, supplementary pension schemes in the internal market are taking up more and more of the political institutions' time, both at national and European level. The long run-up to this debate on a communication from the Commission is proof enough of how high feelings are running on this issue.

The issue of 'supplementary pensions' is a complex one and has implications for social policy, company policy, taxation policy and the capital markets. Since the publication of the Green Paper, the Commission has been concentrating on the capital market aspect and working towards the short-term aim of harmonising the prudential rules governing pension providers under the heading of "supplementary pensions in the internal market". As such, it has already defined, in an ill-considered manner, what pensions are, thereby establishing a definition that points the way for further legislative initiatives in the taxation or social sphere, and, what is more, has initiated European legislation that will influence national legislation.

It is precisely this short-sightedness, this search for a quick fix solution, with no thought for setting long-term objectives, that the Commission is guilty of, for the goal, and what constitutes European added value from the point of view of the European citizen, companies, employees, and pensions recipients and providers, is for pension providers to have cross-border membership, which will ensure that pensions are properly integrated into the internal market. It is this European added value that we have our sights on when we urge the Commission to draw a distinction between pure capital formation and pensions in its future legislative proposals, in other words, to distinguish between providers that cover biometric risks and those that only place capital.

In common with the legislators in many Member States, our position is that one can only talk in terms of pensions if life risks such as invalidity, longevity and surviving dependants are covered. What exactly does that mean? By "covering longevity" I mean that the pensions provider is obliged to pay me a fixed pension until I die. Therefore, they can neither fob the individual entitled to receive the pension off with a fixed amount, nor reduce their pension because the person concerned is getting too old by their reckoning.

Provisions for surviving dependants cover those of the surviving dependants – i.e. family members – that are entitled to receive the pension of the deceased, and are dependent on this. In its turn, invalidity cover provides for a pension in the

event of complete or partial inability to practise one's profession. If we are serious about reinforcing the statutory pensions schemes with supplementary pensions in the internal market then pensions must provide cover for these risks.

If we fail to take biometric risks into account, then what we will have is not provisions but 'previsions' for old-age. But this is not just about the quality of pensions in Europe. In calling for different legal bases to be established for products and product providers that are defined in different ways, the main aim is to achieve legal certainty in Europe and to afford better opportunities for future integration into the internal market.

Equal treatment of products that do not cover biometric risks and those that do is completely at variance with our intention to introduce supplementary pensions for the European internal market. Clearly then, the Commission's main concern is to boost the European capital market. I would take issue with this on several counts: the implementation of taxation during the pension payout period in all Member States would not just make supplementary pensions more favourable, it is a fundamental prerequisite to resource-saving, cross-border membership. In other words, companies, be they large or small, will no longer have to put fifteen different systems in place for their employees; one pensions provider will suffice. Yet taxation during the pension payout period will entail loss of income for Member States. It will only be possible to reach a consensus on taxation policy amongst the Member States if the EU provides a clearly defined legal framework – using whatever directive is appropriate – and keeps the loss of income to the Member States within bounds. Hence our demand for two directive packages: one governing pensions with obligatory coverage of biometric risks, and one for old-age provisions. Using both of these, we can attempt to achieve full European integration.

When it comes to pensions, we have a good chance of finding the solution we need in the very near future. Therefore we should not allow banks and the investment industry to talk us into short-term or short-sighted decisions.

I have this request to make of you, ladies and gentlemen. Let us, as participants in codecision on future directives, use tomorrow's vote to send the right signal to the Commission, with a view to bringing stability to old-age provisions in Europe and providing future supplementary pensions in the internal market that are in every sense worthy of the name.

(Applause)

3-262

Medina Ortega (PSE), *draftsman of the opinion of the Committee on Legal Affairs and the Internal Market*. – (ES) Mr President, I am referring, as you have said, on behalf of the Committee on Legal Affairs and the Internal Market, to the Commission communication on the action plan for the implementation of the framework for the financial markets.

As the main rapporteur, Mr García-Margallo y Marfil, has pointed out, in this regard there are two questions which are, firstly, taxation – without fiscal harmonisation it would be very difficult to establish Community financial markets – and secondly, a legal framework.

With regard to the legal framework, I believe that there is a paradox in this sector. The more liberalised an economy is, the more necessary it becomes to rigidly regulate the financial markets. The American economy, which is probably one of the most liberalised economies in existence, is the economy which lays down the most detailed regulations for the financial markets. The Commission, in its proposal, on page 18 of the Spanish version, after recognising the competence of Parliament by means of codecision, in accordance with Article 251 of the Treaty, tells us that we should move towards very flexible procedures by means of comitology. Comitology in these cases usually means taking away with one hand what is given with the other.

In this respect, I am in total agreement with the conclusions of the rapporteur. I believe that we need some very specific legislation and I am sure that the Commission can count on the support of Parliament in the drawing up of this legislation. As the rapporteur said a moment ago, we cannot expect confidence on the part of investors, consumers and, ultimately, the financial markets, if they do not have a specific legal framework in which to operate. The only way to do this is to replace the current rigid regulations with a set of specific Community regulations which will produce certainty in this very delicate sector of the economy.

3-263

Plooij-Van Gorsel (ELDR), *draftsperson of the opinion of the Committee on Industry, External Trade, Research and Energy*. – (NL) Mr President, ladies and gentlemen, Commissioner, the Committee on Industry, External Trade, Research and Energy deplores the fact that the action plan for the financial markets does not take into account the problems which industry, small and medium-sized businesses in particular, is facing with regard to financing cross-border activities. Many businesses, ranging from small businesses in border areas to large multinationals, would like to treat their accounts as one national account. For example, they would like to use funds in their euro account in country A to settle an account in debit in country B. In this way, they would pay less interest. Existing legislation, however, prohibits or hinders this type of cash management technique. The world of banking has already driven this problem home to you on numerous occasions. On behalf of the Committee on Industry, External Trade, Research and Energy, I would now like to ask the Commissioner whether it would be possible to set up a forum group which carries out market research into the legal and fiscal obstacles

for businesses, SMBs, in particular, when they finance their cross-border transactions within the euro zone, in order to solve this problem. I would appreciate a reply to this.

3-264

Ferri (PPE-DE), *draftsman of the opinion of the Committee on Legal Affairs and the Internal Market*. – (IT) Mr President, in view of the Resolution of 3 December 1998, to which the Kuckelkorn report does not appear to contain a reference, once again, Parliament is obliged to request that the Commission produce a directive or, as Mr Medina Ortega appropriately suggested, a Community law coordinating the different national laws as soon as possible. The Commission appears to be somewhat apathetic in this regard, and seems rather to be concentrating on producing a directive on prudential rules for pension funds, which is easier to achieve but less effective in terms of decision-making in relation to the elimination of barriers to occupational mobility and the coordination of taxation systems.

The legal bases are very important, and, clearly, different: in view of the various judgements delivered by the Court of Justice, pension funds would be governed by Article 47 and Article 55, the removal of barriers to labour mobility would be governed by Article 42 and the coordination of national tax systems by Article 94. However, I would stress the need and the appropriateness of developing a single package, because this is the only way to achieve an overall framework which tones down the extreme positions contained in certain proposals for amendments. I refer, in particular, to biometric risks, which are a very important factor but which should be dealt with on the basis of paragraphs 7 and 8 of the opinion of the Committee on Legal Affairs and the Internal Market. Indeed, obligatory cover for biometric risks would be likely to make the system very inflexible. I therefore feel that funds which cover biometric risks should receive privileged treatment, and that any inflexibility of the system could, in effect, result in negative imbalances for the recipients.

3-265

Hermange (PPE-DE), *draftsman of the opinion of the Committee on Employment and Social Affairs*. – (FR) Mr President, we see the reality of the situation all around us. If 23% of Europe's population is over 65 years old today, this figure will have reached 40% by 2025, and the proportion of four working people to every retired person will have become two working people to every retired person by 2020. This demonstrates the pressing need to allow the development of supplementary self-funded high return pension schemes in the European Union to usefully supplement state contributory pension schemes. As we all know, our Member States are working towards ambitious structural reforms, but it is also up to the European Union to intervene in the area of pensions, particularly supplementary pensions, in order to facilitate the free movement of workers in the context of the single market, to establish a genuine single capital market and also to ensure that equality between men and women is respected.

With this in mind, the Committee on Employment and Social Affairs has been concerned to reconcile the security and efficiency of supplementary pensions for future pensioners as it is true that the guarantee of a high level of security for beneficiaries encourages healthy and desirable competition between European pension funds. This is why our Committee feels that the proposal for a directive on Community prudential regulations applying to pension funds must be tabled and adopted as quickly as possible, bearing in mind our discussion today, with proper guarantees for the external and internal supervision of the funds concerned and for the calculation of their prudential commitment.

Furthermore, in order to encourage the free movement of workers, we felt it essential to quickly improve the transferability and the acquisition of pension rights from supplementary schemes from different European countries. This is the opinion of the Committee on Employment and Social Affairs.

3-266

Lulling (PPE-DE), *draftsperson of the opinion of the Committee on Women's Rights and Equal Opportunities*. – (FR) Mr President, I would like to say first of all in this debate that we are expecting to see a proposal for a framework-directive very soon, which will guarantee the development of a genuine single market for supplementary pension funds under the second and third pillars, given that the first pillar, which covers all biometric risks, must remain the cornerstone of the European Union's social protection system.

This directive must in particular establish a framework to remove obstacles to the free choice of a pension fund, to the free movement of people, to the free provision of services and to charging double taxes. We recommend a solution based on the principle that contributions should be tax-deductible, and that supplementary invested income should be taxed in accordance with the income tax law in force in the country of residence.

On the controversial issue of whether supplementary pension schemes should cover biometric risks, I wish to state that from the point of view of taxation, pension funds that do not cover these risks will not be discriminated against in relation to those that do. With regard to prudential regulation, this should not be disproportionate, so that the security of the fund is guaranteed. That covers the general framework. I am grateful to the Committee on Economic and Monetary Affairs for having included all the relevant conclusions of the Committee on Women's Rights and Equal Opportunities in the motion for a resolution.

I now come to the report by Mr García-Margallo y Marfil. With regard to the action plan which seeks to deepen the internal financial services market, I would like to issue a warning about certain strategists who are attempting to hold the

liberalisation of the financial services sector hostage, because the work that has been undertaken on the taxation of savings has not made the progress they would have wanted. As matters currently stand, we should remember that a single market for capital and financial services can function perfectly well without tax harmonisation.

Faced with proposals that confuse ambition and reality, I wish to emphasise that establishing a European Committee for stock exchange operations is certainly not the number one priority and, as I have no speaking time left, Mr President, I will give an explanation of vote tomorrow to say the rest of what I still wanted to say, because as draftsman of the Committee's opinion and as a speaker on the second report, it is really impossible to say everything in two minutes.

3-267

Kauppi (PPE-DE). – (DE) Mr President, representatives of the Commission and the Council, Mr Kuckelkorn, ladies and gentlemen, firstly I would like to thank the Commission for the sterling work they have done. The communication from the Commission is liberal-minded and forward-looking. Why should Parliament now adopt a less liberal position and vote in favour of stagnating structures? We should not define the form and scope of the directive too narrowly. What we need to do instead is to view the issue openly and from a wider perspective.

3-268

It is essential that we do not define the nature and scope of the risk coverage in a restrictive way. Instead, we should be open-minded and look at the issue from a wider perspective and encourage a framework which is based on liberal markets and vigorous competition between different types of pension schemes. What we should promote is the freedom of choice of the employee and the employer to choose the kind of scheme that best suits their interests

The question of biometric risks has proved to be of a controversial nature. My firm opinion is that all the different pension schemes should be covered by the same directive in order not to protect certain types of schemes from competition. Consumers and employers must have the right to choose the most suitable form of pension scheme and, therefore, schemes covering biometric risks should be treated under the same directive as schemes not covering these risks. Both form a pension scheme but focus on different competitive benefits.

Mr Kuckelkorn, no-one in this Parliament is of the opinion that supplementary pensions should not cover the longevity risk, through the purchase of an annuity or by some other tool. It is not the task of the European Union to define the nature and scope of the risk coverage concerning other biometric risks. But it should be determined individually by each employee, as the Commission proposes. Leaving this kind of decision to the individual is consistent with the principle of subsidiarity.

Allowing supplementary pension scheme managers the freedom to invest in a diverse range of instruments increases the security of the overall investment portfolio. Increased freedom promotes the functioning of the capital market and has a significant impact on the growth of venture capital in Europe.

I am committed to the idea that we, as the European Parliament, should encourage healthy competition and the freedom of choice of the individual. This must not only mean a single market for supplementary pensions, but the whole package of legislation concerning the financial services.

3-269

Goebbels (PSE). – (FR) Mr President, the Socialists support the Commission's efforts to establish a transparent and fluid internal financial services market. It is in the interest of economic operators and all consumers that the costs of capital and financial intermediation should be as low as possible. European financial markets are currently suffering from compartmentalisation along national lines, even though, following the globalisation of the international financial system, we are seeing the widespread phenomenon of mergers and internationalisation.

The action plan aims to make the European market equal to the American market. The success of the American market is basically due to 'king dollar'. It is paradoxical in this context to note that some of the most ardent supporters of financial liberalisation at the same time oppose the euro. The real introduction of the euro in 2002, however, will result in transparency and competition, which will force the national markets to adapt more quickly than they had anticipated. The problem is that the legislative bodies, both national and European, are taking a long time to adapt the law to reality. Personally, I would not be opposed to an accelerated legislative procedure, on condition that it does not end up as a mere exercise for non-accountable technocrats.

The Commission could make a useful contribution in the form of proposals simplifying and codifying the 11 or so directives that govern the banking sector, the 8 directives on investment funds, and the 21 directives dealing with the insurance sector. There is not only a problem of coherence in the various legislations on the different sectors of the financial world, but in particular there is the problem of supervising and protecting the public interest. John Kenneth Galbraith condemned the mistaken idea that there is any link between money and intelligence. The lure of profit is such that the financial world tends to create a form of collective euphoria, which often leads to financial crisis.

The free movement of capital must be accompanied by an efficient regulatory and prudential framework, because supervision of the various markets is divided up according to country and sector, but at the same time, as a result of mergers, acquisitions and amalgamations, boundaries between banks, insurance companies, investment funds and pension funds are disappearing. Finland and the United Kingdom have drawn conclusions from this and have established a single prudential authority for the whole sector. Article 105(6) of the Treaty stipulates that the Council can entrust the ECB with specific tasks relating to policies on the prudential supervision of credit companies and other financial companies, with the exception of insurance companies. Should the Council not use the Intergovernmental Conference to establish the necessary legal basis for the Council to be able to entrust the ECB with certain specific tasks relating to the prudential supervision of insurance companies too?

I must congratulate the rapporteur, Mr Kuckelkorn, for the tenacity with which he argues in favour of supplementary pensions and for these to become in effect a second pillar of insurance for old age. I shall conclude, Mr President, by pointing out that it amounts to saying that whilst we should not discard insurance products we must favour products which cover biometric risks.

3-270

Olle Schmidt (ELDR). – (SV) Mr President, Commissioner, if Europe is to grow, attract capital and create jobs, the single market for financial services must be turned into a reality. Up until now, it has mostly been a matter of words and all too few concrete measures. At present, the financial services market and, through this, Europe's power to grow have been impeded by countless national regulations and administrative complications. These are detrimental not only to companies but also, of course, to Europe's citizens.

The development of the Internet is, and will be, of great importance to the provision of financial services across national borders. Above all, it is consumers who will benefit from this development because they will have greater choice and access to lower prices.

