

WEDNESDAY, 11 OCTOBER 2006

IN THE CHAIR: MR BORRELL FONTELLES

President

(The sitting was opened at 3 p.m.)

1. Resumption of the session

President. I declare resumed the session of the European Parliament adjourned on Thursday 28 September 2006.

2. Tribute

President. I must begin this sitting by passing on some bad news. Firstly, it is my sad duty to inform you of the death of Mr Antoni Gutiérrez Díaz, who was a Member of the European Parliament for many years, from 1987 to 1999.

As you are very well aware as am I, since I got to know him very well within the context of Spanish political life he was a member of the Communist Group and then the Confederal Group of the European United Left/Nordic Green Left, of which he was Vice-President from 1992 to 1994.

Mr Gutiérrez Díaz was also Vice-President of our Parliament from 1994 to 1999 and President of the Committee on Regional Policy, Regional Planning and Relations with Regional and Local Authorities from 1992 to 1994.

To those of us who knew him, his death is a great tragedy. I believe that political life has lost one of its best representatives.

I would ask that we observe a minute's silence in memory of our late colleague.

(The House rose and observed a minute's silence)

3. Statement by the President

President. I have further bad news to communicate to you. It was with sadness and indignation that I received the news of the murder of the Russian journalist Anna Politkovskaya. I believe that the European Parliament must pay tribute to this journalist, to her courage and her exceptional determination.

As you know, following the news of her murder I issued a press communiqué urging the Russian authorities to do everything in their power to ascertain the causes and perpetrators of this horrendous event as quickly as possible. We hope that in identifying the culprits Russia will demonstrate the state of democracy and freedom of expression there.

This event, on the eve of the Lahti meeting, is clearly of particularly crucial significance to us. On my own behalf and on behalf of the whole of the European Parliament, I would like once again to express our sincerest condolences to her family and friends.

I also believe, however, that this is a good opportunity to remember that the murder of journalists is not, unfortunately, something that happens only on the odd rare occasion. On the contrary, many people lose their lives defending freedom of expression and information. It has happened in Russia today, but it happened in Lebanon the day before yesterday, in many Latin American countries, in many African countries and in many South-East Asian countries. People who produce information and create opinion often do so at risk of their lives.

This latest murder is no more or less tragic than any of the many other cases we have seen. I believe, however, that the case of Anna Politkovskaya's death and the cases of the 63 journalists murdered and more than 120 imprisoned warrant an expression of our respect for these people.

I would ask that we observe a minute's silence in tribute to Anna Politkovskaya and the 63 journalists who have been murdered while carrying out their work.

(The House rose and observed a minute's silence)

4. Approval of Minutes of previous sitting

Tunne Kelam (PPE-DE). – Mr President, thank you for making this statement on the occasion of the murder of the Russian journalist Anna Politkovskaya. Russia has become one of the deadliest countries for journalists, and her cruel death...

(The President cut off the speaker)

President. Mr Kelam, I am afraid I cannot give you the floor. Mr Kelam, I cannot give you the floor at this point. We are asking whether there are any comments concerning the Minutes. You will have the opportunity to express your views on this during the one-minute questions. For the moment, however, we are in the process of approving the Minutes.

Are there any comments concerning the Minutes?

Tunne Kelam (PPE-DE). – Mr President, I have a mandate, on behalf of the PPE-DE Group, to extend the topic of ...

(The President cut off the speaker)

President. This is not the right time, Mr Kelam. You can do it at another time, but I cannot give you the floor now. I am sorry, Mr Kelam. I am sorry. This is not the right time to speak on behalf of the groups. We are currently approving the Minutes.

With regard to the Minutes, are there any comments?

Daniel Cohn-Bendit (Verts/ALE). – *(FR)* Mr President, if that presents a problem, then I myself am also presenting a problem. We are calling for a change to the agenda, in fact to an item of the agenda. That is all, and we would ask you to make the change straightaway.

President. Excuse me. It is very clear what the Minutes means in Spanish. It is extremely clear. We are talking about the approval of the Minutes, and I imagine that the interpreters are able to translate what we are talking about for you.

Do you have any comments with regard to the Minutes? If you do not, you will have the opportunity to speak about other items on the agenda later.

Gay Mitchell (PPE-DE). – Mr President, I do not want to delay the proceedings, but Question Time at the last part-session was a shambles. I would ask you to ensure that it does not happen again. Question Time is being moved around far too often and Members are not being given the opportunity to do their duty.

(Applause)

President. Thank you very much. We shall try to ensure that it is not a shambles this time, at least in your judgment.

(The Minutes of the previous sitting were approved)

5. Action taken on Parliament's resolutions: see Minutes

6. Documents received: see Minutes

7. Written statements (Rule 116): see Minutes

8. Texts of agreements forwarded by the Council: see Minutes

9. Membership of Parliament: see Minutes

10. Membership of committees and delegations: see Minutes

11. Agenda

President. With regard to the agenda for today and tomorrow, the corresponding corrigendum has been distributed, drawn up with the agreement of the political groups and including the following changes, as well as those that were announced on 28 September:

- *Wednesday:*

From 3 p.m. to 4 p.m., we are adding the statements by the European Union's High Representative for the Common Foreign and Security Policy and the Commission on the nuclear test by North Korea. We welcome Mr Solana and Mrs Ferrero-Waldner who are here for that purpose.

With regard to the oral questions on footwear from China and Vietnam, I must point out that the Council will not take part in that debate.

Hannes Swoboda (PSE). – *(DE)* Mr President, we are, in principle, happy with these alterations, and particularly happy that Mr Solana has found ways and means of getting here.

We are, however, very far from happy with the fact that the Council's willingness to agree to be present only to a very limited extent means that a great deal of today's agenda has had to be put off to another day. Although this also happened under the Austrian Presidency, we did manage to come to an arrangement. I ask that the Presidencies of the Council be reminded that a provisional agenda is not final, and that it can of course happen – as it has on this occasion – that we have to respond to events as they happen. I would also ask the governments of which the Council is composed to ensure that they are able to be present for the sittings in Brussels at least until the evening. That is absolutely vital, for if they cannot, we cannot get through all the things that are – and indeed have to be – on the agenda. I would ask that this be communicated to the Council and that it be urged to be more visibly and more frequently present in this House.

(Applause)

President. There is a change of title concerning the Council and Commission statement on the Informal Meeting in Lahti.

The Group of the Greens/European Free Alliance asks that the title read as follows: Council and Commission statement on the Informal Meeting in Lahti, EU/Russia relations following the murder of Mrs Anna Politkovskaya, with a motion for a resolution on her murder and freedom of opinion in Russia.

You will be aware that, according to our Rules of Procedure, this amendment must be approved by plenary if the President sees fit to put it to the vote.

Given the circumstances, I believe it appropriate to do so and I am therefore going to ask plenary to give its opinion on the proposal of the Group of the Greens/European Free Alliance.

Does anybody wish to speak?

Hannes Swoboda (PSE). – *(DE)* Mr President, we have no objection to a change of title, nor, indeed, to a resolution, but we do think it premature to adopt a resolution within the space of a day before matters

have been clarified, so I would ask that consideration be given to such a resolution being adopted at the next plenary session, when there will be a sound basis for it. We will of course be stating our own position on it, and by then we will have more detailed information. For that reason, then, I would keep the two separate.

President. You propose separating the decision on the change of title from the decision on whether to debate a resolution. In that case, let us vote solely on the change of title for the time being.