We Liberals do not regard tax harmonisation as a prerequisite for bringing the single market for financial services to fruition, even if a degree of harmonisation may prove to be necessary to avoid harmful competition over taxes. The euro has stabilised economic development and provided better opportunities to reduce the costs of acquiring capital, something which benefits both companies and private households.

It is my conviction that, if the EU is to be able to provide Europe's citizens with growth and strength, then all Member States must participate fully in the EU project, that is to say, be members of EMU.

Mr Romano Prodi's statement today in a Swedish newspaper to the effect that Sweden could stay outside EMU is therefore both surprising from an economic point of view and doubtful in terms of the Treaties.

The Commission's Green Paper on liberalising complementary forms of pension protection is something we welcome. It is nonetheless important to emphasise that pension cover in Europe is characterised by national diversity and that there is no need to harmonise the various systems in order to create a single market. It is important that a large number of systems should exist side by side. This increases choice and diversity. However, it is desirable, in order to avoid double taxation, to introduce a minimum degree of harmonisation in regard to the Member States' treatment of supplementary pensions for tax purposes. I also consider that the Member States themselves should be able to determine what the system should look like, for example whether or not the care of relatives should be covered by pensions. This is an issue which can be resolved better at national level.

In committee there was lively discussion on biometric risks. Views were put forward to the effect that only those systems which cover risks of this kind are to be included under the directive. We do not believe that this should be the case, especially in view of the need for small and medium-sized companies to be able to do business. Freedom of choice is emphatically a good thing.

Finally, I want to congratulate Mr García-Margallo y Marfil and Mr Kuckelkorn for two important reports designed to create a competitive Europe.

3-271

Lipietz (Verts/ALE). – (FR) Mr President, Commissioner, ladies and gentlemen, since the Single European Act was ratified, the financial products market has been developing, despite the warnings of the Greens, without regard to the minimum harmonisation of taxation on income from savings. What was bound to happen has happened. There has been fiscal dumping onto the most mobile factors and a transfer of the tax burden onto the least mobile factor, which is labour.

The responsibility for blocking the tax harmonisation provided for in the Monti package currently rests entirely with one country: Great Britain. Great Britain is trying to shift the blame onto Luxembourg, which is actually willing to compromise. Let me formally notify our British colleagues that this attitude is irritating the rest of Europe. Great Britain is

the mother of democracy and of modern capitalism. Its attitude of encouraging tax fraud has a corrupting effect not only in economic and social terms, but in moral terms as well. It is challenging the civic foundations of European construction.

That is why the Group of the Greens/European Free Alliance has decided to reject any new proposal to liberalise the capital market, unless the Monti package is first adopted. This is the suggestion, moreover, of Mr Prodi's Commission itself, and that was the key point of the García-Margallo y Marfil report on the action plan to unite the financial services markets. Unfortunately, this point has been changed out of all recognition by the amendments of the right within the Committee on Economic and Monetary Affairs.

3-272

Herman Schmid (GUE/NGL). – (SV) Mr President, where supplementary pensions are concerned, the crucial issue is whether one wants to provide pensioners with security in their old age or to reinforce Europe's capital markets. These are not only two quite different goals, but it is also difficult to combine them in one and the same system. The Commission's proposal and both the reports we are debating today give priority to the needs of the capital market. The hope is that the market-based pensions will then also prove to be good for pensioners in thirty or forty years' time. How matters will turn out, however, we do not know. If one considers how Europe has changed during the last thirty to forty years and acknowledges that circumstances are going to change just as much in the future, then one can see how uncertain such forecasts are.

There is a large deficit when it comes to security and solidarity in the pensions area because the risk is so great and because there can never be enough security and solidarity. Supplementary assurances are therefore a problem. They are, of course, much less secure than a system of basic pensions which has been financed on the basis of solidarity.

I also believe that supplementary assurances and supplementary pensions may be needed, but then their managers ought to be obliged to invest in such instruments as provide solid savings in the long term, instead of having short-term rates on the stock exchange and global financial capitalism determine how matters will stand for pensioners in the future.

I also believe it would have been commendable if these supplementary pension systems could have been run as pension funds on the basis of solidarity under the aegis of trade unions, as happens in certain Member States. Even if these too are market-based, they offer much more in terms of stability and security than the privatised pension assurances. It now looks as if we are to have a liberal arrangement in the pensions field in Europe, and I shall therefore advise my voters to invest their surplus funds in safer instruments than private pension assurances. To young people I would say: pin your hopes on education and on developing your skills. And to older people I would say: acquire a nice, inexpensive place to live in the autumn of your years. We politicians ought to be putting our faith in a good, sound system of basic pensions.

3-273

Blokland (EDD). – (NL) Mr President, the European Commission's Green Paper has caused many to reach for their pens, so much so that in the motion for a resolution, the objective of the Green Paper has been lost almost completely. Similarly, the intention of the rapporteur, Mr Kuckelkorn, who has carried out a vast amount of work, for which I would like to thank him, is not expressed very well in the motion for a resolution. It is now up to us to see that an acceptable document is produced tomorrow during the vote.

The principal aim is for workers, when they move to another Member State, to be able to transfer their supplementary pension schemes and continue to pay into them without forfeiting their pension rights and with a guarantee that their accumulated pension rights will retain their value. Unfortunately, the Commission has not really made any headway towards fulfilling this wish. We have a long way to go before the compulsory transfer of value between Member States will be a reality.

The first obstacle we need to negotiate is the mutual recognition of supervisory rules. It is then important that an adequate distinction is drawn between pension funds and commercial insurance companies. A pension fund has an obligation to be generally acceptable. A full-value pension scheme covers biometric risks. Insurance companies do offer their participants a choice, and their products do not cover biometric risks. Since the risks covered are not identical, government inspection will also vary for pension funds and insurance companies. On account of this supervision, complete freedom of investment is justified in both cases. This leads on average to higher returns. We need to avoid creating a situation where the individual is forced, on account of significantly lower returns on pension funds, to enter the wild investment woods in search of their supplementary pension schemes, where the big bad wolf is after their money.

The second obstacle is the levying of taxes within the Member States. Taking into account the fast approaching ageing of the population, it is desirable for fiscal systems to promote the development of supplementary pensions. The EET model, where premium payments are tax-free and the retirement payout is taxed, meets this requirement and is also common in most Member States.

I hope that Parliament and the Commission will make the internal market for supplementary pension schemes a reality along these lines.

3-274

von Wogau (PPE-DE). – (DE) Mr President, ladies and gentlemen, safeguarding pensions is an extremely important task facing our age. We are conscious of the fact that numerous pension schemes in the various Member States, based on the intergeneration compact, are encountering ever-increasing difficulties. That is why the issue of supplementary pensions has become so very important, and that is what we are discussing this evening. When it comes to supplementary pensions and pension funds, our first priority in regulatory terms is to ensure that the rules governing the Common Market are upheld, and that no additional restrictions to the free movement of persons within the European Community are created, as is often the case.

We are aware that this is still the case today for many social security systems, and we must avoid the possibility of similar restrictions to the free movement of persons arising in this new sphere as well. That is why certain common minimum provisions need to be put in place here. We need certain minimum regulations for the protection of financial investments, and we anticipate that suitable proposals will be drafted and improved on to this end.

The second quite crucial issue is that of tax breaks, this being possible at three different stages: at the paying-in stage, then afterwards on the interest that is paid, and then at the payout stage. The arrangements for this vary from one Member State to another, and if we want these funds to be compatible throughout the European Community then we are going to have to produce common provisions. This is not going to be a piece of cake. We all know that taxation is subject to the unanimity principle, but this is one of the fundamental demands we have to make.

I now come to the crunch question of this debate, namely what are pensions? What are pension funds? I have to say, we are still only halfway through the debate where this is concerned. We have not reached a conclusive opinion within our Group either. There is only one thing I can say with certainty: biometric risks must play a part in this overall assessment in some respect. In other words, if we do not take biometric risks into account, then it will not be possible to address the other issues I have mentioned. But we are quite deliberately proposing an open style of wording, as chosen by Mr Ferri for the Committee on Legal Affairs and the Internal Market in points 7 and 8. I believe this kind of wording will attract the broadest consensus here, and therefore enable us to make progress, for what matters most is that the directives are now put forward to us. I believe it will not be possible to answer some of the questions we are discussing today until we can assess them in the light of the Commission's proposals, the actual draft directives, that is.

3-275

Randzio-Plath (PSE). – (DE) Mr President, as the rapporteur, Mr Kuckelkorn said, state pension schemes, as the first pillar, must be supplemented by supplementary company pension schemes which are efficient and therefore also increase legal certainty, and which actually do justice to one's entitlement to a pension. A directive must not be used to make a name for a particular form of insurance and what is more, to equate provisions for old age with capital building processes, because at the end of the day, supplementary pensions products are no ordinary investment products. That is why I really think it is very important for us to have different taxation systems in the Member States, particularly for those products that also cover biometric risks.

That is why today's debate has in fact enabled us to embark on the further deepening of the single market, for in the single market and the euro we have, for the first time, the environment we need to get the financial service providers in the EU to operate in a truly efficient manner, and to enable us to take account of the idea of financial legislation and financial supervision.

Of course we would not wish to deter the market participants from making good use of improved business opportunities. On the other hand though, we also want to safeguard financial stability and consumer protection interests. The European Summit in Lisbon was right to emphasise again the importance of having integrated and efficient financial markets, and this House will also be in favour of keeping to a strict timetable. At the same time though, we must do all we can, in view of the single market and the introduction of the euro, to improve the capital base for small and medium-sized enterprises and high technology companies in particular. We must also do all we can to take account of measures favouring effective, cross-border consumer protection in the process. It will also be necessary, to this end, to improve cooperation between the regulatory and supervisory authorities at European level.

There is also a need for financial stability, and it has to be said at this point, that the increase in company mergers in the financial sector constitutes a serious problem at present. We would also do well to refer to the OECD reports, which make clear reference to the risks posed by megamergers in this sector. At the end of the day, when financial conglomerates that are too big to fail come into being, not only does this increase the moral hazard of the institutes concerned, but the economic and financial policies of the States concerned are also faced with new risks. We must do everything we can to prevent any weakening of financial stability, for this would lead to companies making use of the profits and tax payers having to sustain any losses.

It is regrettable that there is no direct consideration of consumer protection in the Lisbon Conclusions. Unless we establish a reliable legal framework which is as informative and transparent as it could possibly be, not to mention liability for the benefit of the consumer, it will not be possible to complete the single market...

(The President cut the speaker off)

3-276

Knörr Borràs (Verts/ALE). – *(ES)* Mr President, on behalf of the Group of the Greens/European Free Alliance, I would like to express my opinion on the single market for supplementary pensions. Firstly, I would like to express my agreement with the model based on the intergenerational solidarity of the basic state systems, to which are added the supplementary capitalisation systems. On the other hand, I would also like to express my agreement with what Mr Kuckelkorn says in relation to the correlation established between pension systems which cover biometric risks. We are not talking about systems for financial investment but about pension plans. On the other hand, we are also in agreement with the participation of workers and the urgent harmonisation of the tax provisions.

Nevertheless, we have to clarify the basic concept of pensions in a way which includes the supplementary pension schemes which cover biometric risks. It is necessary to clarify, on the other hand, that the single system applies to every type of worker in the European Union; there are not only workers who work for themselves in the European Union but also many cooperative workers, fortunately. We must opt for collective systems, but not only company systems – something which is mentioned in the report – but also sectoral ones, taking particular account of SMBs, which have been mentioned by Mrs Plooij-van Gorsel. We must take account of the great difficulties which exist within the Union with regard to the development of supplementary systems.

We therefore understand and support the regulatory and supervisory systems for the protection of the rights of participants, but we must put the emphasis on the areas where systems are still underdeveloped, in aspects such as providing information or implementing new plans.

Finally, I would like to underline our support for the creation of a European pension fund with the participation of the different economic sectors and the pension providers.

3-277

Ainardi (GUE/NGL). – *(FR)* Mr President, the ageing of the population and the reduction in the numbers of people of working age, while real enough, have been put forward by the Commission and other Members as a reason to open up the way for pension funds for supplementary pension schemes. The dynamic of growth and job creation has run its course. The capitalisation mechanisms mean adapting retirement pensions to the single market and the introduction of the euro.

Moving in this direction entails the risk of a system based on private insurance, which would gradually replace social security. Welfare and retirement pensions would no longer be rights but would be commodities subject to the laws of the market. The set pension fund strategy essentially aims to drain savings away toward the financial markets. A system of this type is very dangerous and deeply unfair as it benefits the richest people, those who can save money, and leaves the poorest with a pittance of a retirement pension.

Mr Kuckelkorn's initial report considered the retirement pension primarily as social insurance against certain life risks, rather than a process of accumulating capital. It has been radically changed, however, by the adoption of amendments unreservedly supporting the mechanisms of capitalisation. I cannot, therefore, approve this report which makes the Commission's approach even worse.

On the contrary, we think that a high level of social protection must be maintained, based on solidarity, regardless of financial profitability. The contributory system guarantees the rights of the employed and provides them with a pension, in the framework of national solidarity between the working population and the retired population, between generations, between men and women, between the public and the private sectors. The objective should be to obtain new resources and to upgrading the purchasing power of retirement pensions from contributions which could be raised from taxes on financial products at the same level as those which apply to wages. Employers' contributions should be linked to companies' employment policies and taxes set up on those which make people redundant.

3-278

Tannock (PPE-DE). – Mr President, as medical advances contribute to a steady ageing of our populations, the burden of pension provision throughout the Union becomes ever more costly. In the UK, as in the US, Chile and Singapore and, to a lesser extent, the Netherlands, the burden on the state and succeeding generations has been significantly eased through the successful provision of supplementary second and third pillar private and occupational pension schemes, involving funds which grow to provide pension benefits following the retirement of the individuals. Both pillars have the advantage of being resistant to demographic change, and third-pillar portable schemes, in particular, which are not restricted to single companies, enhance labour mobility and choice for the investors and are much more affordable to small and medium enterprises.

I welcome the fact that there is widespread recognition in this House to extend these supplementary schemes throughout Europe, even if there are disagreements over their precise nature and the way that the funds are to be invested. The problem needs to be addressed urgently in my opinion, with demographic pressures in recent years already generating

deficits in the pay-as-you-go schemes in France, Germany, Italy and Spain. It is even predicted that if the current trend continues some countries will be facing costs of up to 20% of their GDP in the next ten years for their pension liabilities.

There are, of course, many risks with equity investments, but there are even greater risks to Europe with stagnant economies. Growing pension funds will dynamise our economies by providing large additional capital funds for investment not only in the EU, but also in developing markets, with greater prospects for future growth and returns on investment for our pensioners.

In the case of defined contribution schemes, which give the investor a direct stake in the overall health of the national economy, there will also be a sense of participation in the country of that individual. The state scheme will of course remain the primary mechanism for basic provision in old age. But personal responsibility and choice will become the watchwords of success if the demographic challenges of the coming century are to be met successfully. That is why we should not be too prescriptive regarding the issues of biometric risks or investment strategies. We need a light-touch regulatory framework, with bilateral tax agreements, which will ensure the portability for those EU nationals wishing to work abroad throughout the Union, achieve a genuine single market in financial services and provide maximum choice to the European investor.