(Parliament approved the change of title)

Daniel Cohn-Bendit, (Verts/ALE) – (DE) Mr President, Mr Swoboda, we do indeed have only one day available to us, and the reason is that we have been asking for this ever since Anna Politkovskaya was murdered, but certain groups have been standing in the way, and hence it is only today that this vote has made it possible, for, right through the preparations, certain groups – your own included – have said 'no' to this addition. Yes, it is difficult, and we are quite happy that it should be done next week, but I ask you to admit that it is your fault, for it is you who have stood in the way of this issue being debated the whole time. That is something that has to be said.

(Applause)

Reinhard Rack (PPE-DE). – (DE) Mr President, our group's Mr Kelam has tried to raise this issue; it may be that he made the attempt at the wrong point in the proceedings, but, now we are discussing the agenda for today's sittings, it might be not merely appropriate but also a matter of courtesy to allow Mr Tunne Kelam to take the floor and speak, on behalf of the Group of the European People's Party (Christian Democrats) and European Democrats, to this agenda and the alteration of this item on it, rather than going straight ahead and allowing votes on a single motion on this subject after so many other views have been expressed on it.

(Applause)

President. Mr Rack, the President and the Bureau are trying to apply the Rules of Procedure strictly. The Bureau had only received one proposed amendment to the agenda in writing in this regard before the beginning of the sitting. Mr Kelam will certainly be able to speak at the appropriate time, but this is not it.

Hans-Gert Poettering (PPE-DE). – (DE) Mr President, it sometimes happens that unfortunate events make things take a turn that we would not have wished.

One example is this sad case of the murder of a journalist, which we will be debating. This sad murder is not something about which we should be at odds with each other. We will have the debate, but I would echo what Mr Cohn-Bendit said and recommend that we agree to wait until the next part-session before adopting a resolution; that will be a fitting response to this sad event.

President. If nobody objects, we shall discuss whether or not there will be a resolution during the next sitting.

Mr Kelam, do you wish to add anything?

Tunne Kelam (PPE-DE). – Mr President, I apologise for attempting to speak at the wrong time, but I had a mandate from the PPE-DE Group to propose that we should extend the first item on today's agenda to include a discussion on the murder of the Russian journalist, Anna Politkovskaya. I am satisfied that has been done. Furthermore, the PPE-DE Group proposes that the House should adopt a resolution on freedom of the press in Russia, which is a burning topic.

I think it was rightly said that this horrible murder should not divide this House. We need to be united in order to send a very clear message in support of a woman who many say was the last independent investigative journalist in Russia. I hope that this House will support the proposal.

The death of Anna Politkovskaya was not planned and so we could not plan our reaction to it. We need to react immediately.

(Loud applause)

President. Thank you very much, Mr Kelam. I believe that it is clear. We have followed our Rules of Procedure to the letter. I do not believe that the Presidency has shown any lack of consideration by giving you the floor at the appropriate time, Mr Kelam.

Jacek Emil Saryusz-Wolski (PPE-DE). – Mr President, you did not take a vote on whether we should have a resolution at this part-session. I request that we take a vote. A proposal was submitted to the effect that we react immediately with a resolution, and you did not take a vote on that proposal.

(Applause)

President. Come on, ladies and gentlemen, let us not play cat and mouse. There was a proposal from Mr Poettering, and I asked whether there was a consensus on it. Nobody rose at that point to speak against.

You must pay attention to the debates, Mr Saryusz-Wolski! There has been a proposal, and I asked whether there was a consensus on it. Since nobody has expressed any objection, I have continued with the agenda.

The subject is closed.

(The order of business was adopted)⁽¹⁾

12. Future action in the field of patents (motions for resolutions tabled): see Minutes

13. Nuclear test by the Democratic People's Republic of North Korea (debate)

President. The next item is the Statements by the European Union's High Representative for the Common Foreign and Security Policy and the Commission on the nuclear test by North Korea.

Javier Solana, High Representative. *(ES)* Mr President, ladies and gentlemen, you have asked me here this afternoon, together with the Commission, to give a brief assessment of what happened early on Monday morning, when the North Korean Government may have carried out a nuclear test.

I say that it was very probably a nuclear test, as we cannot, from the information available to us at present, be completely certain that it was indeed that. The most likely explanation is that a nuclear device made from plutonium was detonated, plutonium no doubt coming from the Yongbyon nuclear reactor constructed in North Korea in the 1980s and 1990s. In all probability, it was a nuclear test and was therefore an act which we condemn, which we condemn in the strongest terms and which we also condemn because of the degree of irresponsibility it shows on the North Korean Government's part.

That nuclear test is not just a threat to the region around North Korea but also an act of aggression against stability and security across the world. It is not inconceivable that such an act may have implications for the global arms race generally.

I would like to begin by saying that countries in the area have reacted calmly and responsibly. I have had an opportunity, over the last 48 hours, to talk to all countries involved in the region: to South Korea, to China and to Japan. I have also talked to Russia and the United States of America. All countries have shown the same firmness in response as we Europeans are showing, but also the same calmness, lest the situation get out of hand.

I would like to point out very clearly that this reprehensible act came just a few days after the election as Japanese Prime Minister of Shinzo Abe, who immediately upon taking office, in a gesture which does him credit, visited Beijing, which the previous Prime Minister had not visited for years. After Beijing, he went on to Seoul, embarking on a full tour of the countries most affected by the North Korean threat. In the middle of that kind, good-neighbourly trip, North Korea decided to carry out its nuclear test.

⁽¹⁾ For other changes to the order of business: see Minutes.

With regard to the condemnation expressed by all countries in the area and with responsibility being the watchword, I should highlight yesterday's meeting at the Japanese parliament, where Prime Minister Abe stated very clearly that Japan would not respond by developing nuclear weapons. That, I think, shows great responsibility on the part of the Japanese Government, which we should all commend.

Emphasis should also be placed here on the constructive response by the People's Republic of China. As you will be aware, China was leading the 'Six Party Talks' which, although stalled since before the summer, were regarded as a positive way of trying to resolve the North Korean nuclear proliferation problem.

As I said, I have recently been speaking to all political leaders in the region, including the future Secretary-General of the United Nations, who is at present still in office as South Korea's Minister for Foreign Affairs.

I told them all that North Korea poses a threat to peace and security, not just within the region; and, I should add, not just in its nuclear activities but also in its attitude towards missile proliferation.

As you will be aware, North Korea is continuing to produce, and maybe illegally exporting to other parts of the world, technology for missiles to deliver either nuclear or conventional warheads. It is important also to point out that this act by North Korea is an act directed against its own population. North Korea is a poor country, where most of the population go hungry and do not enjoy the living conditions we would all wish them to have; yet their government goes on spending millions of dollars on an arms race and on achieving a nuclear capability of which it has no need whatsoever for the development and well-being of its people.

I would add that the response of the United Nations Security Council, since Monday night, has been correct, and that the reaction of the European Union's Member States has also been extremely correct.

It is important to point out that China has also made constructive statements concerning its willingness to cooperate on approving a tough resolution which clearly condemns North Korea's conduct and will prove effective in avoiding proliferation of weapons of mass destruction and nuclear weapons.

I would like to say, lastly, that the European Union, which voiced its unanimous and urgent condemnation of Monday morning's act at the appropriate time, has also to consider its commitment to and attitude towards North Korea. As I said earlier, this is a poor country, with which we have increasingly tenuous relations, but with which we do still have a humanitarian link, to which I am sure Commissioner Benita Ferrero-Waldner will be referring.

We shall be keeping a close watch on developments over the days ahead, and I shall personally remain in touch with the political leaders of all countries in the region.

I would like, Mr President, before drawing to a close, once again to condemn in the strongest terms on behalf of the European Union what was very probably a nuclear explosion carried out by North Korea.