3-279

Bullmann (PSE). – (DE) Mr President, ladies and gentlemen, the crux of this evening's debate obviously seems to be that unless clear and unmistakable distinctions are drawn between products that cover biometric risks, as the rapporteur, Mr Kuckelkorn, has proposed, there will be no single market for supplementary company pensions, or not a genuine single market at any rate. We need tax harmonisation if we are to make the single market an attractive proposition. We need taxation during the pension payout period, as proposed in the agreement, because only then will the cross-border aspect hold some appeal for potential members. After all, why should the Finance Ministers pay twice? They will have to pay once for departing from an input taxation system, and they will then have to take a decrease in tax revenue on board at a later date. At the same time, they will have to help foot the bill for any unsatisfactory products they have helped to promote which do not prevent poverty in old age, and they might even have to pay a third time because, in addition, they will have to finance poverty in old age from public coffers. These Finance Ministers may then have to pay yet again because they will have to resign their posts, as punishment for their foolish actions.

That is why the debate as presented to us in Amendment No 30, on the freedom of choice of the insured, is a pseudo discussion. I have this to say to those of you that support this argument: these are the same insured whom only a few weeks ago a majority of you undertook to allow to participate in decisions on the fund capacity, on the use of the amounts paid in, which are often a slice of people's wages, and you gave an undertaking to these same people that those who act on your behalf would be involved in making sure that the funds in question were put to good use.

We are very much in favour of the citizens of Europe having the freedom to decide, but, that being the case, let us be quite clear about what we mean by the principle of subsidiarity. According to catholic social doctrine, subsidiarity means that we should actually enable the small units – the families and most dependent employees – to make their own provisions for old-age, and that we should concern ourselves not so much with the investment interests of individual suppliers of products as a criteria, but with how we can reduce the number of hurdles to vesting periods. We must talk about how we are to organise the codecision rights of the insured and their representatives, and we must also discuss how investment capital is to flow into spheres that will generate worthwhile new jobs.

3-280

Vachetta (GUE/NGL). – (FR) Mr President, this report seeks to harmonise supplementary pensions in Europe. In fact, it seeks nothing less than to open up all European pension schemes to the financial markets. Indeed, it recommends the development of a truly single pension fund market by referring to the inevitability of resorting to capitalisation. It should be noted, by the way, that when the financial interests of the most powerful are involved, they are not slow to forget the principle of solidarity and to propose a single model.

This report puts forward cynical arguments and seeks to give credence to the idea that only capitalisation would ensure better protection of low incomes. The truth is that it is not an attempt to supplement state pension schemes, but rather to gradually empty them of all substance. Those who are employed know full well, however, that a pension is theirs by right. They fought for this right, which is based on intergenerational solidarity. That is why they do not, under any circumstances, want to see their pensions gambled on the stock exchange. In several countries, powerful social movements have already opposed similar attempts. Their threats have to this day prevented the French government, for example, from introducing pension funds.

This is in perfect harmony with past, present and future struggles, and it is in support of them that we shall be voting against a report that reduces this Parliament to the level of a lobby for high finance. Retired people need an adequate, stable and safe pension. Pension funds and the stock exchange will never be able to guarantee that. On this issue, as on many others, a choice must be made between increasing the profits of a few or satisfying the needs of all.

3-281

Karas (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, we are all in favour of securing future financing for pensions, having an equitable and stable inter-generation compact, and creating a workable, clearly defined three-pillar model that increases the individual's range of options and supports the mobility of employees. All of us here say "yes" to minimum rules because they increase mobility. We are all in favour of having clear minimum rules alongside supervisory rules. However we do not agree – and this is a matter of regret to me – on what we mean by supplementary company pensions. We are not in agreement on whether supplementary company pensions supplement the first or the third pillar.

We do not agree on the opportunities employees should have to participate. There is a reason for this. The reason is that each of our countries has a different system, although we have the same headings: we have different tax provisions, different levels of performance, different cultures and a lack of mobility. I will therefore tell you what I think: I am in favour of having a single market for financial services and liberalising the market, but, when it comes to supplementary company pensions, protective mechanisms must be put in place for employees, and the social market economy must be stimulated. Therefore I also advocate that the supplementary pension packages, which include biometric risks, should offer special advantages to those entitled to benefits and to society as a whole, and that they should therefore receive preferential treatment, whilst allowing people to retain the option of choosing one of the others, because what I do not want is for those who are mobile to be socially worse off than those who stay at home.

3-282

Van den Burg (PSE). – (NL) Mr President, I would like to start by paying tribute to Mr Kuckelkorn, because he has drafted a courageous report in my opinion, given Germany's rigid and inflexible pension situation. He clearly wants to take steps towards developing a European internal market for supplementary pension schemes. I think he deserves tribute for this.

I myself come from a country where a very extensive second pillar of supplementary pensions exists. Almost 90% of the professional population in the private sector are in pension schemes which guarantee a wage-related pension. This also includes small and medium-sized businesses.

With a capacity of over EUR 150 billion, the pension fund of Dutch civil servants is the largest institutional investor of its kind within the international capital market. Pension funds in the Netherlands are daring to take increasing risks in their investments. In 1999, nearly half of the pension money was invested in shares, albeit under strict prudential conditions. But the average return over the past five years has been around 15%, instead of the usual 4%.

It has been shown that it is precisely the compulsory nature of participation in collective pension funds which encourages these excellent results. The fact that funds are spread over generations and risks means that the funds can invest in shares to such a high level. On balance, this yields a far better return for individual members, much better than they could ever achieve on their own via a savings plan or investment fund. Therefore, I must open Mrs Kauppi's eyes and disprove her reasoning that individual workers would be better off making their own choices, even if they belong to the fortunate ones who do not have any hereditary diseases, who are young and male, because, unfortunately, Mrs Kauppi, we women are even worse off under individual schemes as we live longer than men on average.

Consequently, I would strongly discourage you from formulating a principle of free choice at European level. If I were you, I would leave this to the Member States and the free market.

As for biometric risks, other speakers have already talked enough about this. I fully endorse Mr Kuckelkorn in this respect and would argue that such a definition is very important because we are expecting a number of additional directives from the European Commission.

3-283

Laguiller (GUE/NGL). – (FR) Mr President, we are voting against this report advocating self-funded pension schemes. This system restricts employees who want to guarantee a retirement pension for themselves that will give them enough to live on, to make their money available to investment funds, trusts, insurance companies or other private financial groups. At the same time, it makes the value of pensions subordinate to the financial markets, in other words, to speculation. What is more, all those whose salaries are too low for them to be able to pay into a pension fund will be entitled only to a very meagre pension.

Referring to demographic changes in order to justify this is a swindle. Productivity has increased tenfold in the last fifty years and if company owners and shareholders had not transformed the fruits of this productivity into purely private profit, it would now enable salaries to be higher and would guarantee appropriate pensions for everyone. If contributory pension schemes are having problems, it is only because there are fewer employed people in proportion to the number of retired people, because there are too many unemployed and because salaries are too low. So, if there is a shortfall in pension funds, States should take over by deducting the necessary amounts from the profits of industrial and financial groups.

3-284

Radwan (PPE-DE). – (DE) Mr President, ladies and gentlemen, the pensions issue, which is what we are discussing today, is a very sensitive one. As a young Member of this Parliament I am of course thinking of young people, whose pensions are currently the least secure. We also need to safeguard freedom of movement in Europe and to ensure that those individuals, particularly young people, who are mobile within Europe do not suffer any disadvantage compared with those who remain in their own country all their lives. So as not to lose sight of the fact that we want secure pensions, what we also need to do is to liberalise the financial market in Europe and to create a framework so as to make the single market, as well as the German and the European financial market, competitive in the face of global competition.

The PPE Group has not taken the easy way out. We are still having intense discussions on this, focussing in particular on the second pillar, in the course of which we have learnt that the first pillar, state pensions, is no longer viable and we must strengthen the second pillar. Two arguments are in order here. If we are to strengthen the second pillar then it must be made equivalent to the first and built up accordingly, that is, it must take account of the biometric risks. Or one could argue that it is necessary to admit new products so as to enable this sector to develop in an effective manner and yield the necessary return, thereby securing pensions for the future.

My personal preference is to make people fully aware of the biometric risks and to put this issue right at the heart of the Commission's agenda over the next six months. When it comes to the three biometric risks in question, I have a particular preference for longevity, which is an unshakeable fact in my view. But we should not establish a system today. The world keeps spinning, as do the financial markets, and we should also be open to new influences. We must accommodate subsidiarity within the competition of systems, but also within the competition of taxation law. I hope that the Commission will do justice to this task.

3-285

Ettl (PSE). – (DE) Mr President, ladies and gentlemen, supplementary pensions and complementary pensions schemes are of course gaining constantly in importance and in market value on account of democratic development. Increasing mobility on the part of employees in the European Union necessitates a Community legal framework for managing complementary pensions schemes. But there is also a long overdue need to bring order to taxation systems.

Incidentally, it has of course occurred to me that the Commission's proposal is definitely only aimed at harmonising investment regulations, which does not do justice to the issue, that is to say, it completely misses the point. What I am saying is that we now have the perfect opportunity to extend the European social system further and to develop it further in a judicious manner. Remember that complementary pensions schemes are schemes that make provision for old age. This makes sense and there are many reasons as to why it is absolutely essential that we bear this in mind for the future. If pensions are one of our real concerns then we must ensure that they are of a high quality, and account must be taken of the biometric risks. Only good quality products will be able, in the context of the second and third pillars, to fulfil a social function for the European social model. Otherwise, all we would be talking about here would be capital redemption insurance, which is not the same thing at all. That would constitute misrepresentation of the product.

Therefore please do not support the idea that it is necessary to channel the capital investment products already in existence into the European social model. That would do our cause no good at all.

I would like to dedicate the last sentence, in particular, to Mr Balfe.

(Applause)

3-286

Peijs (PPE-DE). – (NL) Mr President, the ageing of the European population means that we will have huge problems when it comes to footing the bill for our statutory pension schemes. Member States where supplementary schemes are under-developed compared to statutory pension schemes will feel the pinch most. Unfortunately, we are forced to note that this is the case for the majority of Member States.

A developed collective system of supplementary pensions, compulsory if so required by the relevant Member State, considerably reduces the dependence on demographic factors and enables the pension fund, in the role of investor, to derive maximum benefit from the possibilities which financial markets have to offer. Needless to say, the objective of making employees more mobile and flexible within a large single European market and the euro zone will inevitably lead to interest in supplementary pension schemes. One of the philosophies underlying the European Union and the Monetary Union requires that the internal market should be used to the full. As such, you, as a worker, should be able to take your accumulated pension rights with you to another European country. To this end, we need to develop a legal framework at European level at the earliest opportunity. Why should a German employee, for example, have to wait ten years before he has built up a pension and a Dutch person only one year? As such, this German person suffers a considerable handicap with regard to mobility. What is more, the fiscal treatment of pensions at the time when contributions are made and at the time of payout should be brought into line. Commissioner, you deal with taxes, what is the latest on this score?

I have to say that this parliamentary discussion seems to be more about a complete harmonisation than coordination. This, unfortunately, is at the expense of Member States which already have their house in order. One such country is the Netherlands, initially presented as a role model for all other Member States and gradually relegated to curiosity status. But the Dutch system is a worthy system which accepts old age, surviving dependants and vulnerable groups within the labour market as they are. The supplementary pension scheme is based on collective feeling and solidarity. This enables SMBs – and specifically SMBs with reference to the UK MEPs – to cover biometric risks at relatively low cost. Top of the list are payability and security, which is not the case for the proposals submitted by some MEPs. Mr Bolkestein, how do you intend to bring the discussion back to the crux of the matter, namely mobile pensions for mobile people?

3-287

Balfe (PSE). - Mr President, firstly can I say that the EMAC report is pretty good and I hope we do not amend it too much. The key word is “supplementary” pensions. We are not trying to relieve poverty or provide a basic income in retirement. The second point is that it is important that we provide decent pensions to enable citizens to move around Europe. So I welcome the emphasis on removing the restrictions on the investment of pension fund portfolios and support the objective of removing barriers to labour mobility. The key is to keep it simple or it will not work, it will not remove the obstacles.

As Mr Tannock has said, there are demographic pressures upon us and it is in our interest to facilitate the development of supplementary pension schemes both around Europe and also in many countries within Europe.

On the issue of biometric risks, which we have heard a lot about, clearly a pension by definition has one biometric risk, which is longevity. Once you start building on top of that, you are on dangerous ground if you make it a condition of a passport. What we need is to have a very simple proposition, and then let the market sort the rest of it out because that is what the market is for.

The biometric risks problem means many different things to different people. We must try and get a simple product which is marketable and can be moved around this market, because if we do not, we will end up with a product that does not work at all that the different Member States cannot make use of. So the key is to keep it simple and make it work.

3-288

Fatuzzo (PPE-DE). – (IT) Mr President, for how long will workers be forced to sacrifice one third of their salary to government and state pension funds, in the hope of receiving a pension in their old age, while these government and state funds are designed to make the pensions vanish faster than Houdini himself could have done it? Mrs Laguiller, the citizens trusted the states and the governments, especially the pledges made by left-wing governments, but they have been left with peanuts. Every day, thousands upon thousands of elderly people reach retirement age and ask their governments, “Where are our pensions?” And the governments reply, “You are living too long and there is no more money left to give you”, concealing the truth. And what is the truth? The governments have squandered the funds and made a clean sweep of the workers’ salaries. Shame on the Socialist governments for failing to safeguard the old-age of the workers!

Despite the fact that there may now be a way of safeguarding this capital, the sweat of the brows of the workers, the capitalisation of pension funds, we are told that we must not do this, because the national governments want to get their hands on private pension funds as well. It is time to change the tune. We must give to Caesar what is Caesar’s and to God what is God’s.

3-289

Niebler (PPE-DE). – (DE) Mr President, ladies and gentlemen, Mr Kuckelkorn’s report deals with a very important and very sensitive issue, namely pensions. In almost all Member States the pension systems comprise three elements: statutory pension schemes, company pension schemes and supplementary private pension schemes. The point has already been made on numerous occasions that action is called for, in view of the falling birth rate within the European Union, to make pension schemes more efficient than they have been hitherto. Discussion is currently ongoing in all Member States as to how we can reform the pensions system. All Member States are also agreed that our goal must be to safeguard people’s standard of living in old age.

Statutory pensions will no longer be able to fulfil this task on their own in the medium- to short-term. Consequently it is only right to extend pensions in the second pillar, i.e. company pensions, and private pension provisions. As has already been said repeatedly, the Kuckelkorn report concerns itself with pensions in the second pillar, i.e. company pensions. What do we understand pensions to mean? Again, as has already been said, opinions differ here.

I intend to confine myself to this point in what I have to say. In many Member States, pensions are understood to mean the safeguarding of fundamental aspects of life. This entails covering what are known as the biometric risks, and providing financial security in old age, in the event of invalidity or for surviving dependants in the event of the death of the insured party. What this actually means, for example, is that an employee who has a car accident at the age of 35 and becomes an invalid, receives not only the capital he has paid in up to that point but also a proper company pension, because he is the same position as if he had worked until he was 60 years old.

The same applies when a 35 year old employee has a fatal car accident, leaving a wife and two children. If the biometric risks have been covered, then the surviving dependants will receive a proper company pension in this case as well, and not just the capital he had paid in up until his death. We must ensure that the concept of a pension is not just understood to mean a form of savings scheme, for a capital investment...

(The President cut the speaker off.)

3-290

Pronk (PPE-DE). – *(NL)* Mr President, we are facing a difficult issue, as evidenced by the large number of speakers. I would like to extend warm thanks to Mr Kuckelkorn as rapporteur, for the huge effort he has made to achieve this report. I am slightly less pleased with Mr Kuckelkorn's tabling of amendments, because he has tabled a great many and they go beyond the requirements of the current objective. I think that we should differentiate between the two Kuckelkorns.