Benita Ferrero-Waldner, *Member of the Commission*. (ES) Mr President, Secretary-General, High Representative of the Council,

the nuclear test which North Korea claims to have conducted at Gilju on the morning of 9 October is an extremely serious matter, which I unreservedly condemn. As the High Representative just said, not only does it threaten regional stability in north-east Asia, it also constitutes the latest in a series of challenges by Kim Jong-il to the international nuclear non-proliferation regime.

Following the announcement of its intention to carry out such a test last Tuesday, North Korea has proceeded in defiance of the near-unanimous advice and wishes of the international community. This action increases North Korea's international isolation and it is difficult to see how it can serve the interests of the country's long-suffering population.

As ever, North Korea's motives are very opaque. It does not seem unreasonable, however, to regard this as a deliberate escalation and provocation by the DPRK, possibly to test the ability of the international community to remain united.

The European Union has spoken out very clearly in response to this nuclear test and I am pleased to note that the international community has been swift, resolute and united in condemning these actions. The very forceful and clear-cut position of China is particularly significant and welcome. I have just

come back from a trip to Singapore and Malaysia, and I can assure you that my colleagues are most concerned by this act by North Korea.

I am pleased that we will have an opportunity to discuss the EU's response at the General Affairs Council next week. But what should we do next? Over the past decade, the European Union has played an active role in support of wider international efforts to promote peace and stability on the Korean Peninsula. Since the beginning of the humanitarian emergency in the early 1990s, we have been a major donor, delivering some EUR 345 million in assistance since 1995. We also played our part in support of earlier non-proliferation efforts through the Korean Peninsula Energy Development Organisation, and we have offered political support for the six-party talks, although we are not direct participants in that process. Clearly, as a global player that has done its share in the past, we should now play our part again in response to what is clearly a global problem.

The international community will have to take clear action. Somebody will have to talk to the North Korean regime to bring it out of its very paranoid and aggressive posture, and the man who I believe has been designated as the next UN Secretary-General might be the right person to do so.

It is still a little early to say what action we should take, although various options are on the table. As a staunch advocate of multilateralism, the European Union must pay particular attention to what is decided in the United Nations. In line with the Treaties, we look to the EU Member States sitting on the Security Council to take due account of EU views as they participate actively in these important discussions in New York. I am pleased to note that the negotiations within the Security Council appear to be making good and rapid progress towards a substantive and clear resolution on this matter.

With regard to humanitarian assistance, the population has suffered enormously, and therefore I would like to keep up the humanitarian assistance to these people in the future. They should not be put at risk and punished even more by the terrible regime.

(Applause)

José Ignacio Salafranca Sánchez-Neyra, *on behalf of the PPE-DE Group*. – (ES) Mr President, Commissioner, Mr Solana, ladies and gentlemen, North Korea's nuclear tests are a provocation and a threat to the international community: a provocation, because North Korea is a dictatorial regime in the Stalinist style, Mr President, which keeps its people starved and which should dedicate its resources to a nobler cause than nuclear proliferation, rather than taking advantage of the suspension of the six-party talks and of the fact that it is outside of the Treaty on the Non-Proliferation of Nuclear Weapons.

Mr President, it is also a threat to international security because it seriously compromises the values of peace and stability in a region of the world that is particularly sensitive, namely South-East Asia.

It is therefore very important that the international community react effectively and appropriately, and hence it is good news, as Mr Solana and the Commissioner have said, that the permanent members of the Security Council and Japan have met to examine a whole list of sanctions in response to that provocation.

Mr Solana, it would be good to hear the Council's position on the list of measures or sanctions that could be applied to North Korea by the United Nations, a list of sanctions that range from the application of Chapter VII of the United Nations Charter to that of Article 41, which only provides for economic and commercial sanctions.

I also believe, Mr President, that it is excellent news that, for the first time, China has been prepared to respond, within the context of the United Nations and the Security Council, appropriately and with possible sanctions.

Mr President, this is very much a model case. We must not forget that Iran will be watching how this crisis develops extremely closely. On behalf of the European Union, Mr Solana has been involved in the resolution of Iran's nuclear escalation; it is therefore clear that the international community in general and the European Union in particular cannot remain blind, deaf and dumb in the face of this provocation, and its response must be firm, effective and appropriate, in accordance with the values of peace, democratic consolidation, reconciliation and multilateralism that we in the European Union advocate.

Martin Schulz, *on behalf of the PSE Group*. – (DE) Mr President, ladies and gentlemen, this debate is being conducted against the backdrop of a difficult situation, but I do think that what Mr Solana and

Commissioner Ferrero-Waldner have said shows that the European Union, in the persons of its High Representative and its Foreign Affairs Commissioner, is trying to respond to it in the right way. It is only normal that our response should be one of anger. It is quite clear that what is happening is that a system that is on its last legs is trying, by means of provocation to get others to respect it and pay it attention, and perhaps to reap some advantage in so doing. That is not a matter of doubt, and the normal response is to say that this will not be allowed, that it cannot be allowed, and that boundaries must be set, knowing full well that the choice of possible responses is limited by that fact that – to turn the argument on its head – the possession of a nuclear weapon by a regime such as this one, whose actions are so unpredictable, itself constitutes an incalculable risk.

In a situation such as this, we have to think before we act, and so, Commissioner Ferrero-Waldner, our group unreservedly endorses what you said about the need for a distinction to be drawn between what a delusional dictator gets up to with his armed forces and what the other side needs to do with humanitarian considerations in mind. The people should not be punished for the madness of the dictator who rules over them, and it is for that reason that we support these measures.

Secondly, we must try to reopen diplomatic channels; there is no alternative to that, for, whatever this dictator does, one must try to read his behaviour and discern what chances are still open to us. Have all the avenues been closed off whereby North Korea might be brought back to talk to the Six? I do not believe that they have been. Not every avenue has been closed off. It is still possible to make the attempt to get the North Koreans back to the negotiating table.

Difficult though that task might be, it is also clear that it is not merely fortuitous that North Korea should test a nuclear weapon at the same time as South Korea's foreign minister is elected Secretary-General of the United Nations. We have to read the signs and ask ourselves whether they were shutting the door on us, or whether the action of shutting the door might be seen as an attempt at drawing attention to themselves; I believe the latter to be the case. It is for that reason that we, the Socialist Group in this House, along with the international community of social democrats, take the view that we must, despite everything, carry on with dialogue, quite simply because, at the end of the day, there is no alternative.

Mr Solana, I think that the reactions to date have been level-headed, not least in North Korea's immediate vicinity; the Japanese government and the governments of the other neighbouring states have, I think, been appropriate. What is not appropriate is a policy of arrogance. Let me remind the House that there was a time when the United States of America, under the Clinton administration, reached agreement with North Korea on energy supply programmes. I would also remind the House that what was known, in the 1990s, as the KEDO programme, was not intended to appease the dictator, but – in so far as possible – to keep the regime on-side. The administration that succeeded Clinton's put a stop to all these efforts.

Nor do I have any desire to conceal, or make a secret of the fact, that our group sees this as another failure on the part of the United States and an example of its unilateral approach. While that does not excuse what the North Korean dictator is doing, it does indicate that the only way to resolve international conflicts is to bring all the parties together.

The last thing I have to say I say on my own account to all those who always recommend the development of nuclear energy as the solution to the problems of mankind; I would remind them that every nuclear power plant and every enrichment facility that is built becomes, in the hands of a criminal such as the North Korean dictator, something that puts the whole world at incalculable risk.