I believe that the systems we should pursue in Europe should be based on two principles. One of them is simply the statutory pay-as-you-go system and the other is the system of capital cover which is an extension of the former, it is just that the only problem we are facing is that all countries have very different starting positions.

It is true that a country such as the Netherlands has managed to strike a fine balance between the two. Other countries have managed to do this to a lesser extent. Also, for example, countries where nearly all pensions are capital cover systems, such as Great Britain, do not meet expectations because, although the risks for the government are reasonably small, the cover for the retired is extremely modest. In England, if there is a hard frost, for example, people are unable to pay their bills. I do not think that this is the right way forward.

First and foremost, we need to remember that this is about people and based on this, we must develop a system which makes sound pension schemes possible, and we must, as far as we can, leave this task to the Member States. We should keep intervention to a minimum. We need to bear our starting point in mind, namely that if people move from one country to another to work or retire, it should be possible for them to take their pensions with them. The Commission has always attempted to do this and I do believe that it has succeeded in its aim.

I think that two issues still need tackling. Firstly, risks tied in with the second and third pillars should be sufficiently covered, because far too little has been said about this. Secondly, the first pillar should at long last be defined, as the first pillar in one country is quite different from that in another country. And if we could bring all of this a bit closer together, we would perhaps have far fewer problems than we have at the moment.

3-291

Menrad (PPE-DE). – *(DE)* Mr President, the report by the Committee on Economic and Monetary Affairs makes it clear that the pay-as-you-go based, statutory pensions schemes in the Member States need to be supplemented by capital-backed company or other supplementary pensions schemes. Mr Kuckelkorn has provided an excellent analysis of the situation and is to be congratulated.

There are differences of opinion between and within the groups. It is both possible and necessary for there to be compromises. Why should we not include schemes with and without biometric risk coverage in one directive, but treat them differently? It would be possible to favour cross-border pension funds or similar schemes, which cover many of the aforementioned risks, for example by having minimum regulations governing tax law.

Quite often, a reduction in contributions is taken account of with statutory pensions schemes in the Member States, as in Germany, with any shortfall to be made up by supplementary company schemes. Naturally the statutory system makes provision for widows and invalidity pensions, for example. We therefore need appropriate regulations for supplementary schemes, otherwise the collective agreement we need will simply not be feasible.

A second moot point is that of codetermination. I am in favour of compromising with "cooperation" rather than introducing the frequently obstructive concept of "codetermination". Minimum codetermination rights for the beneficiaries are what we need to aim for, at least in the case of closed systems such as company pension funds, for example through an investment committee which establishes the principles of investment policy. We need, as a matter of urgency, to set the course for the future. It is becoming increasingly important for people to make their own supplementary provisions for old age, in order to safeguard their standard of living. People need time to make these provisions. That is the alternative to manipulating and fiddling statutory pension schemes.

(Applause)

3-292

Bolkestein, Commission. – *(NL)* Mr President, may I start by extending warm thanks to both rapporteurs, Mr García-Margallo y Marfil and Mr Kuckelkorn, for the reports they have drafted and the efforts they have made.

In fact, could I also warmly thank all other speakers this evening – nearly thirty of them – for the comments they have made and questions they have asked. This is an important matter, both the action plan for financial services and the pension issue, and it is heartening to see so many speakers take part in the exchange of opinions.

As far as Mr García-Margallo y Marfil's report is concerned, I would like to note that, according to the Commission, it is an even-handed report which strikes the right balance between an important political vision and the technical measures required in order to make progress. Perhaps you will allow me to make a few observations in this respect. I hope, at the same time, to comment on the amendments which have been tabled.

The Commission welcomes the attention which the report pays to the need for capital markets to function to optimum effect. In this context, I would also refer to Parliament's request for streamlined rules for stock market access, market manipulation and revision of the investment services directive. The opening up of financial markets should, naturally, go hand in hand with an adequate level of consumer protection, and this was also requested this evening in this debate. They are thus parallel processes, with liberalisation on one side and consumer protection on the other, and these are the two objectives which you will find wherever financial markets are at issue. These are the European Commission's twin objectives.

We also have a few specific proposals in this respect. Firstly, we would propose the provision of better information on financial products for citizens. Secondly, we would like to see better and clearer dispute procedures for citizens who are dissatisfied with foreign financial dealers. Thirdly, we would propose better harmonisation for the present national consumer protection rules. The fourth proposal concerns electronic commerce, or e-commerce for short. Policy and legislation should make provision for e-commerce without creating unnecessary barriers. Our citizens, on the other hand, must experience the same level of confidence and protection for transactions on-line as they do off-line. Finally, an adequate supervisory structure is essential to guarantee the financial solvency of our institutions. Does this mean that the European Central Bank in Frankfurt will be given a central supervisory role? The ECB itself is of the opinion that this is not necessary. There is in fact an alternative, to wit, a coming together of supervisory systems.

At this juncture, Mr President, I would like to bring up a remark made by Mrs Randzio-Plath. It is an important remark. Mrs Randzio-Plath has picked up some noises from the OECD and mentioned the word mega-risk. Indeed, I think she is right to indicate the risks which can be inherent in financial movements. She has referred to large mergers which are taking place and, without necessarily sharing her view regarding these risks, I would also like to refer to statements made by Mr Lamfalussi, who is well-known within the European financial system, and who has also indicated the need to be able to cope adequately with the financial risks and system risks which are heading our way. This is a very important matter. I still believe that coordination, cooperation and harmonisation of supervisory systems are enough to withstand the risks, but, once again, in the interest of the case itself, I would like to draw the attention of Mrs Randzio-Plath and other members of this meeting to a report recently drafted by Mr Brouwer, second-in-command at the Central Bank in the Netherlands. This report was commissioned by the Economic and Financial Committee, which, as you are aware, is the gateway to the ECOFIN Council, and the report deals with financial stability. The report will be made available shortly. No doubt you will be able to find it on the Internet. This report deals with the issue which is close to Mrs Randzio-Plath's heart and once again, I would strongly recommend all members attending this meeting to read it.

Well, most of the points I mentioned a moment ago can be found in the draft report of the rapporteur, Mr García-Margallo y Marfil, and also in many of the tabled amendments. In sum, I would like to say that we will undoubtedly continue to discuss the nuts and bolts but as far as the main points are concerned, I do consider Mr García-Margallo y Marfil's report as welcome confirmation of the Commission's vision.

I would now like to say a few words on the way in which a number of these measures need to be implemented, the need to take a close look at our legislative ethos and the way in which legislation is established. Everyone is currently in agreement that we need to drop over-complicated, fossilised legislation, in other words, rules which cannot keep pace with fast market development. Accordingly, the process by which the European Union, i.e. the concerted efforts of Commission, Parliament and Council, lays down rules should be quicker. But how exactly can this be done? There are quite a few different ideas and quite a few misconceptions, because if Mr García-Margallo y Marfil tells me that the European Parliament does not want to give up any of the powers it has only recently acquired, then I naturally share his view. I myself have been a Member of Parliament for a long time, so I fully understand where Mr García-Margallo y Marfil is coming from. In fact, this is not the Commission's intention, even if it was authorised to take decisions in this respect, which is not the case. Nonetheless, we need to proceed faster in order to lay down the necessary rules. I would invite the Members of this Parliament to come up with any ideas as to how we could speed up and enhance the process. Should we make more use of comitology procedures? Should more weight be given to agreement reached between the institutions upon first reading? At any rate, the Commission intends to keep Parliament and the competent committees informed of the agendas more quickly and more effectively, so that these agendas can be better harmonised and we can speed up the drafting of the required legislation.

In any event, I would like to keep this Parliament informed of all the developments regarding the action plan. Every six months, we send a progress report to the ECOFIN Council and it seems to me that these reports could be used to exchange views with Parliament on this matter.

Mr President, most speakers have expressed their thoughts on the issue of pensions and I would like to say the following on this matter. In its communication on pensions, the Commission has included proposals on three fronts. The first area is prudential rules for pension funds, and protecting pension scheme members should take centre stage. There is no question that rules could be introduced which could threaten the rights of future pensioners. This is beyond dispute. However, this does not detract from the fact that investment and management rules can also serve the interests of people other than pension scheme members. In fact futile provisions that inhibit the results of investments, do pension scheme members no favours and must be repealed for this reason.

Secondly, the coordination of national tax systems is a condition for cross-border participation. Mrs Peijs has asked me when we are getting mobile pensions for mobile people? Other Members too, such as Mr von Wogau and others, have talked about the need to enhance the mobility of workers within the European Union. As already stated, this does not require harmonisation (a word we need to use with discretion because it conjures up incorrect associations in certain Member States) so much as coordination. So it requires the coordination of tax systems which differ in terms of tariffs. This coordination is a precondition for cross-border labour mobility. The Commission is in the process of drafting a proposal, a general framework, intended to facilitate the payment of contributions by occupational pension institutions which are located in other Member States. This general framework has also been requested, of course, in this meeting by Mr Medina Ortega, for example, while Mrs Peijs has also indicated the need to set up this general framework.

Moreover, I would like to refer to the constant jurisprudence of the Court of Justice. This jurisprudence has demonstrated that the restrictions which apply to cross-border contributions and premiums are at odds with the Treaty.

The Commission's third objective is to remove the obstacles which migrant workers are faced with. More than anything, and this is also underlined in the draft report – rightly so – we should facilitate the transferability of rights from one Member State to another, and this is also very much in the interests of employee mobility, of course.

Mr President, concerning the motion for a resolution, I would first of all like to remark that this Parliament's support is crucially important if we want to translate these proposals into specific measures. It was with great interest that I read the sterling report of the rapporteur, Mr Kuckelkorn, and the competent committees, a report that so far has covered an extensive and technically complex area. I did not fail to notice that Parliament is backing the lines of policy proposed by the Commission.

With regard to the motion for a resolution, I would like to make the following brief comments. The motion presses for the general introduction of the tax levy model that relies on the taxation of the pension payout whilst providing for tax exemption for contributions to the fund and returns on the fund. The desirability of this model was once again underlined this evening by Mr Blokland, among others. Mr Blokland pointed this out and I share his view on this. This is also echoed in the motion for a resolution. Agreement on this approach would solve the problems of either double taxation or no taxation, which is what citizens and Member States are struggling with at the moment. However, I would like to point out that this issue, as is known, only and exclusively concerns the competences of the Member States and, as such, falls outside the scope of the European Commission. The Commission should ensure, however, if different systems continue to coexist in future too, that this does not have any adverse effects on workers exercising their right to mobility within the Union.

Regarding the amendments tabled, I would like to stress one point in particular, namely the scope of the future proposal – as the directive is not yet finished – for a directive regulating the activities of occupational pension funds. In other words, the question is, and many Members attending this evening's meeting have spoken about this, Mrs Kauppi, in particular: should this proposal, which we are about to disclose, provide for all forms of pension schemes or should it simply be restricted to pension scheme products which cover the members against biometric risks? My answer to this is as follows, I hope it is clear: we need European prudential standards for all forms of occupational pension schemes. These standards will differ in certain aspects according to the risks actually covered by the institutions. But there is not one single technical reason why these different types of savings schemes could not be combined in one and the same directive. It would, in my view, be incorrect – and the European Union would impose artificial restrictions on itself – if the Commission were to restrict the directive to be proposed to pension schemes which only cover biometric risks and if it were to exclude other pension provisions which, although they are full pension provisions because they cannot be collected before pensionable age, should nonetheless still be excluded from the directive, according to a number of delegates. I believe that this is not right. I think that the European Union would not do itself any favours if the subject of the directive were to be limited to biometric risks and I can honestly see no reason why other forms of pension schemes could not be included in the same directive, as I pointed out a moment ago.

Well now, Member States are thus given every opportunity to give certain pension products preferential treatment by using tax incentive measures, for example. They can also demand that the products offered on their market, even if the institutions offering the service are based in another Member State, meet certain social criteria. Employees and employers within one company or one sector are free to choose, according to the benefits and drawbacks of the products available on their market. In other words, there is still a large degree of freedom for the Member States to arrange the pension systems within their own country as they see fit. This freedom remains. The Commission's ambition is to create, I repeat, one framework which liberalises the setting up and scope of pension funds for the benefit of all the members of such pension funds.

Accordingly, we need to set up this legal framework within the European Union which enables businesses and future pensioners to choose the products on offer within a transparent market by institutions which are adequately supervised. Adequate supervision is crucial, as is liberalising the scope of pension funds. It is not up to the Commission to specify a pension product in every detail. Indeed this is a matter which falls under the subsidiarity principle, and the European Commission would not wish to do anything which could compromise this principle.

3-293

Plooijs-Van Gorsel (ELDR). – (NL) Mr President, I would like to ask the Commissioner if he could also reply to my question. I have been waiting for a reply for one and a half hours now. I would, at long last, like to have a response to my question on cash management and the solution to this problem which is particularly hitting small and medium-sized businesses.

3-294

Bolkestein, Commission. – (NL) Mr President, I would prefer to address Mrs Plooijs-van Gorsel's issue when I respond to the report on the internal market. This would, however, mean that Mrs Plooijs-van Gorsel would have to stay even longer at this meeting. This is not such a bad thing, in my opinion. In the final analysis, many remarks made in this meeting will also be of interest to Mrs Plooijs-van Gorsel, but since she has reminded me of this question, which, as I have already said, I would have addressed at a later stage, let me just say that this is of course an issue pertaining to the internal market. It is true that small and medium-sized businesses are facing obstacles in their cross-border activities. The Commission is acutely aware of this. Needless to say, the scope of the internal market is intended to facilitate cross-border activities for small and medium-sized businesses. The new strategy for the internal market comprises one hundred or so measures, many of which will be beneficial to small and medium-sized businesses. But if Mrs Plooijs-van Gorsel would like to approach me with specific problems relating to small and medium-sized businesses which are not covered in the new strategy for the internal market, I shall make every effort to address these points to her satisfaction.

3-295

President. – Thank you very much, Commissioner.

The joint debate is closed.

The vote will take place tomorrow at 11.30 a.m.

3-296

Strategy for Europe's Internal Market

3-297

President. – The next item is the debate on the report (A5-0098/2000) by Mrs Palacio Vallelersundi, on behalf of the Committee on Legal Affairs and the Internal Market, on the communication from the Commission to the European Parliament and the Council: The Strategy for Europe's Internal Market [COM(1999) 464 – C5-0212/1999 – 1999/2167(COS)]

3-298

Palacio Vallelersundi (PPE-DE), rapporteur. – (ES) Mr President, Commissioner, the report which I have the honour to present is the result of an extraordinary collaboration – which I am grateful for – between people and committees. Allow me to make two observations: the Committee on Legal Affairs has not accepted all the suggestions of the committee asked for an opinion. We were in complete agreement with most of them and they seemed to us to be very interesting, but we consider that this resolution was not the right place for them and that, by incorporating them, its message would be less clearly expressed.

That has been my criterion for recommending a vote in favour of the amendments presented in this House. I therefore insist – and the opinion of the Committee on Fisheries is a good example of this – that they have not been included in the resolution, not because I reject their content, but because the message in relation to the internal market strategy had to be clearly expressed. What was that message? That message stems from the position adopted by the Committee on Legal Affairs in our resolution of 4 November 1999.

If you will allow me, Mr President, I will concentrate on three ideas. The first concern of the Committee on Legal Affairs –and I hope this House will ratify it tomorrow – is the concept of the situation of the internal market. What does the

internal market mean to European construction? These days we hear the siren song of globalisation and together with that goes the idea that we are international. The internal market appears to have become very small in this new globalised economy. Nothing could be further from the truth. This document on the strategy for the internal market expresses this very clearly. The internal market is Europe's platform in the world. The internal market embodies the key principles of a globalised economy with advantages for Europe in terms of competition. That is the first message of the Committee on Legal Affairs.