István Szent-Iványi, *on behalf of the ALDE Group*. – Mr President, two days ago, North Korea crossed a red line. The Presidency of the European Union, in its statement, strongly condemned the nuclear test, which is unacceptable. The Presidency signalled its willingness to work in close cooperation with the international community towards a decisive international response to this provocative act.

The High Representative and Commissioner Ferrero-Waldner confirmed and repeated this stance. I am very happy about that, and I welcome the statement, but we expect it to be strictly implemented. North Korea has always tried to negotiate using threats and intimidation. It has worked for them so far, but we must be clear that it will not work for them again. There seems to be an unprecedented international consensus on possible counter-measures against the North Korean regime. Let us take this opportunity to send a clear signal that we will not tolerate acts that lead to instability and that further increase tensions.

North Korea's action is a threat to regional stability because it might trigger a regional arms race, which is highly undesirable. It is also a threat to the immediate security of all if North Korea succeeds in

enhancing its position in the illegal arms trade with shady regimes, not to mention international terrorist organisations.

When dealing with North Korea, we must also keep Iran in mind. By taking a firm stance on this matter, we also create incentives for Iran to return to the negotiating table.

North Korea must refrain from further tests and unconditionally return to the six-party talks. At the same time, it must be obvious to all participants that the aim of the six-party talks is to convince North Korea to abandon its military nuclear programme and provide for its participation in the NPT regime. Nothing less is acceptable, and we have to achieve that now; we can be flexible on modalities and specifics, but we must be firm on the principles.

North Korea must see that a military nuclear programme is not the way to guarantee its safety and stability. We have seen in the past that North Korea can be open to limited but mutually fruitful economic cooperation with its neighbours and other partners. The European Union and other donors have provided substantial humanitarian aid, as the Commissioner indicated a few minutes ago, and we have always been open to giving further assistance and continuing dialogue, but with conditions.

The question is: why is North Korea turning its back on the international community now? The answer is simple: the leaders of North Korea think they have nothing to lose. They are wrong: the price they have to pay for growing international isolation and possible sanctions will increase dramatically. We already know that they do not care much about the welfare of their own population, but through such irresponsible acts they risk losing international support and cooperation for a gradual opening-up of their country and for reforms without which the political and social structure of their country will inevitably collapse. They might understand no other argument, but they must understand this argument.

(Applause)

Gérard Onesta, *on behalf of the Verts/ALE Group.* – (FR) Mr President, I come from a country that ‘deals’ in nuclear technology. It is therefore very hypocritical to be surprised that this danger has resurfaced when it has been spread here, there and everywhere.

That being said, I am going to focus my speech on North Korea. I could not care less about whether it has nuclear technology that is genuinely fully-developed or an appropriate vehicle for such technology. I am one of the very few MEPs to have stayed in North Korea. That country is not just a harsh dictatorship that plunges its people into complete poverty: during my stay there, I also visited one of the largest psychiatric hospitals in the world. It must be pointed out, in fact, that millions of people living there are completely out of touch with reality, unaware of the outside world. Their lives consist in grovelling before a leader who tells them each morning that the entire world wants to overrun them. In North Korea, we are confronted with a world that would appear to be very close to that of George Orwell.

What sanctions should be applied under these circumstances, then, when dealing with a regime that is on the fringes of what is generally accepted to be reasonable behaviour and that could not care less about its own people, since it let a million people die only a short time ago? Block what when they are already cut off from the world? Destroy what industry when the one they have is already in ruins? Try to starve them even more? That would be downright disgraceful.

In my view, the only real card that we can play is China, China that created this regime, China that has kept it going, China – and this is a very interesting point to note – that was amongst the first, if not the first, to condemn this week’s explosion. If we really want to be of help in this matter, I believe that we must show determination, a great deal of composure and, given that we disseminate nuclear technology, a great deal of humility, too.

(Applause)

Tobias Pflüger, *on behalf of the GUE/NGL Group.* – (DE) Mr President, North Korea’s nuclear test is, quite clearly, deserving of condemnation, for it makes the region even less stable and, like every other of its kind, exposes the people who live there to the risk of radioactive fall-out. It is particularly cynical of North Korea to invest money in nuclear testing that the government could instead have used to feed the country’s people better, and it is good that the EU wants to carry on providing aid to this end.

The Russian Defence Minister has said that this nuclear test makes North Korea, the *de facto* ninth nuclear power, joining the USA, Russia, China, France, the United Kingdom, Israel, India and Pakistan. The situation must now be prevented from escalating further. Those now talking of the need for military strikes are dangerous warmongers. On the contrary, it is negotiations that will provide the solution we need, and the EU could certainly play a part in them, as indeed Mr Solana and Commissioner Ferrero-Waldner have already indicated.

One of the North Korean government's core demands would appear to be that it should be allowed to negotiate directly with the USA. Why, then, should it not be possible for the USA to conduct bilateral negotiations with North Korea directly? That is what the US administration must do, even if it seemingly involves a superhuman effort. Calling for sanctions will only make the situation worse; those who are doing that right now must explain how they propose to prevent the sanctions hitting only the North Korean people, who are starving already. The experience of imposing sanctions on India and Pakistan in the days when they were fledgling nuclear states shows that sanctions very rapidly run out of steam. The Nuclear Weapons Non-Proliferation Treaty was always inconsistent, but is now in serious danger; in its sixth article, the parties to it undertook – and I quote – ‘to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control’, which amounts to a requirement that all nuclear weapons be disposed of.

Europeans, too, have their own obligations where nuclear weapons are concerned. I would remind Mr Solana that the nuclear weapons within the European Union are not held legally, contrary to what your colleague Annalisa Giannella tried to tell those of us who sit on the Committee on Foreign Affairs. On the contrary, the EU's Member States have committed themselves, on the basis of the Non-Proliferation Treaty, to nuclear disarmament, and this is where we come up against the problem of the double standards that are so characteristic of Western and EU policy. I ask you: what nuclear power do you know of that abides by Article 6 of the Nuclear Weapons Non-Proliferation Treaty, in which nuclear disarmament is laid down as an obligation?

I can tell you that the EU Member States are doing the precise opposite, in that the United Kingdom and France are not merely failing to dispose of their nuclear weapons but are also developing new and powerful ones. Nuclear weapons are always criminal in nature, and the testing of them always produces misleading and dangerous results; what is interesting is the differing treatment meted out to North Korea and Iran. Let me spell it out: threats of military attack always have the opposite effect to that intended. There are no such things as good nuclear weapons; they must be got rid of everywhere, and all nuclear tests are worthy of condemnation and must be stopped.