We need to put the emphasis on the principles of the internal market: the principle of proportionality, the principle of mutual recognition, the principle of control of origin. These must be the great pillars upon which this strategy for the internal market is built. We will not make the headlines with this, but it is important nonetheless. The application and control of Community legislation is also important. The Member States must cooperate in this application. We must oppose procedures which are used too frequently, such as 'gold plating'. We need to strengthen our infringement procedure, we need to consolidate it, make it more transparent and more accessible. We ask that decisions on the outcome of infringement proceedings be explained and that Parliament be informed of them. We ask that infringement cases be processed more quickly and that they be more effectively presented to the citizen.

The second message of this resolution is that we need to make the present, rather disorganised laws, which the citizens see as a burden, into a genuine legislation, a coherent and clear framework of rules and regulations, without any overlapping or contradictions. These contradictions are seen by the citizen and by industry as burdens, as a lack of clarity in the message regarding the direction we are taking.

Lastly, the third message is a change in the business culture in Europe. We need businesspeople who are more willing to take risks. To this end we will have to change certain laws, such as for example the European laws on insolvency in general, on the suspension of payments and bankruptcy. We need to put the emphasis on the creation of a genuine capital risk market. We need to convince young Europeans, as young Americans are already convinced, that the best option is not to join a large company, on a long-term basis, but to create new companies. In all of this, electronic commerce, the Internet and new technologies must offer a good platform.

Finally, Mr President, to sum up, I hope that tomorrow, on voting for the resolution, Parliament will send a clear message. We are behind the Commission in this initiative and of course we want to participate in the whole process, permanently, cooperating, offering ideas and monitoring the situation.

3-299

Berenguer Fuster (PSE), *draftsman of the opinion of the Committee on Economic and Monetary Affairs*. – (ES) Mr President, once again the European Parliament must express its opinion on the Commission communication on the construction of the internal market, in this case, a new version of it.

A proportion of its content affects the competences of the Committee on Economic and Monetary Affairs. It is these points which I wish to discuss specifically.

Firstly, I would like to say that, in general, one of the criticisms levelled at previous versions of this documents no longer applies. The European Parliament's resolution of 4 November 1999 said that the document was rather unspecific, that it did not contain specific actions. This new version does contain specific measures and proposals. Let us then analyse the content of these proposals, albeit in general terms.

With regard to taxation, the opinion of the Committee on Economic and Monetary Affairs is that the Communication is not ambitious enough, especially when compared to previous documents. We are aware of the stumbling blocks encountered in relation to the tax package and that some of its chapters have been blocked, but in situations such as this large doses of political courage are necessary to push proposals forward. We notice a lack of such political courage in this document since the chapter on tax simply reproduces previous Commission commitments, and even leaves aside some of the European Parliament's proposals.

Secondly, in relation to the rules on competition, the Communication opts for deepening the process of reform underway, and this deserves our support.

Finally, in the chapter on financial services, it should be highlighted that up to now important progress has been made but, as indicated in the recent single market scoreboard, there is still a lot to be done.

3-300

Medina Ortega (PSE), *draftsman of the opinion of the Committee on Employment and Social Affairs*. – (ES) Mr President, as draftsman of the opinion of the Committee on Employment and Social Affairs, it is natural that I should speak about the problems which the strategy for developing the internal market may pose from a social point of view.

We are starting with a European social model – which is a national model – and we are transforming the economic structure of that society. In doing so, we are concerned that the effort to liberalise should not transform the essence of the current European social model. An example of this can be found in an area as apparently banal as urban transport. If urban transport is not subjected to political considerations and the intervention of local authorities, for example, straightforward liberalisation could make it practically impossible for us to reach our workplaces. We have had examples such as the case of Venezuela where a strictly private system of public transport led to a profound social and political crisis in that country.

Liberalisation presents other difficulties. For example, when public services and public companies are privatised and those public companies come to be controlled by a private sector which in reality replaces the state monopoly with a private monopoly, liberalisation may not come about effectively at all. Liberalisation by means of privatising public companies may end up consolidating dominant positions and private monopolies which in my opinion may offer fewer benefits than a monopoly conceived in the public interest.

Another aspect – which we referred to in the recent debate on the Kuckelkorn report – is the need to coordinate social protection. Social protection in a single internal market cannot simply be left to subsidiarity.

Lastly, cohesion also seems to me to be important. If there is no economic and social cohesion, if we do not balance the quality of life in the different regions of the Community, we may find ourselves in a situation where the European Union is an unfair European Union in which some regions will make more progress and others will be left behind. This is the basis of the amendments which Mrs Berger and I are presenting, representing the views of the Committee on Employment and Social Affairs.

3-301

Varela Suanzes-Carpegna (PPE-DE) *draftsman of the opinion of the Committee on Fisheries.* – (ES) Mr President, Commissioner, firstly I would thank the rapporteur for explicitly mentioning the opinion of the Committee on Fisheries, although we regret that it has not been included in the report.

I say this especially, Commissioner, so that you can communicate to the Commission, and particularly to Mr Fischler, the fact that the common fisheries policy is one of the few areas of Community activity where until now very few steps have been taken in the creation of a genuine internal market.

The lack of action is related to the original conception of this policy. The current Council Regulation No 3760/92 establishing a Community system for fisheries and aquaculture, provides for derogations in respect of the internal market, notably in Articles 6 and 7, which allow derogations from the principle of freedom of access to fishing grounds, so that Member States have the right of exclusive exploitation of their fisheries resources within a 12-mile coastal band, as well as a series of preferential fishing rights, through application of the ‘relative stability’ principle, which distributes national fishing quotas. At the same time it lays down restrictions on exercising fishing activities in certain areas known as ‘boxes’. These restrictions on the principle of freedom of action, which were originally intended to be temporary restrictions, have been extended and will be in force until 1 January 2003 as a mechanism to allow certain Member States’ fishing industries to adapt to the rules of free competition in an increasingly open and globalised market. Over 20 years have passed and, as we are about to embark upon a general review of all aspects of the common fisheries policy which, for compelling legal reasons, must take place in 2002, it is now time, I believe, to examine whether the transitional period for adaptation to free competition provided for in the said regulation should be ended.

In my opinion, the fishing industry and the common fisheries policy should also be subject to derogations in respect of the internal market. Therefore, the principles and fundamental freedoms enshrined in the Treaties should also be applied to fisheries, in other words, the framework of the common fisheries policy should be brought into line with the general legal framework of Community legislation.

3-302

Harbour (PPE-DE). – Mr President, on behalf of our Group I should like to warmly welcome Mrs Palacio Vallelersundi’s excellent report. As she said in her introduction, she has made the very wise decision to focus on what are the most critical issues for the creation of the single market.

I want to focus on a couple of the principal points that she makes. The first one is the need to address, within the Union, the impact of legislation on business. It is particularly important that we ask the Commission to reinforce its activities, to ensure proper compliance cost assessment and to assess the costs on businesses of the new legislation. I say to the Commissioner that we do not expect this to be done as an after-thought, after all the departments in the Commission have developed legislation. It needs to be an integral part of the policy and regulation process. He must make sure that from now on that a central objective is to help the internal market to move forward.

We were delighted to see a second point on the agenda at Lisbon. Our committee and, indeed, our Group has been emphasising, since this new Parliament started last year, the need to encourage the development of small- and medium-sized enterprises across the European Union. Mrs Palacio Vallelersundi’s report emphasises a number of key points such

as the need to make business formation cheaper and quicker and the need to remove some of the barriers preventing entrepreneurs from benefiting from the risks of putting capital into starting up new businesses.

I am disappointed to see that our Socialist colleagues are proposing that clause should be taken out of this resolution. I can assure them that we will vigorously oppose that tomorrow. I invite colleagues to reject that proposal.

I conclude by confirming that the Committee on Legal Affairs and the Internal Market will continue to press vigorously for the speedy completion of the internal market. I give credit to all our colleagues, across all political groups, for the speed with which we have dealt with the electronic commerce directive this week. I hope that is appreciated. I hope it will demonstrate that we are prepared to work with speed. I hope that, together, we can really make the internal market work as quickly as possible.

3-303

Berger (PSE). – (DE) Mr President, Commissioner, ladies and gentlemen, it has to be said that the European Commission's current strategy for bringing about the actual realisation and improvement of the internal market has already been the subject of debate in this House on quite a number of occasions. This ongoing discussion process is now encapsulated in the report by Mrs Palacio Vallelersundi, and I would like to thank her very much for this work, particularly as I am aware that it is often a thankless and less than exciting task to have to work on existing projects. One tends only to make the headlines when one brings new ventures in to the world.

However, we must not discard the internal market as if it were an old hat. The introduction of the euro has already brought all the shortcomings of the internal market into sharper relief and it will accentuate them even more clearly in the future. Any failing on the part of the internal market weakens Europe economically and in terms of its credibility vis-à-vis the citizens. If it helps to give the internal market project renewed impetus then we should in fact welcome the new packaging that the Commission has come up with, even if it appears slightly over-contrived and complicated for my taste on many issues.

It is important to get the proposed measures underway quickly. In common with Mr Harbour, I believe that in adopting the common position Parliament has made an important contribution to electronic commerce.

The Council has been dilatory in many areas. I am thinking mainly of such fundamental draft directives as those pertaining to "copyright in the information society", "distance selling", and "financial services", where we have already been kept waiting for the common position for a very long time.

If we want to bring the internal market closer to the citizens and make it relevant to their lives, then we should also give the same amount of attention to all issues connected with it. We will only strengthen the internal market and enable it to function at long last if issues such as consumer protection, employment policy, social security, taxation policy, environmental protection and regional policy are included in the debate from the outset, rather than being regarded as incompatible. To this end, we have taken the liberty of tabling a number of amendments supplementary to Mrs Palacio Vallelersundi's report.

Finally, I have a request to make of Commissioner Bolkestein. We gathered from the Commission's statement on the Echelon case that, in at least one Member State of our Union (I suspect it is not the only one and that this applies to several) secret services undertake activities with the aim, as permitted under national law, of protecting the economic well-being of a nation, a Member State that is. I believe it would be worth looking at these legal provisions in the light of the fact that we have an internal market and a common European economy, i.e. a common European economic area.

3-304

Beysen (ELDR). – (NL) Mr President, Commissioner, ladies and gentlemen, I feel nothing but appreciation for Mrs Palacio Vallelersundi's clear draft report. It concisely outlines and highlights the key points from the Commission's communication on the strategy to be followed for Europe's internal market. I would like to highlight some of these points.

The promised dialogue between the Commission on the one hand and business and citizens on the other is to be welcomed because the relationship between the Commission, the European Parliament and society should, after all, be interactive. In order to keep pace with the present breakneck speed at which technology is developing, it is not only desirable but essential to keep the dialogue going. So far, the average citizen has had insufficient insight into what drives the Union and what can be gained from European cooperation. This is why information campaigns are essential. After all, Europe cannot afford to remain a remote spectacle. Back to basics should be our motto.

The e-Europe initiative praises the use and expertise of Internet and multimedia. This is very commendable indeed but, rather than just creating a frame, it is more important to give substance to education. I would like to repeat the words of the French President spoken at the official opening of this Parliament building and I quote: "We must create a citizens' Europe in which each individual gradually comes to see that he or she has a role to play. We have a duty to build this great

common house in which each individual nevertheless feels at home. A house in which everyone lives together, in a spirit of solidarity, but in which each individual retains his or her identity”.

In order to meet these objectives, the residents need to get to know and get a feel for their house, or rather their home. In order to build a genuine internal market, we should, more than anything, concentrate on promoting the interests of small and medium-sized businesses. To this day, there are still too many obstacles. Companies' competitiveness and dynamism depend directly on a regulating climate which is conducive to investment, innovation and entrepreneurship.

Finally, I can only echo the need for SLIM. Legislation must become simpler and must be written in a clear language. Superfluous legislation should be withdrawn. It would therefore be beneficial to draw up a scoreboard of laws which have been abolished.

3-305

Medina Ortega (PSE). – (ES) Mr President, I would like to speak on a point of order. During the debate, Mr Harbour referred to an amendment tabled on behalf of Mrs Berger and myself – Amendment No 2, paragraph 22(2). If I am not mistaken, Mr Harbour said that he was opposed to our amendment. I believe that there has been a little confusion. In the Spanish version which I have there is no problem. The amendment is based on the German text, which causes some concern because it refers to the issue of share options. I imagine that in the English text which Mr Harbour has there is no problem either. The Spanish text simply says “remove the barriers imposed on entrepreneurs capitalising on company value through the issue of share options on the stock exchange”. If this is the correct text, there is really no problem, in which case I would withdraw that amendment and simply ask for the German version to be adapted to what is said in the Spanish text.

3-306

Bolkestein, Commission. – (NL) Mr President, many thanks for giving me the floor regarding an issue which is very dear to the Commission as a whole and myself, in particular, namely the new strategy for the internal market. To begin with, I would like to extend my warm thanks to Mrs Palacio Vallelersundi for the ardent support she has shown for the set of measures proposed by the Commission. The Commission feels confirmed in its intention thanks to this important vote of confidence coming from this Parliament.

Mrs Palacio Vallelersundi has mentioned three topics. First of all, she stressed the importance of the internal market as a forum in the world, which is essential for the competitiveness of European industry and the European service industry, and she is absolutely right, of course. This is, in fact, echoed in Mrs Berger's remarks, who stated that the internal market is not an old hat one can simply take off, the internal market is and will remain essential to European competitiveness as a forum in the world.

Mrs Palacio Vallelersundi's second remark highlights a number of inconsistencies. According to her, sometimes one does not know where one stands. This would be a serious shortcoming if it were true to this extent. Needless to say, the Commission attempts to establish internal consistency between rules, but it is, of course, possible for rules to be in conflict with one another in certain areas. If this were the case, then the Commission would be more than happy to rectify this situation. I would like to thank Mrs Palacio Vallelersundi and the other Members for their comments regarding specific inconsistencies between rules. This will enable the Commission to do something about this.

Mrs Palacio Vallelersundi's third remark concerns the change in culture. This is an important yet very difficult topic, which predominantly refers to the availability of risk capital, as Mrs Palacio Vallelersundi has also pointed out. There happen to be bankers in the risk capital industry who believe that Europe has the money but lacks the entrepreneurs. In other words, according to these bankers I spoke to recently, the bottleneck is not so much due to the availability of capital as to the availability of entrepreneurs. This is tied in with the economic culture.

I happen to disagree with these critics. Responsibility lies with both camps. The bottleneck is the result of both the availability of risk capital, especially the cost of risk capital, but we are also, of course, lacking the sufficient entrepreneurship. This is down to Europe's economic culture which still instils in us the belief that bankruptcy will stay with a young entrepreneur for a long time, while in the United States, as everyone knows, bankruptcy is taken far more lightly.

I hence agree with Mrs Palacio Vallelersundi that something needs to be done to breathe new life into Europe's entrepreneurial culture. Moreover, I suspect that in the light of developments, which are termed the “new economy”, an increasing number of, mainly, young people, young entrepreneurs, will be encouraged to start up a business.

After having expressed my thanks once again to the rapporteur, Mrs Palacio Vallelersundi, I would now like to move on to remarks made by Mr Berenguer Fuster. According to him, the Commission should have more political courage, especially in the fiscal domain. My response to Mr Berenguer Fuster is: should the Commission have yet more political courage? What the Commission is trying to bring about is already so hard to achieve. That does not just pertain to the topic that was under discussion earlier this evening, namely the coordination of taxes and tax legislation regarding pension contributions.