Girts Valdis Kristovskis, *on behalf of the UEN Group*. – (LV) Mrs Ferrero-Waldner, Mr Solana, ladies and gentlemen, this nuclear test has undoubtedly been highly detrimental to stability, peace and security. We can, however, once again sound a warning regarding this issue and, of course, we can here and now condemn it. It should be said that in this situation, of course, we should voice support and appreciation to all those who have reacted speedily to the specific situation brought about by North Korea's actions. On the other hand, however, listening to the speeches by Mrs Ferrero-Waldner and Mr Solana, I was not really convinced that the reasons for North Korea's actions have been thoroughly analysed. Certainly, we are all aware that North Korea is a totalitarian Communist state, and that consequently plain common sense is perhaps not a characteristic of that regime. On the other hand, however, I would just also like to ask some provocative questions that occurred to me a few days ago, reading the comments made in the media by Mr ElBaradei, head of the Atomic Energy Agency, our watchdog. In something that I read by him, he said that in fact double standards lie at the root of the whole problem. Here, the question I would like to put to our foreign ministers is whether they agree with these comments by Mr ElBaradei to the effect that the USA and the EU states conduct a hypocritical policy in relation to Israel on the one hand and to states such as Iran and North Korea on the other since, undoubtedly, Israel can possess weapons of mass destruction, Israel can have that defence system, but for other states which have not signed up to the Nuclear Non-Proliferation Treaty such an option is forbidden.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – (NL) Mr President, the destabilising effects of Pyongyang's nuclear test last Monday are evident, particularly in North-East Asia, but also globally. We are now facing two nuclear crises: an acute one in North-Korea, and an urgent one in Iran. The question is whether both remain manageable without military means, and the attitude of two members of the UN Security Council, namely China and Russia, is of decisive importance in this respect. What importance do Beijing and Moscow still attach to the Non-Proliferation Treaty? Their conduct in the

Security Council will tell. I expect the Member States of the EU, sitting, as they do, on this high-level UN body, to insist on reminding China and Russia of their crucial responsibility in this. Meanwhile, what matters is that the international community should keep tabs on Pyongyang's trade activities, especially the maritime routes. Indeed, only last week, the North Korean regime announced that it is supplying technology, materials and nuclear weapons to other countries as it pleases. That sort of explicit provocation cries out for a tough response from the international community. It is, without a doubt, also up to the EU Member States to adopt tough sanctions that affect the North Korean leadership whilst sparing the emaciated and brainwashed people as much as possible.

I dare say that the Council and the Commission can imagine the enormous concern in Israel surrounding the reckless North-Korean nuclear test, which, at the same time, gives the Islamic Republic of Iran enormous encouragement to follow Pyongyang down the nuclear path, probably with actual technical and material back-up from Kim Jong-Il's terror regime. The Council and the Commission claim to guarantee Israel's continued existence as a state; I urge them to translate this into political action in this twofold nuclear crisis.

Jan Tadeusz Masiel (NI). – *(PL)* Mr President, it is a good thing that the world is no longer divided between the Warsaw Pact and NATO. It is a good thing that the former states of the Soviet bloc are today united in the European Union and NATO, or are on their way to membership.

United, Europe is stronger and in a better position to face the issue of the day – North Korean nuclear tests. Fortunately, today even Russia has supported the voice of the civilised world and, like us, has condemned the nuclear tests, although some terrible events have been going on there such as the murder of journalists, the latest being Anna Politkovskaya.

North Korea is today one of the last blank spots on the map of the world as regards political, economic and democratic development. What is actually the problem with North Korea? Perhaps it is simply trying to attract our attention, and this is a desperate cry for help.

We are pleased to note that even China has condemned Korea's proposed arms race. Today, more than ever in world history, all countries want economic development and to live in peace. North Korea also needs food and prosperity more than it needs weapons.

Elmar Brok (PPE-DE). – *(DE)* Mr President, Commissioner, Mr Solana, ladies and gentlemen, what has happened is particularly problematic and dangerous, and for two reasons.

The first is the obvious one that a dangerous weapon has got into the hands of a dictator who is well known for his lack of concern for human life, even for the lives of his country's people, and who is, then, prepared to take any risk, even that of their being wiped out. This makes it extremely difficult to assess the precise degree of risk involved.

The second point to be made is that, if this test really does turn out to be successful and has been carried out using rocket technology, the region could see a new race to acquire and deploy weapons of mass destruction. I do not know what debates there will be on that subject in South Korea, in Indonesia, in the Philippines or elsewhere. It also needs to be borne in mind that there is an exchange of rocket technology going on between North Korea and Iran. The Iranian Government is playing the hedgehog to our hare and it seems less and less likely that it is doing this only to secure its own peaceful use of nuclear energy – far from it, it is up to much more besides. You, Mr Solana, have tried unstintingly to get things on track and conduct the talks accordingly. There are particular dangers in this alliance, and that is why Iran is under a special responsibility to clear the decks once and for all and get stuck into some proper negotiations.

Mr Salafranca asked what sort of sanctions we are talking about. We have to come up with some that really will have a serious impact on this man; if they affect the people, he will not be bothered, so what is needed is sanctions that hurt him personally, and they must be implemented and complied with.

What I will say to Mr Pflüger is that we should not now be seeking refuge in blaming one party or another for making mistakes at one time or another; the USA is not to blame for the fact that we have a deranged dictator to deal with. We should ensure that this man is not given more escape routes by this House, for he is defying every rule made by the international community, and so we must compel him to return to the meetings of the Six, and, if they prove successful, he can be guaranteed security for his

country, but this must be spelled out plainly if we are not to end up in 20 years' time with a world which will have 30 or 40 countries with nuclear weapons, and all set to destroy it.

Pasqualina Napolitano (PSE). – *(IT)* Mr President, ladies and gentlemen, I believe that, as a European Parliament, we have no choice but to associate ourselves with the universal condemnation of the nuclear tests apparently carried out by North Korea. Our firm condemnation should be accompanied by a commitment by the European Union and the whole international community to try at this time to find a solution to this very grave problem by negotiation. We must persuade this dictatorship to respect the rules of international coexistence.

Nevertheless, the international community has no choice: we must seriously find a way to achieve non-proliferation. I should like to say to Mr Brok that this is not a matter of blaming anyone; but it is in my view impossible not to recognise that the weakening of the Non-Proliferation Treaty, which was clearly due also to the failure of the 2005 conference, was a fatal mistake. I therefore consider that any prospective emergency solution must be based on the resumption of the negotiations for the revision of the Non-Proliferation Treaty.

This is an obligatory task that the international community must carry out consistently, since only thus – although in another situation – shall we have the necessary clout to impose respect for this line of conduct upon the Pyongyang dictatorship. It must be said that this pre-emptive Iraq war has, perversely, convinced dictators that possessing nuclear weapons is a sort of safe-conduct. It is our job to convince world governments, including the rulers of authoritarian states, that this is absolutely not the case: otherwise we will not halt rearmament.

Finally, Mr Solana, I should like you to explain the differences between North Korea and Iran, since the two cases are too often associated with each other – yet I believe that there lies in the differences the details of a possible solution.

Rebecca Harms (Verts/ALE). – *(DE)* Mr President, ladies and gentlemen, enough has been said about North Korea, but too little, I think, about how it can be an object lesson for us in Europe and for the world at large.

When North Korea, in 1962, embarked on its nuclear programme, it was of course described as 'civil', with talk of 'atoms for peace', 'we do not want bombs' and 'we do not want weapons'. Not long afterwards, just as also happened with many other countries, it came to be suspected that this was not the case. When Pyongyang, in 2003, after a great deal of to-ing and fro-ing, admitted that it was reprocessing for military purposes, it was established that what was described as a civil nuclear programme was being misused for military ends. In 2005, it was reported from Pyongyang that the country was in possession of nuclear weapons, and the test was carried out at the beginning of this week.

The only thing I can say right now is that all those who argue in favour of more widespread civil use of nuclear energy are, at the same time, ensuring that it is also used for military purposes, and repeatedly paving the way for, among other things, the war in Iraq, which was claimed to be justified by the suspicion of misuse. And what was the background to that? The stuff had been exported to Iraq – for civilian purposes – from Europe. Why, then, does Iran possess the technology, allegedly for civilian use?

There are those who represent Europe and claim that new reactor technologies could make it possible to clamp down on the military use of nuclear energy: they are lying, they know they are lying, and they should desist from further undermining the Non-Proliferation Treaty by making civil atomic technology more widely available.

James Hugh Allister (NI). – Mr President, it is indeed chilling to think of the possible consequences of the totalitarian, Stalinist regime in North Korea now having a nuclear capacity. Quite apart from the opportunity for direct aggressive use, an aspect which would alarm me is that North Korea may now be in the marketplace with crazed terrorist groups for the export of nuclear devices and technology.

North Korea is already heavily involved in, and indeed reliant upon, multiple illegal export businesses, including drugs and, especially, counterfeit currency, and this is on a massive scale. If it were now to be in the marketplace for selling nuclear technology, then we all have very great reason to fear, for those in the terrorist world who would seek such technology know no constraints in their lust for killing.

I think it is a very alarming prospect that we could have rogue use by a rogue state selling nuclear technology to rogue elements. It behoves the EU, and more particularly the more relevant United Nations, to be extremely robust and resolute in handling this crisis. Mere condemnation is unlikely to be anything like enough. I have no doubt that severe sanctions will be required.

Hubert Pirker (PPE-DE). – *(DE)* Mr President, Commissioner, High Representative, by carrying out this test, North Korea has demonstrated that it cares not a whit for the Nuclear Weapons Non-Proliferation Treaty; its political leadership has thereby presented the international community with a serious and deliberate provocation, quite heedless of the fact that it would, by carrying out this test, be imperilling the peace and security of the region and of regions beyond it, and, finally, accepting the possibility of a new nuclear arms race being triggered within and beyond Asia. It has also – and without any regard for its own people – taken on board the inevitability of the country being completely isolated.

We in this European Parliament must make our position abundantly and forcefully clear. We must denounce in the most vigorous terms the carrying-out of this test; we must call upon North Korea's political leadership to return to the negotiating table in order to discuss the Non-Proliferation Treaty, in order to resume the six-country talks, and, ultimately, to bring about a peaceful solution to this temporary crisis. This House must also call upon the international community and the Security Council to respond with greater firmness than they have to date.

It is quite simply unacceptable that the government of North Korea should use its own money and money sent to it from elsewhere to develop nuclear weapons at the same time as it relies on the world community to supply its starving population with food.

Further to what you said earlier, Mr President, I ask you to put out a written statement setting out this House's protest to the government of North Korea, to the international community, and to the Security Council, along with the demands that it makes of them. We cannot accept that a second test should be carried out, thereby repeating something that was deserving of the most forthright condemnation the first time it occurred.

Marios Matsakis (ALDE). – Mr President, this debate is about a nuclear test by the deplorable North Korean regime. However, Mr Solana has stated on more than one occasion that this is only a 'possible' nuclear test. In order to be clear about what we are discussing, would Mr Solana reassure us that he will be able to tell us in the very near future whether in fact it has taken place?

President. Mr Matsakis, that is in no way a point of order. You have jumped the queue of speakers. I would ask you not to abuse the Rules of Procedure in order to take the floor.

Benita Ferrero-Waldner, Member of the Commission. Mr President, North Korea's latest challenge to the nuclear non-proliferation regime is clear, and deserves to be condemned in the most forceful terms. We all agree on that, but we also have to find the right, smart response, directed at the authorities responsible but sparing the population. We should also stay focused on the ultimate objective, which is to achieve verifiable denuclearisation of the Korean Peninsula, as the foundation for lasting peace and stability there, given the tense armed stand-off across the demilitarised zone. In the end, only diplomacy can achieve this goal.

With regard to a possible analysis of the motivation for this, I am sure the reasons are manifold. The fact that it is misinterpreting the stance of the international community could be a result of the regime's total isolation, but it could well also be aimed at enforcing bilateral talks, which it has not yet achieved.

This week's developments will make it harder than ever to relaunch the six-party talks, but, in the medium to long term, this framework remains the best chance for a lasting solution.

I therefore sincerely hope that the resumption of talks will come sooner or later, even though the outlook now is not at all promising. The European Union is not a direct participant in the six-party talks but, as a responsible global player with a clear stake in preserving regional stability, we have been profoundly supportive of this framework. We have also signalled that we stand ready to play a more active role, if the six-party talks find it useful.

In the end, dialogue will be the answer to this very difficult, provocative situation. North Korea's stated objective is to increase its own security; this goal could be achieved through the six-party process, which is what we would recommend.

Javier Solana, High Representative. Mr President, at the conclusion of this debate, there is a point which I think we have to underline. Not a single Member of the European Parliament has spoken out against condemnation of North Korea's behaviour. I think that is a very important conclusion to this important debate.

There may be some doubts about what to do next and how to deal with North Korea in the future, but the fact that the test has been a source of concern for the international community – and that the international community has taken responsibility for addressing the issue – has been supported by all the Members who have spoken in this debate. I think we should be happy about that, because on issues of this nature and of this degree of importance, the responsibilities of Members of the European Parliament are on a par with those of the members of the international community.

There are different conclusions we can draw as to why the test was carried out and what the consequences are for the future. Some of us have been to North Korea. I have been there and talked to the country's leader on several occasions. In Kuala Lumpur in July, I had the opportunity to talk with the Foreign Minister and he told me then that there was to be no return to the six-party talks. So it was almost certain by then that something of this nature might happen.

We have to praise the Chinese, who have been leading the six-party talks and standing their ground. This time, however, they unfortunately failed to convince North Korea, and instead of a meeting, a nuclear test has taken place.

I agree completely with those who have said that the Non-Proliferation Treaty should be reviewed. Mrs Napoletano made that point most coherently and vehemently. I share her concern about the fact that the last revision of the Non-Proliferation Treaty was a failure. It was a failure on the part of everybody involved in the revision, including the nuclear powers, some of which are Member States of the European Union.

The Non-Proliferation Treaty dates back to 1968. We have gone through five revisions already and none of them has been able to address the difficulties and loopholes involved in that Treaty. That must be said. Let us also point out, however, that North Korea is not a signatory to the Non-Proliferation Treaty. It abandoned the Non-Proliferation Treaty in 2003, and therefore is under no obligation to comply with it. It abandoned the Non-Proliferation Treaty because it did not want to admit inspectors, which is something that is mandatory under the Non-Proliferation Treaty.

As we are seeing today, and as we will see in the future, the Non-Proliferation Treaty needs to be revised and updated. As I said, the Treaty was drawn up in 1968. That is a long time ago in historical terms, and therefore we have to make an effort. The Europeans can plead that these regimes be adapted to the realities of today and not to the realities of yesterday. I quite agree with that.

As far as sanctions are concerned, I do not think that the Security Council can just make a statement. The Security Council has to act, otherwise other countries that are watching to see how the Security Council responds will draw the conclusion that the international community does not take an act of this nature seriously. Remember what happened when Pakistan did it? North Korea was watching for the international community's response to Pakistan's actions. And probably part of today's situation is a reflection of what happened then.

That does not mean, of course, that any sanctions must target the people of North Korea, who have already suffered a great deal. They suffer politically, they suffer economically, they suffer in their daily lives. Therefore, other things have to be put in place and taken into account. I think the most important kinds of sanctions that should be put in place are sanctions which prevent proliferation by North Korea and prevent North Korea from passing nuclear technology on to other states which might be looking to acquire such technology so that they too can move in the same direction. This is probably the most important step that the United Nations Security Council can take.

As far as diplomacy is concerned, everybody in this House will agree that diplomacy is what we like to do. We Europeans like to solve complex, difficult problems with what we value most: our minds, our intelligence, our diplomacy. And there is no doubt that this problem is indeed complex and difficult.

President. Before we proceed to the next item, Mr Pflüger has requested the floor to make a personal statement pursuant to Rule 145 of our Rules of Procedure.

According to this Rule, Mr Pflüger, you may speak for three minutes, on the understanding that you may only make observations relating to opinions that have been attributed to you or correct observations that you may have made in the course of the debate.