It also concerns the taxation package formulated by my predecessor, Mr Monti. Moreover, during the discussion of the previous topic, Mr Lipietz remarked that he, and probably his group too, is not prepared to further liberalise the provision of financial services if the package, also known as the Monti package, is not adopted. I would like to oppose such reasoning which has no foundations in the real world. It would be an example of cutting off your nose to spite your face, if Parliament or the Commission were to say that they refuse to make further attempts to integrate the financial services if no progress were made in terms of the taxation package. This would not be the right attitude, in my opinion. Although Mr Berenguer Fuster has not said this in so many words of course, I would still like to take the opportunity to stress this point.

I ask Mr Berenguer Fuster if he would like the Commission to have yet more political courage? We are already struggling to achieve what we have proposed. I would like to see the Commission achieve what it has proposed to do first and then take it from there.

Mr Berenguer Fuster has also said that a great deal still needs to be done in the field of financial services. And he is right, of course. Mr Berenguer Fuster is undoubtedly familiar with the action plan for financial services which was adopted on 13 May 1999 and which includes 43 objectives. We are in the process of achieving these, at least we are in the process of achieving those objectives that need to be achieved this year. I am hoping, on behalf of the Commission, to make certain proposals regarding pensions, for example – we discussed this topic a moment ago – but also regarding the opening up of markets for postal services, regarding the public provision of goods and services, public tendering etc., before the summer recess. We are truly active in the field which is dear to Mr Berenguer Fuster.

I would now like to comment on a remark made by Mr Medina Ortega. He said that at present, there is a risk of state monopolies being replaced by private monopolies. I would like to assure Mr Medina Ortega that this is, of course, by no means the intention. Replacing a state monopoly by a private monopoly only makes matters worse. This is certainly not the intention of this Commission. What the Commission does intend to do, however, is to add substance to the decisions taken by the European Council at Lisbon, namely to free up the markets for gas, electricity, transport and postal services a lot faster. The Commission is trying to flesh this out and this also means that those state monopolies need to allow for more competition in the fields I mentioned a moment ago. But, I repeat, the prospect of replacing state monopolies by private monopolies is something which we do not exactly relish.

I would then like to come back to the remarks made by Mr Harbour, who, like Mr Beysen and Mrs Plooi-j-van Gorsel, was absolutely right to highlight the importance of small and medium-sized businesses and the costs related to running these businesses. The Commission is aware that, for example, the costs involved in establishing a business or a small business over here far outstrip the costs in the United States. To give you an idea of the cost difference, it takes an average of five days to set up a small or medium-sized business in the United States. In Europe it takes far longer, even as long as five months, a ratio of 1 in 30. This is, of course, directly reflected in the cost. If we then talk about culture, and I am addressing Mrs Palacio Vallelersundi once again, we need to try to do something about these establishment costs of small businesses very quickly, because otherwise we will naturally come off second-best in the competitive battle with North America.

Finally, I would like to turn to Mrs Berger as I have already responded to Mr Beysen's remarks concerning small and medium-sized businesses. I have quoted what Mrs Berger said earlier about the hat which you cannot simply take off. I like this metaphor because it is true that European citizens have the feeling that this internal market is already in place. They take it for granted and do not give it any further thought. This could not be further from the truth. The internal market is far from complete. We must – and the Commission does, in fact – work on it week in week out and defend it, because the internal market is subject to constant pressure, and the Member States fall back into old, protectionist habits which we need to fight. Mrs Berger was right to refer to directives which remain in the Council. We are all familiar with examples of directives which remain in a vacuum for five, ten or even fifteen years because they are not adopted by the Council. Let us hope that this will change. If you will allow me to highlight one aspect of it: we all hope, of course, that the difference of opinion which is keeping Spain and the United Kingdom divided over a well-known rock in the Southern half of this continent, will now be resolved. I read in an article in a Spanish newspaper that the issue is moving in the right direction. This would actually unblock half a dozen directives. We are all waiting for this moment.

To sum up, on the subject of Echelon, I can assure Mrs Berger that this is completely unrelated to the internal market and does not form any threat to it whatsoever.

Mr President, this concludes my remarks. Could I once again express my appreciation to the Members of Parliament and the rapporteur, in particular, for the important vote of confidence which we received from Parliament regarding the new strategy for the internal market?

3-307

President. – Thank you very much, Commissioner.

The debate is closed.

The vote will take place tomorrow at 11.30 a.m.

3-308

2001: European Year of Languages

3-309

President. – The next item is the debate on the report (A5-0099/2000) by Mr Graça Moura, on behalf of the Committee on Culture, Youth, Education, the Media and Sport, on the proposal for a European Parliament and Council decision: European Year of Languages 2001 [COM(1999) 485 – C5-0278/1999 – 1999/0208(COD)]

3-310

Graça Moura (PPE-DE) rapporteur. – (PT) Mr President, Commissioner Reding, ladies and gentlemen, I come from a country whose history over the last six hundred years has been closely linked to a knowledge of the foreign languages that are spoken in the most diverse parts of the world. The Portuguese have always had to learn the languages of the people with whom they were dealing and, in turn, brought a European language, Portuguese, to the four corners of the world and it is spoken today by two hundred million people.

The scope of an initiative such as the European Year of Languages 2001 is therefore quite clear to me, at a time when Europe is facing a new stage in its history and when we are all fully aware of the extraordinary wealth that the cultural and linguistic diversity of the European peoples represents. We also have a huge conceptual project, which has been undertaken by both the Council of Europe and Parliament, and which holds the idea of the mother tongue to be one of every human being's fundamental rights.

It is in this context, in which history and civilisation, the dynamic of cultural processes and the drafting of laws, the primacy of the present and a necessary view of the future all merge, that the importance of the proposal that every citizen of the European Union should learn foreign languages is most clearly seen. The European Year of Languages is a campaign which contains an audacious challenge and takes for granted the essential cultural dimension of our heritage, in both its oral and written forms, which has been expressed since time immemorial in all the languages spoken in Europe. It considers the knowledge of other languages to be intrinsic to the construction of a European citizenry itself, as it opens the door to greater knowledge of each other's cultures and encourages tolerance and peaceful coexistence. By doing so, it is also an important factor in combating racism, xenophobia, anti-Semitism and other unacceptable forms of discrimination. Lastly, looking at the economic aspect, it contributes to the construction of a European citizenry by means of the range of professional qualifications that competence in other languages represents, by means of the access that it provides to scientific and technical knowledge and by means of the weapon it represents in combating unemployment.

It was not only these concerns that were highlighted by the various amendments to the original text proposed by the honourable Members of this House, but also those for a real policy in this area which, without infringing the principle of solidarity, would ensure the quality and the effectiveness of the campaign of incentives to learn foreign languages, as well as the diversity of target-groups, paying particular attention to the less favoured sectors of society.

The methodology of drafting the report which I had the honour of being responsible for, and which Parliament will vote on tomorrow, was to consistently seek out the boundary between what would be acceptable to the various institutions involved and what would not. It did so both in a completely informal way and through intensive and varied meetings with the coordinators of the Parliamentary Committee on Culture, Youth, Education, the Media and Sport's political groups, with representatives of the Portuguese Presidency and the Commission. By these means, what we might call a compromise text was agreed, which gives every reason to suppose that a possible second reading and a possible conciliation procedure will not be necessary. In other words, a solution which will enable the procedure to be completed at first reading and preparatory action for the European Year of Languages to be set in motion in the second half of this year, so that the programme will come into force at the very beginning of 2001. I believe that the most serious difficulties will surely be cleared up in the statement which we all hope Commissioner Reding will make.

This does not mean that this is the best of all possible worlds. We consider the financial means to be quite inadequate and we feel that there are actions resulting from the programme that we will have to gauge and develop. We also feel that there is another whole range of aspects that have been excluded, because they do not relate to a campaign for learning but to the status of European languages, which for some historical or political reason are less widely spoken or less favoured in some Member States. These points also require urgent consideration by the Community institutions. None of this, however, detracts from the fact that the compromise text contains enormous potential for positive results, and responds to a concern and a real need felt by the citizens of the European Union. It already covers, directly or indirectly, many of the general principles that must be enshrined in this area.

For these reasons, and with my thanks for all the cooperation given to me by fellow Members, by the Portuguese Presidency and by the Commission, I am honoured to propose that we vote in favour of the joint proposal for a decision on the European Year of Languages, in the version produced in the compromise text, the main features of which I have just stated.

3-311

Pack (PPE-DE). – (DE) Mr President, ladies and gentlemen, rarely has there been so much insight and common sense in evidence on all sides of this House, as is proving to be the case during this debate today. That is no doubt due to the issue we are dealing with, the urgent nature and significance of which everyone deems equally important. We want to prepare ourselves well for the European Year of Languages. Indeed that is why all three institutions have been making overtures to each other and sparing themselves long-winded negotiations. I would expressly like to thank Mr Graça Moura for the work he has done. It has been such an outstanding effort that all the coordinators in the committee simply had to give him their backing. I have to admit that his charm must have had a lot to do with this, as well as his expertise of course!

What are we aiming to achieve with this action, which we are supporting so vigorously? We want to make our fellow citizens receptive to the advantages that mastering several languages brings. The different languages are part of cultural diversity, and understanding other languages is a particularly effective way of tapping into the riches of our cultural heritage. It is simply wonderful to be able to read and understand a poem by Verlaine in French, or one by Heine in German, or by Vasco Graça Moura in Portuguese. But even at a mundane everyday level, one cannot get far without a knowledge of other languages. Indeed, only those who speak several languages can gain full access to the internal market.

As the Socrates rapporteur, I am very much in favour of placing special emphasis on the importance of learning the language spoken by one's European neighbours, and of launching pilot projects on this very issue, in the course of the Year of Languages.

Of course we all hope that the measures planned for this Year of Languages are not one-day wonders, rather they should extend well beyond the year itself.

I hope the Year of Languages will bring the success we all need.

(Applause)

3-312

Prets (PSE). – (DE) Mr President, Commissioner, the European Year of Languages 2000 is intended to achieve several goals, one being to promote awareness of the fact that linguistic diversity within the European Union is part of our cultural heritage. In addition, we intend to afford as many people as possible a greater understanding of the benefits of knowing several languages, as a crucial aspect of personal development, career development and improved communication.

It is also important to me personally, not just to target schoolchildren and students, but also to redouble our efforts to reach the socially disadvantaged, and immigrants, and to afford them prospects and opportunities for the future. The exchange of information, collation and processing of experiences, as well as the development of new, modern methods of improving access to languages and making it more efficient, is also one of this project's key areas of concern.

Unfortunately, it will not be possible, given the available budgetary limit of EUR 8 million, to do as many of you have requested and place special emphasis on, and promote, the minority languages, which must of course be taken into account in the respective regions – I know this from my own experience, coming as I do from a region in which there are three minority languages.

The main aim of this Year of Languages is, as has already been said, to urge the people of Europe to learn several languages, both for their own ends, and so as to form the basis for improved understanding and integration within the European Union. It has been possible to prepare this report in the shortest time imaginable and to reach agreement on more than 100 proposed amendments. The flexibility and readiness to compromise displayed by all those involved was most impressive. The rapporteur, Mr Graça Moura, was a particularly judicious and committed negotiator working in the interests of this project. I would like to extend my heartfelt thanks and congratulations to him.

Notwithstanding all the positive aspects, I would also, however, like to take this opportunity to voice my criticism of the Council, which Parliament has been unable to rely on as it needed to. Two weeks ago, we reached agreement with the representatives of the Council, the Commission and Parliament, but I am sorry to say that this was called into question on Monday of this week. We cannot accept this kind of behaviour, and we expect the Council to give its representatives a mandate for negotiations, or to confirm to us that further talks will be necessary. In this way, we will be able to avoid wasting time. I believe it is important to approach each other, for culture is an important mainstay and language an indispensable one.

3-313

Andreasen (ELDR). – (DA) Mr President, I should like to thank Mr Graça Moura for a splendid piece of work and for the energy he has put into drawing up the present report. I should also like to thank the Council for being so obliging and the Commission for the role it has played as mediator, especially just recently. The Group of the European Liberal, Democrat and Reform Party is happy to support initiatives which may create greater awareness of the value of linguistic diversity in the European Union. It is important that the EU's citizens should be urged to learn foreign languages early on in school and also throughout their lives. A knowledge of languages is important, for European languages are of great significance to

European culture and civilisation, and good language qualifications are also a condition for employees to be able to find employment in EU countries other than their own. The programme for the European Year of Languages is a brilliant launching pad for providing information about the many different opportunities there are for learning foreign languages, and it is important. Mr Graça Moura's proposal includes the 11 official EU languages, together with a number of other languages recognised by the Member States, including Irish and Letzeburgesh. The Group of the European Liberal, Democrat and Reform Party also thinks that the programme should include those languages which actually exist in the respective Member States. Allow me to mention languages such as Catalan in Spain and Frisian in the Netherlands as examples. Finally, in the programme for the European Year of Languages, consideration is also given to the forthcoming enlargement of the Union, something which we in the Group of the European Liberal, Democrat and Reform Party consider to be of decisive importance to all EU programmes. On behalf of the Group, I can recommend supporting this programme.

3-314

Vander Taelen (Verts/ALE). – (NL) Mr President, needless to say, I too would like to thank the rapporteur for his excellent and exquisite work. I would like to make a few minor observations regarding a European campaign which intends to teach Europeans languages from other communities.

We are all convinced of the usefulness of this exercise, of course. But the thing that often goes wrong with European campaigns – and fortunately I have not been around long enough as a politician to be unaware how the ordinary citizen reacts to this – is that, very often, they are nothing but an attractive front, pretty to look at but insubstantial. I would therefore like to think that this campaign will offer something different, and that, more importantly, consideration will be given to why it is so hard for people in Europe to learn languages, and at what stages in their lives they are able to learn languages. I come from a bilingual country myself and I have met some people in that country who never learn the other language, despite the fact that they attend language classes, sometimes for twelve years, and are still unable to speak another language. This is a terrible observation to have to make. I therefore hope that in the course of the year of European languages, research will be carried out into the best language teaching methods and, more than anything, how Europeans can be encouraged to learn the language of the other Europeans using a modern and appealing method.

3-315

Fraisse (GUE/NGL). – (FR) Mr President, ladies and gentlemen, this great range of languages is a source of cultural wealth. I thank the rapporteur, Mr Graça Moura, for having reinstated this aspect which was sorely missed at the beginning, for having established from the outset that we are not simply facing a technical information and communication problem and for reminding us that the diversity of languages is the product of a civilisation which has both written and oral traditions. We must be wary of adopting a functional and utilitarian approach to languages, for this approach ignores the fact that language facilitates thought and that thought facilitates citizenship. I feel, therefore, that learning at least two languages is the minimum needed to keep up with the dynamic evolution of European democracy, as well as to ensure the mobility of students and of workers.

I just wonder what means are available to us now, apart from a few fine words and a tiny amount of money, to see this policy through. We must be able to think with our mother tongue and also with, or in, other languages. As a Frenchwoman I am convinced that being a French speaker goes hand in hand with using foreign languages. That is why we must convince parents, teachers and politicians that language learning must begin at primary school level, or even at pre-school level. That is also why interpreting and translation should not be relegated to being called, as they still are, ancillary skills.

We must not be content with arguing for the diversity of languages and with calling for differences to be respected. It is a question of whether Europe takes on an identity of identities and not just a common ground of differences. This leads us to the debate on the official languages of the Community and the recognised languages, be they national or regional, of all of today's countries and those of tomorrow, particularly in the context of enlargement, which, as we all know, is a cause for concern for us in terms of languages.