Tobias Pflüger (GUE/NGL). – *(DE)* Mr President, further to Mr Brok's statement, in which he implied that I had laid responsibility for North Korea's nuclear test at the door of the USA, any such insinuation is utterly false. On the contrary, the issue – and Mrs Napolitano raised something similar – of those governments – the USA, but also, and to an increasing degree, the EU, among them – that believe they have to use nuclear weapons to defend themselves against attack is something that calls for serious discussion in this House. For that reason, Mr Brok is quite wrong to make that insinuation.

Atomic warfare is threatened not only by the USA, but also by Jacques Chirac, and that is why this issue has to receive serious consideration, and why Mr Brok is wrong to imply what he did.

President. I fear that Mr Brok has not been able to hear you. I hope that someone will pass on to him what was said.

Elmar Brok (PPE-DE). – *(DE)* Mr President, if I might be permitted to make a brief comment, it has to be said that those who are ready to give it out have to be willing to take it as well. Mr Pflüger has made an accusation, to which I have responded, and he should accept that. This is a political statement rather than an insinuation.

President. Mr Brok, nobody is going to take any measures against you. You have made a comment, and Mr Pflüger has seen fit to respond to it, but that is the end of the story.

That concludes this item.

14. Informal summit in Lahti and EU-Russia relations following the murder of journalist Anna Politkovskaya (debate)

President. We shall proceed to the next item on the agenda. This is the Council and Commission statements on the Preparation for the Informal Meeting of Heads of State or Government in Lahti and also, in accordance with the House's decision, relations between the European Union and Russia following the murder of Anna Politkovskaya.

Paula Lehtomäki, President-in-Office of the Council. *(FI)* Mr President, ladies and gentlemen, first I wish to thank you sincerely for the opportunity to come here and discuss the informal summit of the Heads of State or Government in Lahti, to be held on 20 October.

We decided to hold the Lahti Summit because we want to give the Heads of State or Government of the Member States of the Union the opportunity for an open and informal debate on two themes which are important for the Union's future and for economic success: innovation and external energy relations.

We need a firm, consistent policy on building a favourable environment for innovation and on energy issues. In this way we will be able to improve conditions for economic growth and employment in the Union. If the Union does something tangible to promote welfare and prosperity, we can also expect the Union to become more acceptable in the eyes of the people. A consistent common policy on energy will at the same time strengthen the Union's credibility as an international player.

To guide the discussions at the Summit of the Heads of State or Government, two communications are being drafted by the Commission. One is on external energy relations, and the other is on innovation policy. The communications are to be released tomorrow, 12 October. They are not meant to be approved at the meeting, but they indicate those questions which we want to address at Lahti.

Before the unofficial Summit at Lahti, an Informal Tripartite Social Summit will also be held on the Friday morning. The way in which a European job market of 200 million employees will function and adapt to change is of crucial importance for Europe's future. That is why the Social Partners have a vital role to play when the goal is to strengthen European competitiveness.

Russia's President, Vladimir Putin, has been invited to the dinner following the Summit of Heads of State or Government. Discussions with the President are aimed at focusing on the strategic partnership between the EU and Russia, including cooperation on energy.

The immense challenges which the Union faces in issues of energy – securing its supply, climate change, continual price rises, and recent crises – have prompted the development of a common energy policy for the EU.

With regard to securing the supply of energy, the ever-increasing dependence on energy imports is a particular challenge for the EU. If no action is taken, it has been estimated that this dependence will grow from the present level of 50% to 70% over the next 20 years.

Before the Finnish presidential term started, the evolution of a common energy policy was discussed at two meetings of the European Council held at the beginning of the year. During the Finnish Presidency, we will focus in particular on external energy relations, and these talks will prepare the ground for a large-scale energy debate, to be held next spring, to lead to the adoption of an energy policy action plan.

Although the Lahti talks will focus on external energy relations, obviously our objective for external relations cannot be looked at as a separate issue. Among all the priority areas mentioned in the Green Paper on Energy Policy, it is close contact that stands out. Other areas include the single market in energy, solidarity between the Member States, the diversification of energy sources, energy efficiency, renewables and innovations in the domain of energy.

In external energy relations, the Member States need to reach a common understanding and establish a view concerning what sort of strategy should be adopted to make progress in relations with countries outside the EU, and what sort of common outward-looking goals the EU should have. This means that the Member States must be able to commit jointly to an agreed way forward that also covers bilateral relations, and to speak with one voice in these contexts too. In committing to common goals, the Union will also be better prepared to deal with changes in the world's energy markets.

At the Lahti energy talks we will be exchanging views on how external energy relations might be developed in the immediate future. The discussions are intended to focus mainly on three themes. The first is the principles on which EU-Russian energy relations should be based, and how they should be implemented. The second is closer relations with strategically important third countries. The third is more effective gathering of data as a basis for decision-making with regard to a common energy policy.

Russia, whose share of imports of both oil and gas is 25%, is the Union's most strategically important energy partner. In all strategic partnerships, including the one with Russia, it is important to find something which is in the interests of both parties in order to develop the partnership. The common interest in EU-Russian energy relations is obvious. The EU is dependent on imports of energy from Russia, and Russia needs long-term contracts for energy exports at market prices, as well as Western investment in the basic production of energy. Opening up the market on both sides will be a key factor.

The talks by the EU Heads of State or Government will also prepare the ground for discussions with the Russian President, Vladimir Putin, later that evening, one central theme of which is energy issues.

The purpose is to communicate to Russia the EU's objective of a binding framework agreement on energy, which would take account of the interests of both parties, reciprocity and an impartial operational environment. The talks will also certainly make reference to the challenges that the EU and Russia have in common, such as energy efficiency, where both sides stand to gain.

Extending internal energy principles to the EU's neighbouring regions, and the strategic development of relations with important third countries, are goals we must aspire to if we want to secure the supply of energy. 80% of the world's oil resources are to be found in the regions surrounding the Union. There is a whole range of instruments available to improve relations with third countries. It includes the Neighbourhood Policy Action Programmes, the agreement on energy cooperation, bilateral agreements and regional ...

(The President cut off the speaker due to technical problems)

Energy policy must be one key element in the Union's Common Foreign and Security Policy. The European Union needs enough information to practise a more coherent energy policy. In addition, it must be able to respond to external problem situations and crises connected with energy. The Union should establish a system which will help bolster cooperation between the Member States and the institutions, and enhance solidarity in issues connected with energy.

The other main topic of the Summit of Heads of State or Government is the development of a policy on innovation. It must be possible to improve the way in which research work done in Europe is exploited in the shape of commercial goods and services. Moreover, the Union must be able to introduce new technology as efficiently as they do in the countries that are our competitors. If we stick with the way we do things now, the innovation gulf between us and our major trading partners will only grow.

Production, mainly in the growing economies, is in ever greater competition with Europe, not only in industry but also in the service sectors. China and India train highly educated people for the job market far more than is the case in the EU. The markets in the growing economies, however, also mean that there is a huge potential for exports from the Union. Success can come just from an ability to create something new – in other words, innovation.

In an open market, the best commodities succeed. It is impossible to stay ahead unless there is continued investment in research and product development. The Member States of the Union are committed to increasing future investment in research and development by virtue of the decisions taken earlier on.

It is nevertheless vitally important to ensure that Europe can make good use of investment so that research work leads to new, better and commercially exploitable goods and services.

The intention at the Lahti Summit is to mention issues and challenges which call for joint action on the part of the Union. The aim is to create an environment where innovations can emerge and be adopted efficiently. In its position on the Lisbon Strategy, the European Parliament has also highlighted the importance of a policy on innovation.