Europeans also have a heritage, beginning with ancient Greek and Latin; we have all stressed this in the Commission and we must not lose these languages. Europeans must not neglect any language, nor must they forget the languages of the immigrants present in considerable numbers in our countries, or sign language which is the minority language par excellence. I feel that a successful awareness campaign must present languages as subjects to be studied and as a mechanism for exchange, of course, but it must also remind people that languages are also a source of fun and a pleasure.

(Applause)

3-316

Marinos (PPE-DE). – (EL) Mr President, after I too have congratulated the rapporteur, Mr Graça Moura, who has done such a good job that it won the unanimous support of the Committee on Culture, Youth, Education, the Media and Sport, I would like to focus my attention on just one point, namely that in addition to the human, cultural and political advantages, the need to learn more than one language is also of considerable economic benefit. The report also highlights the findings of all the experts: having a good command of one's mother tongue and learning classical languages, especially Latin and classical Greek, makes it easier to learn other languages. I would also add our own mother tongue to the equation. This

great truth emerges from a fact rather unknown to most, that in the English language, for example, there are at least 75 000 words of Greek origin. I repeat, 75 000 English words derive from classical Greek. There are a similar number of words in the French language that derive from Greek, and the same is true of most other modern European languages. It is also certain that Latin is just as important for most European languages.

The English sage, Francis Bacon, said that knowledge is power, so knowledge of the basic languages from which our modern European languages derive improves our general knowledge and reinforces European civilisation, which, besides its humanitarian value, is also a weapon for our survival and prosperity as Europeans in a globalised economy. Besides, the contemporary German professors, August and Werner-Karl Heisenberg, have characterised both classical and modern Greek as the mother and nurturer of human civilisation. I believe that revival of the teaching of Latin and classical Greek in middle education will also provide a cultural shield for the younger generations against the onslaught of the generally levelling effect of the American cultural message, so that only its positive elements are preserved.

3-317

Paasilinna (PSE). – (FI) Mr President, ladies and gentlemen, I would like to thank the rapporteur. The European Year of Languages is important and worthwhile. All the languages of Europe are equally valuable and worthy of respect in terms of culture.

It could be said that the people who speak the same language share the same mentality. The mother tongue is not merely a tool of communication, it is in fact more than anything else, it is thought itself. Language is the most peaceful way of communicating. Independence is language and language is independence. The Kurds are a nation with no land or borders of their own, kept together only by language. Language is a powerful force. It is the most important bond for a nation. Large countries, and many smaller ones too, often tyrannise others through language. It is a means of occupation.

The legislation regarding language in my country is among the most liberal in the world. We have seen how two different foreign languages have twice been proclaimed the official language; only at the beginning of last century did our language, Finnish, become the official one. That is why we have guaranteed the important status of minority languages.

The multilingual nature of the European Union is thus a source of wealth. At the same time it is also the right of each citizen in each Member State. The multilingual nature of Europe must be preserved after enlargement too; there are no obstacles to this. It is wrong to think that a multilingual environment is costly and ineffective. Translation is not costly; it is the most effective practical instrument of peace.

3-318

Ortuondo Larrea (Verts/ALE). – (ES) Mr President, in addition to congratulating the rapporteur, I would like to highlight in this debate that the idea for this celebration originates from the Council of Europe, an institution with a particular sensitivity towards the cultural and social aspects of the old continent, which, with its initiative of increasing the knowledge and use of more languages by Europeans, hopes to promote understanding, tolerance and greater reconciliation between the citizens.

When we speak of European languages, let us not forget that this does not only mean the official languages of the Member States. In Europe, many other languages are spoken, some of them thousands of years old such as Euskera in the Basque Country or Gaelic, whose origins have been lost in the mists of time, and others such as Catalan, Galician and Alsatian, which is spoken right here in Strasbourg. This initiative should also benefit all these other regional and minority languages, and the bodies created by the Member States to organise participation in the European Year of Languages must also include representatives of these other languages, which are also European, and which are the essence and lifeblood of the wealth of our unity in diversity.

Furthermore, the learning of languages leads to an awareness of our cultural diversity and contributes to the eradication of xenophobia, racism and intolerance, which forms part of our Community objectives.

3-319

Gutiérrez Cortines (PPE-DE). – (ES) Mr President, I would like to thank the Commission and, at the same time, the rapporteur, Mr Graça Moura, for having permitted so many amendments, many of them open to broadening the scope of the Year and extending it to rural areas and the least favoured areas. However, I would also like to express certain concerns with regard to the economic restrictions. I would recommend that many projects be allowed since it is clear that cultural projects attract a lot of investment from Autonomous Regions and private initiatives which we cannot afford to lose.

I would also ask, in this era when emotions often take precedence over good sense, that we do not support projects which are aimed at exclusion and the use of language to support positions which often seek to cause divisions between people, when the objective of this programme is to unite people.

I would also like to see the European Union begin to take great care of languages which have no country, maternal languages which often have no school and no teachers; languages which are spoken throughout Europe, which no state

accepts and which will never become official. I am referring, for example, to Ladino and Yiddish. These languages furthermore do not have any media of their own. Of the 150 languages which are spoken in Europe, we should make a list of those which are only transmitted from mothers to their children, which are only spoken in a domestic setting and which, currently, with the invasion of the media and with the official use of languages in schools, will have very few years to live. I would like this European Year of Languages to be opened up to them as well and that a space be made for them so that they may be considered in any other future programmes which may take place.

3-320

Poignant (PSE). – (FR) Mr President, I should like to address my remarks on languages to my fellow Members, of course, but also to our interpreters, who enable this Parliament to function, to the rapporteur, of course, not for his work as rapporteur but because he is also a poet in this Parliament and, moreover, as I have discovered, one who speaks my mother tongue perfectly. What better rapporteur could there be?

When one is a new Member of the European Parliament, as I am, one finds oneself dealing with all sorts of things: chocolate, end-of-life vehicles, the qualified majority, dried beans, Spanish lentils, anything and everything. Then, suddenly, one finds that one is going to have to deal with something that gives Europe its historic and cultural depth, namely its languages. And when one looks back at the great periods in history, and I am thinking here of the Renaissance, that great age of trade and commerce, what remains of that era today are the cultural achievements, the artefacts of our heritage, and thus will it ever be.

In terms of languages, Europe has known times when a single language predominated: Latin, and also French. Now it tends to be English. So what are we to tell our fellow citizens for this year 2001. Let me just briefly mention a few points. Firstly, that European unity may not mean linguistic unity. Next, that every language is deserving of respect and deserves to be promoted and defended. This is applicable to any amount of things: monuments, objects, you name it. Why should it not be the case for mankind's best and most lasting achievement, i.e. his method of communicating with his neighbour? And then, all languages are learnt within the family first of all. This is why we call them "mother tongues", and no State, whatever it may be, may have the direct, indirect, explicit or implicit goal of destroying one of its mother tongues, or of allowing it to disappear.

Furthermore, finally, without linguistic diversity, there is no Europe, because this is also one of the few, and perhaps the only, parliament in the world which operates in eleven languages, to the extent that occasionally we speak in this House for the purpose of being interpreted and not to be heard in the original. It is up to us to construct this dialectic of European unity and its linguistic diversity.

3-321

Klaß (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, it is a sound report, that much I can say. I too would first like to thank Mr Graça Moura, but I would also like to highlight the excellent cooperation there has been between the Council, the Commission and Parliament on this issue, all in an effort to be able to take a speedy vote on this report. This illustrates that everyone has recognised that there is an urgent need to develop EU citizens' knowledge of languages, and also to encourage them to learn new languages.

Languages reflect the diversity of the European Union. Being able to speak to each other enables us to understand one another, and also makes it easier to build social structures. However, for all its diversity, our culture in Europe derives from common, historical origins, which is why our languages are based on the classical languages of Latin and Greek. Mastering these languages generally helps one to learn the others. I come from the region of Trier – it borders Luxembourg and Belgium and France is not far away either – and it is in fact essential for us to speak the language spoken by our neighbours. Many people work in Luxembourg, or do business with Belgium and France. Knowledge of languages should not just be viewed as an aspect of interpersonal relations, for it has quite considerable economic potential, particularly in the context of the internal market and globalisation.

If I want to gain access to a particular market then I have to speak and understand the language of the market participants. In some parts of our region, for example, children learn the languages of our neighbours as early as the kindergarten stage through play. Children are fast learners and I believe we ought to be able to put this to good use. In addition to a comprehensive information campaign, we must also propose concrete actions. Educational measures must be improved, teachers must be given the right training and coaching, and it must not just be a matter of personal preference as to whether they take this step or not.

3-322

Reding, Commission. – (FR) Mr President, ladies and gentlemen, I am delighted to be able to be here this evening to talk to you and particularly to have been able to hear your views. Firstly, because the subject of languages is very close to my heart. As somebody from Luxembourg, I come from a part of Europe where trilingualism is actively practised. It is to some extent a laboratory which could serve as a basis for others who would like to do what we all wish to do during this European Year of Languages, which is to promote the study of one's mother tongue and of two additional languages.

On the other hand, we are at a crucial stage, as there is the prospect of achieving agreement at first reading between the Parliament and the Council. An agreement at first reading is essential as we are working to a very tight schedule. 2001 is no longer far off and preparations for implementing the programme are becoming urgent.

What are the aims we wish to achieve by organising the European Year of Languages? First of all, it is important to make Europeans aware of linguistic diversity and of the wealth that this diversity represents. We know full well that cultural diversity is perhaps Europe's greatest asset and we must support this cultural diversity, which is based on linguistic diversity. The various languages of the European Union will never be replaced by a single language, I am quite sure of that. And even if one particular language of communication spreads further and further, this does not in any way detract from the need to learn languages to be able to function in the European Union. You have all said so and I fully support you in this.

This leads me to the second great aim of the European Year of Languages: we must encourage the public to learn languages and to do so throughout their lives, starting at a very early age, in nursery school. Indeed, language learning is important both for personal development and for intercultural understanding, as some of you have pointed out. It is one of the best weapons for combating xenophobia. It is also, as some of you have said, essential to finding a job and to everyone's career prospects. Furthermore, it will not be possible to anticipate the needs of everyone individually, and so schools must, therefore, in addition to a basic training, prepare people for lifelong learning and in this context, the principle of one's mother tongue and two other languages should be emphasised. Learning one language is not an adequate basis for multilingualism.

The European Year of Languages is also a framework, which will enable information to be disseminated on how to learn languages. Methods have moved on from the traditional ones and much work has been done in this area. I believe that this Year of Languages should give us ideas of best practice and how we can move from quite theoretical language learning to learning a language for practical purposes.

The European Year of Languages will also complement existing initiatives. It is designed for the general public and constitutes a huge information campaign. In order for it to succeed, however, on the one hand it must create an image, develop logos, slogans and information material. On the other hand, it is envisaged that projects presented by regional and local authorities or organisations will be cofinanced, and I would like to say categorically to those of you who come from border areas that learning one's neighbour's language must be one of the major key points emphasised during this Year of Languages.

The year will be organised in close cooperation with the Council of Europe, which is extremely significant. The Council of Europe has considerable experience in the field of language teaching and we are therefore fortunate to be able to join forces with them. Many fruitful meetings have already taken place and the ongoing exchange of information between our respective departments is vital to the implementation of this Year of Languages.

I would now like to discuss tonight's debate. First of all, I would like to congratulate our rapporteur, Mr Graça Moura, for his excellent work and also to express my delight at the constructive approach and the useful cooperation built up between the rapporteurs and the Members of this Parliament, between Members and my departments and also between the two institutions and the Council. I hope with all my heart that this will enable us to successfully see this initiative through and to reach agreement at first reading so that we can start the European Year of Languages.

There were a great many amendments which have, in the meantime, been merged into a smaller number. It is important to emphasise the fact that the amendments voted for by the European Parliament must be acceptable to the Council if agreement is to be reached at first reading. I have noted the desire of some Members to include regional and minority languages, and you know how strongly I personally feel about these languages. You also know, however, how sensitive this issue is for certain Member States.

I think that the definition of target languages as stated in article 1, Amendment No 15, provides sufficient scope, whilst enabling everyone to agree on it. And I am relying a great deal, believe me, on the debates that will take place during 2001, the European Year of Languages, because these debates will enable us to overcome the problems and fears which still exist with regard to minority languages. I also hope that at the end of this Year of Languages, there will be no more resistance to languages, because, as has been very clearly stated, there are no small languages, there are only mother tongues, which are all great languages.

I am therefore relying on the debates to help me prepare future activities in this area, and I would also draw your attention to the additional recitals which address this concern: Amendments Nos 2, 3 and 4. The recitals also enable us to take account of other specific concerns, as many of you have pointed out, such as classical languages and cultures, which will not be forgotten during the European Year of Languages.

I shall not dwell on the amendments on which we agree. I am prepared to accept Amendments Nos 1 to 34, and I shall start from Amendment No 35. The Commission's draft text proposed a limited number of studies with a direct bearing on the organisation of the European Year of Languages. The Members of the European Parliament have proposed a great many additional studies. It goes without saying that the field of language learning is in constant development, which is why these studies are necessary.

The Commission could therefore accept these suggestions insofar as they cover subjects that can be addressed. Indeed, the European Year of Languages is by definition a short-term initiative, with a limited, in fact a too limited budget. You have raised the issue and we cannot do everything in this context, but there are also other possibilities, and I shall come back to them.

On the other hand, the Council is not prepared to accept a long list of studies which could not all be carried out under the European Year of Languages. My feeling is that we all agree that this point should not become a reason for agreement not to be reached at first reading. This is why I shall make the following formal commitment to you, the European Parliament. The Commission has duly noted the possible subjects for studies on languages adopted in the amendments introduced by Parliament when the motion on the European Year of Languages 2001 was studied. Given its awareness of the importance of languages in the process of European integration, the Commission has committed itself to developing these issues when implementing its programme of studies, which will be carried out in the framework of, and in accordance with the procedures of, the various programmes and activities which can be enlisted for this purpose in the spirit of article 8 of the proposed decision.

In particular, as the Commissioner responsible for the Socrates programme, which specifically covers Comenius, Lingua and Eurydice, as well as Leonardo and Culture 2000, I would like to stress the fact that this programme provides an appropriate framework to undertake the following studies, which will enable us to look at best practice in the field of language teaching and learning and at the reasons why language learning so often fails.

The studies on improving the quality of language teaching within the European Union that are provided for in the second part of Amendment No 35 and Amendment No 39; those on linguistic contacts based on studies of migrant communities stipulated in Amendment No 37; those on the opportunities to speed up access to understanding using methods for simultaneously teaching related languages, laid down in Amendment No 38.

The promotion of bilingual publishing, mentioned in Amendment No 41, is covered by the Culture 2000 programme, and I shall see to it that projects undertaken in this area are given the priority that they deserve.

Finally, it is true that enlargement of the European Union and the growth in the number of official languages will have certain implications, as Amendment No 36 suggests. Nevertheless, this issue is beyond the remit of the European Year of Languages and, furthermore, is a matter for all three political institutions. I am therefore committing myself to doing everything in my power to encourage discussion on this point in the appropriate setting, whilst hoping that I can count on the necessary support of the European Parliament.

Lastly, I would like to say a few words about the amendments presented in plenary. Amendments Nos 43 and 12 have the same content, but the wording of Amendment No 43 is better. Amendments Nos 44, 45 and 46 which are technical amendments seeking to adapt the text to comitology, do not, therefore, present any problems. Nevertheless, we know that the Council will not accept Amendments Nos 47, 48, 49, 50 and 51, which relate in particular to regional and minority languages, since we have already discussed this in the Committee on Culture, Youth, Education, the Media and Sport. As these amendments would jeopardise the chances of agreement being reached at first reading, I cannot accept them.

To sum up, Mr President, it is important that we quickly reach agreement so that we can launch the European Year of Languages. I can assure you that I have listened to your concerns with great interest and that I share them. I am sure that they will be incorporated into the text, as far as possible, and I shall also take them into consideration in other programmes and activities where we have the opportunity to encourage the promotion and learning of languages, not only in 2001, but well beyond that, because the year 2001 will be only the starting point in the campaign we are fighting for all mother tongues to be recognised at European level.

(Applause)

3-323

President. – Thank you very much, Commissioner.

The debate is closed.

The vote will take place tomorrow at 11.30 a.m.

3-324

“Youth”

3-325

President. – The next item is the debate on the report (A5-0100/2000) by Mrs Gröner, on behalf of the Parliament Delegation to the Conciliation Committee, on the joint text approved by the Conciliation Committee for a European Parliament and Council decision establishing the Community action programme for youth [C5-0116/2000 – 1998/0197(COD)]

3-326

Gröner (PSE), rapporteur. – (DE) Mr President, I would like to thank all of you for holding out for so long. I welcome the compromise we have reached on the Community action programme “Youth” and the outcome of the conciliation procedure. Although some prayers remained unanswered, the parliamentary delegation could be satisfied with EUR 520 million for the seven year term, with a review clause on the accession of the candidate countries in Central and Eastern Europe. I would like to thank all those who took part for their cooperation, particularly Commissioner Reding and her offices, the Portuguese President-in-Office of the Council, Mr Fontes, who certainly did not have an easy time of it at the hands of the Finance Ministers, and I would also like to thank the youth forum for its input. The negotiations for the Youth programme have dragged on for around one and three quarter years. We have drastically amended the original proposal by the Commission, which envisaged combining the existing programmes “Youth for Europe” and the European Voluntary Service in one five year programme. The Committee on Culture, Youth, Education, the Media and Sport tabled 61 amendments at first reading, aimed at achieving a balanced weighting of the various parts of the programme and using the distinctly larger budget to enable more young people than the 500 000 or so that had already benefited hitherto, to enjoy the experience of an exchange programme.

We wanted to simplify administrative structures and do more to develop disadvantaged young people. The Commission adopted a raft of amendments put forward by Parliament, however the Council was unable to reach agreement on a common position concerning EUR 350 million for a five-year programme. At second reading, the European Parliament concentrated on 13 Amendments, focusing largely on the Budget, on a seven-year term following the example of Socrates and Leonardo, and on a flexible age limit and social protection in matters of comitology.

Immediately after second reading, I entered into informal negotiations with the Finnish Presidency, so as not to lose any time and so as to ensure the programme makes a seamless transition at the beginning of the new millennium. We have the Council to thank for the fact that the conciliation procedure was not opened until the Portuguese Presidency took office. The Council accepted neither our budget proposal of EUR 980 million nor the well-founded compromise from the Commission of EUR 765 million.

At the second meeting of the conciliation committee we were able, following difficult negotiations, to reach agreement on all issues. The seven-year term with a budget of EUR 520 million and the review clause following the accession of central and eastern European countries was a coup on the part of the European Parliament delegation. The fact that we secured social protection for the young participants from their home country, and sickness insurance cover in the host country was another coup, likewise the fact that age limits are to be kept flexible and not rigid.

But, as rapporteur, I welcome the fact that the Youth programme is enabling us to send out a signal that the programme really is open to all young people. Both boys and girls are participating in the programme, and we have opened it to students, the unemployed, young people from the Member States, candidate countries or third countries. We have made it possible to hear more about young people’s needs and ideas over the Internet, and to engage in active dialogue with them. Who could imagine a better opportunity and better advertisement for the European core values?

Provided we make intelligent use of it, the Youth Programme could help to overcome Europe fatigue, and optimist that I am, I believe it could generate enthusiasm for Europe. Therefore my advice to you all is to make use of the opportunities that the new youth programme has to offer. I would recommend that you vote in favour of the joint text on the introduction of the Community action programme “Youth”.

(Applause)

3-327

Zissener (PPE-DE). – (DE) Mr President, ladies and gentlemen, in one month’s time, on the 9 May 2000, Parliament will be celebrating the 50th Anniversary of Robert Schumann’s declaration. In view of this historic event, we should focus our gaze on the fifty years that lie ahead for the European Community. When the next major anniversary is celebrated though, we will no longer be there to continue building our joint European edifice. This is something our descendants are going to have to do. Now is the time to take steps to smooth the way for them.

The new “Youth” action programme is the way to further European integration. Young people are Europe’s future. We should do everything we can to make sure that the young people of today feel completely at home in the European Community, better still that they develop close ties with it. Therefore it was, and still is, absolutely essential to create a

programme that offers all young people – as Mrs Gröner has already said – irrespective of their origins, educational background, knowledge of languages, study or training, the opportunity to make contact with Europe.

This is a major innovation on the part of the Youth Programme i.e. that it is open to all young people, unlike the existing programmes, each of which covers a specific area. The new programme closes the gap, as it were, between the youth and educational programmes that are already running. Parliament, as well as the Commission and the Council, saw that there was a need for this programme, even if, as the rapporteur has just said, considerable hurdles had to be overcome in relation to the financial framework. We have the personal commitment of all the participating parliamentarians to thank for the fact that a compromise of EUR 520 million could be reached. I would like once again to take the opportunity to thank all those who haggled over every euro in the course of the conciliation procedure.

As Mrs Gröner said, even if the financial framework fell a long way short of our aspirations, still a large number of amendments were adopted. The new programme is more comprehensible and more citizen-friendly. The level of social protection for the participants has been improved. The programme has been heavily decentralised so as to enable young people in our home regions to take part in actions

Our Group endorses the programme, so as to spare young people having to wait any longer for their programme.

(Applause)

3-328

Evans, Robert (PSE). – Mr President, I am very pleased to add my support and my group's support to this report. This report had a long gestation period. But the fact that we are still here so early in the morning is a tribute to the rapporteur's work on this programme and, indeed, that of the Commissioner and the Portuguese presidency – which has shown itself to be committed to youth, to the voluntary service and to education in its broadest sense. The report we have ended up with now is more closely targeted, with an emphasis on social protection and, as the rapporteur has said, a more flexible approach than in earlier reports.

We also have more money in the programme in recognition of its importance. We will always ask for more money. The budget is not enough. It is perhaps Parliament's role to ask for more. But we can be pleased with the outcome. We can be sure that whatever money we have in this programme will be directed at youth and will, in the long-term, be money well spent.

I agree with the rapporteur that this money and this programme will ensure that the efforts are targeted not just at some small sections of society but, as the Commissioner said in a previous report, at all sections of society. We must look to those who will benefit most and those who are in greatest need and who might otherwise be socially excluded.

We are delighted that some candidate countries of Central and Eastern Europe will benefit as well. We can be pleased with our efforts and pleased with this report. In seven years' time we will look back at the youth of today who will have benefited from this report and be pleased that this was the beginning of real progress.

3-329

Andreasen (ELDR). – (DA) Mr President, I should like to thank Mrs Gröner for her splendid work and for the personal, almost passionate commitment she has shown in preparing the present report. I should also like to thank the Council and the Commission for contributing to our at long last achieving a good result. The Group of the European Liberal, Democrat and Reform Party is very happy to support those initiatives which give young people in Europe opportunities to acquire knowledge, skills and qualifications which will help form the basis of their future development. The strength of the programme is, of course, that, by means of cross-national exchanges, it encourages young people to contribute actively to further European integration. It will also lead to understanding of the cultural and linguistic diversity within the European Union. I also think that the programme will ensure that the fundamental values upon which the European Union is founded will continue to be propagated. Through increased communication between young people in Europe, the programme will indirectly help combat xenophobia and increase respect for human rights. Finally, the Community's action programme for youth also gives consideration to the forthcoming enlargement of the Union, something which we in the Group of the European Liberal, Democrat and Reform Party believe to be of crucial importance to all EU programmes. I would recommend that we support this programme.

3-330

Wyn (Verts/ALE). – Mr President, I also commend the report and thank Mrs Gröner for the excellent effort she has made. It is a very good report. Youth is the sector in our Community that is so often ignored. Indeed in the Committee on Culture, Youth, Education, the Media and Sport it is the "Cinderella" sector of funding, as with sport. We hope that imbalance will be redressed.

The insufficient commitment to youth affairs from the Council, when the European Parliament was calling for EUR 980 million, shows, in my view, this grave disparity and the lack of commitment on the part of the Council to a very important sector.

The danger, in this regard, with the changes that are proposed, of combining two programmes – Youth for Europe and the European Voluntary Service – is that several good parts of both those programmes might be lost. I hope that does not happen. We should include the best parts of those excellent initiatives in whatever programme we formulate in future.

The new Youth Programme emphasises the developing links with the youth of entrant countries. That is an excellent initiative. The bridges built between youth will be the bridges that eventually unite Europe.

The agreement to constantly review the situation is an initiative that I welcome. When more funds are needed, budgets should not be cast in stone but be flexible so that they can be amended in the best interests of the deserving needs of youth. What more deserving cause could there be than supporting youth in the European Union.

3-331

Pack (PPE-DE). – (DE) Mr President, ladies and gentlemen, I bid you good morning! It is in fact the case that all politicians ought to feel a sense of responsibility for this programme and take it particularly seriously, for if we do not succeed in convincing young Europeans, who could pass these convictions further down the line, the European edifice is on shaky ground. We must therefore do everything we can to create the conditions that will enable girls and boys to feel at home in the Europe we have created, and to respect and appreciate the differences between people.

This youth programme is an important instrument for teaching people to show mutual understanding and display tolerance. Voluntary activities in the environmental and cultural spheres help people to learn what Europe is really all about and also to learn other languages. Interpersonal contact alone facilitates the acquisition of democratic values and promotes understanding on the part of European citizens. That is what this programme is intended to achieve. I feel now is also the time to say that it is not on for Austrian young people to be excluded from taking part in these programmes as a consequence of so-called bilateral sanctions. This is misguided and should be contested by everyone, and particularly by this Parliament and the Commission.

This new programme has enabled us to consolidate and improve on previous youth activities. Thanks to our proposed amendments we have also improved the level of social protection for participants. Of course the total amount that has now been made available does not suffice, although concerted action on our part enabled us to get more out of the Council than they wanted to give. But the total amount gives the lie to the Ministers who get up on their soapboxes to speak! I am certain, however, that we will make the best of it, and many young people will benefit as a result

I would also very much like to thank Mrs Gröner for taking on this mammoth task and still being able in the end to reach a satisfactory outcome with the Council and the Commission. Thank you very much and the best of luck!

3-332

Karas (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, As someone who has become involved in politics through student, youth and educational work, I am delighted that the “Youth” action programme is making an important contribution to fostering a knowledge-based culture within Europe. We welcome the exchange programme because it reinforces mutual trust between the young people of different countries and encourages mutual tolerance, and a willingness to cooperate and show solidarity.

What goes on in the heads of young people of today has a special resonance for the future development and functioning of the European Union and European consciousness. I would like to concentrate on two Articles in particular: firstly Article 4 (2), because it refers to the fact that our overriding concern must be to ensure that when young people apply to the programmes they do not encounter any form of discrimination. Then there is Article 2(1), because it states that participation in cross-border exchange programmes within the Community will further young people’s understanding of Europe’s common core values, thereby increasing respect for human rights and stepping up the fight against racism. I am emphasising these two aspects because, as Mrs Pack has already said, the sanctions against Austria are having most impact on cultural organisations, and the educational and scientific spheres, as well as on scientific cooperation.

This contradiction illustrates how un-European and discriminatory these sanctions are, and how much they conflict with the Community of law and values. We endorse the “Youth” action programme and reject the uncalled-for sanctions against Austria!

3-333

Reding, Commission. – (FR) Mr President, I would like to join all those who have congratulated the rapporteur, Mrs Gröner, who has produced an excellent report, full of commitment, on behalf of young people. In her task she has enjoyed the very strong support of the members of the Committee on Culture, Youth, Education, the Media and Sport. I offer them my thanks for their work.

The Youth programme is crucial to the European Union, as you have all already said, because it is a unique programme, in which all young people, without distinction, can participate. I would like to reassure all Members who have spoken about possible sanctions. In the Youth programme and in the way it is implemented, there will be no sanctions against anyone,

and that includes young Austrians, who will not be discriminated against. The programme has ambitious objectives, which are essential to the development of the idea of European citizenship.

This programme will encourage and consolidate the continuation and development of innovative actions at Community level and will help to improve the quality of the action undertaken on behalf of young people. It therefore represents a useful instrument in assisting a policy of cooperation and will contribute to the process of European integration. In addition to ensuring that the programme is effectively implemented, I wish to make a commitment before this House that I will encourage a process of structured and regular cooperation with Member States, in order to work towards drawing up action plans that are up to the task of the challenges, and without which the programme would be less effective.

Mr President, I wish to take this opportunity to talk about the youth policy of the future. In fact, I stood before you for the first time last September. I spoke of the White Paper on the European Union's youth policy, which is a priority. I would now like to clarify the role of this White Paper and the role of political catalyst that youth policy must play in the future. I hope to prepare the White Paper on the basis of broad consultation with the different parties concerned and when I say the parties involved I mean above all young people.

That is why, at the Youth Council on 23 November last year, I proposed to the Member States' Ministers for Youth that they hold national meetings of young people during the first half of 2000. This proposal was very warmly received by all the Member States and these meetings are being organised at the moment. Most Member States have already set dates for them and most of them have also assured me that these meetings will be open, with the participation of all possible parties including, of course, Members of the European Parliament.

These meetings must allow young people to play an active role and to assert their aspirations, their expectations and their opinions, but also their recommendations for political action in the areas that affect them. The various national meetings will culminate in a huge European meeting which will be held at the beginning of October, under the French Presidency.

At the same time as consulting young people, the Commission hopes to consult those responsible for youth policy at national level. The Commission hopes that these national authorities will be able to incorporate into their contributions the opinions and expectations of local administrations, which play a considerable role, I believe, in youth policy. In order to achieve this, the Commission will be holding bilateral meetings with Member States, followed by a discussion seminar with youth leaders. We will also rely on the various studies on young people, which will be financed under the Youth programme, and the study, already underway, on the status of young people and the situation of youth policy in Europe.

Lastly, I would like to include the European Parliament in this exercise. The cooperation methods still have to be worked out, but I can assure you as of now that you will be invited to take part in the European meeting of young people and that I will keep you informed on a regular basis on progress in this matter.

To conclude, I would like to emphasise the fact that the consultation process, particularly with regard to young people, will not be a one-off exercise, because the publication of the White Paper will constitute the second stage of this dialogue with the parties involved, and this is a dialogue that I would like to see established on a more permanent basis.

Ladies and gentlemen, there is a considerable amount of work to be done, but it is exciting. As many of you have pointed out, we are not working for politics here, but for the future of our Union, and I hope that the debate launched by the publication of the White Paper will enable us to strengthen our capacity for joint action in order to implement a genuine strategy for developing the talents of these 80 million young citizens in the European Union, towards whom we have a great responsibility.

3-334

President. – Thank you very much, Commissioner.

The debate is closed.

The vote will take place tomorrow at 11.30 a.m.¹

Before the sitting is closed, I would like to thank the interpreters for their generous cooperation this evening, since we have exceeded the time allotted.

(The sitting was closed at 12.45 a.m.)

¹ Agenda for next sitting: see Minutes.