To support effective innovation, there would need to be created an EU-wide strategy on immaterial rights. Immaterial rights are of major importance for a company's success and competitiveness.

One fundamental question, for example, is the quality of patents, which is a basic principle for a workable, reliable patents system. The Presidency believes that Europe must have a cost-effective patents system, but one which adheres to the notion of quality, regardless of the choice of alternative that will form the basis for developing this system.

If we can develop the patents system further, companies will be guaranteed considerable savings on the costs of patents, which can only encourage innovation and research in Europe.

Improved collaboration between universities and the business world is a precondition of a successful policy on innovation. The intention is to create a new network-based European Institute of Technology, and the Commission will be putting forward a proposal on this next week.

The partnership project between science, business and training will be characterised by excellence. The priority will be the promotion of innovation. The Presidency believes that the European Institute of Technology will allow Europe to exploit existing opportunities in companies and the scientific community more effectively.

Furthermore, cooperation between the private and public sector needs to be stepped up in order to promote competitiveness. Europe has seen the creation of the so-called Technology Platforms, company-based strategic research initiatives, which are excellent examples of partnership between the public and private sectors. To their credit, companies have indicated their willingness to invest in their selected platforms, and a similar commitment is now needed from public bodies financing research.

It is very important for innovation for the creation of European standards to be speeded up. Without a common European standard, many innovations can remain unrealised. Where, for example, would the European mobile phone market have been without the GSM standard?

The creation of pan-European technical norms for mobile phones in practice made it possible for the world's leading player in this sector to come from Europe. On the other hand, if national standards alone had been adopted as a basis for developing mobile phones, there would not have been the same sort of major, geographically huge success.

The speedy adoption of open, compatible standards is one of the keys to success in business. It will also have clear benefits for the consumer. At the same time, it will strengthen our competitive status and be a response to rapid technological development, so that the technical development solutions realised in Europe can genuinely compete with development work done elsewhere in the world.

Moving on, illegal immigration is a problem that affects the whole of the European Union. That is why we need to find solutions together. Solidarity is at its most conspicuous in the effective implementation of concrete measures. At the Lahti Summit we will be discussing illegal immigration, which has become a particular problem in the Mediterranean and the southern parts of the Union.

For us, it is important that the Union can establish a comprehensive, effective policy on immigration control, one which takes account of issues relating to both illegal and legal immigration, including integration. We must use the existing instruments effectively and think of new ways to support countries of origin and transit in their efforts to prevent illegal immigration.

Immigration issues have been on the agenda at all the Justice and Home Affairs Councils. The matter is also to be discussed next week at the informal dinner of the Ministers for Development Co-operation. The intention too is that the work of the Justice and Home Affairs Councils should serve as a basis for decisions for the European Council in December which could help the European Union to respond effectively to the problem of illegal immigration.

At a working lunch in Lahti, the serious situation in Sudan and Darfur will also be addressed.

As I said at the beginning, following the informal summit of EU Heads of State or Government, the participants will dine in Lahti with the Russian President, Vladimir Putin. This will be an excellent opportunity for an informal discussion on the development of the strategic partnership between the EU and Russia. The spectrum of our association is very broad, and it contains elements which could serve to develop the partnership further.

An example of this is international issues. The international policy agenda this autumn includes matters where cooperation between us is very important, such as the Middle East, Iran and Kosovo.

Energy is an important element in the strategic partnership, and we are expecting to hear President Putin's assessment of developments in his country's energy sector and the energy partnership between the Union and Russia.

Mr President, we were all shocked to hear the news about the death of the well-known journalist and defender of freedom of expression, Anna Politkovskaja. We are calling for a thorough investigation into this horrendous crime and for its perpetrators to be brought to justice, something which is of particular importance for Russia's progress towards the rule of law. Not only is Politkovskaja's death an appalling incident and a loss for her next of kin, but it is also a setback for freedom of speech in Russia. Furthermore, the frank and robust talks that are going on between the European Union and Russia against this background of recent events are a valuable exercise. As I have already said, the strategic partnership is a framework within which all the important issues will be discussed.

José Manuel Barroso, *President of the Commission*. Mr President, the informal European Council next week comes at a good time. I should like to thank the Finnish Presidency, Prime Minister Vanhanen and all his team for their very important contribution.

Since the Minister made such a comprehensive presentation on behalf of the Presidency, I will focus on innovation, energy policy and immigration. I will also make a few remarks about relations between the European Union and Russia. These are all issues in respect of which the challenges we face require not just a national response, but a European response; challenges which show why, more than ever, a strong European Union is necessary, and why we need the Union to equip Europeans for globalisation.

I welcome the Presidency's decision to focus on innovation. Finland is a prime example of how innovation can boost economic growth. However, it is more than that. It is only by unlocking people's imaginations that we can tackle the major issues facing us today, such as climate change, social exclusion, demographic change and unemployment.

Even though I know you know the figures, they are worth repeating. European Union spending on research is equivalent to 1.9% of its GDP, whereas the United States currently spends 3% of its GDP. It is indicative that most of the recent Nobel Prize winners come from or work in the United States. In Europe about half of all researchers are employed by business. In the United States, that figure stands at over 80%. The truth is that Europe is falling behind in terms of innovation and research. The status quo is not an option: we need to do more in this matter. We urgently need a strategic approach which focuses on each link in the innovation chain, from the birth of new ideas and knowledge right through to their exploitation and marketing in the economic sphere.

The communication which the Commission will present at the informal summit in Lahti sets out such an approach. It pinpoints the weak links in the chain and puts forward solutions. We need financing, we need the right intellectual property framework to bring the right rewards and we need to tackle obstacles to innovation sector by sector. Above all, we need to start with a strong political message of commitment: innovation deserves encouragement, and we need a European approach for it.

Size matters on this issue. One of the big differences between us and the United States is that we have no pan-European institutions for innovation and research. The United States is much more committed to a real global approach. There are great institutions supporting innovation throughout the United States, not just in one or two states. Until now, we had nothing in Europe. Now we have the European Research Council and we are proposing the establishment of a European institute of technology. We are proposing a network system to lend a real European dimension and a real European mission to those institutions. That is why we are insisting on this approach. That is the importance of the European institute of technology. It will bring the private and public sectors closer together for cutting-edge research, become a centre of international excellence, bring together the top brains, provide a stream of top class PhDs and promote spin-offs of innovative small and medium-sized enterprises. In short, it can become a symbol of Europe's ability to work together and innovate. We have been developing the finer details of the EIT over recent months and we will bring forward a detailed proposal next week. I am confident that the Heads of State and Government and the parliamentarians here in the European Parliament will look at it in the spirit in which it is designed: yes, it is something a little different, but something which can provide an example of Europe taking a fresh direction and finding new ways to work together.

One of the fields in which I think we as European leaders can give a mission to a European institute of technology is that of energy and climate change. When we have a problem that we need help to solve, we should ask the best scientists, the best brains on our continent. Energy is one of the most important challenges we have today.

Let me now turn to the issue of energy and let me make it plain: we need to create a truly European energy policy, not 25 energy policies. It is absurd in the 21st century to go on with 25 or 27 energy policies. We need a truly European energy policy. The problems we face – high energy prices, climate change, increasing dependence on imported hydrocarbons – are global and European problems. They need European solutions. National solutions will not be enough. At Hampton Court last year, European Union leaders agreed to develop a common approach. In our Green Paper of March 2006, the Commission defined clear objectives for a European energy policy, long-term sustainability, security of energy supply and economic competitiveness. The Member States have endorsed our approach, and the reaction from stakeholders to our Green Paper has been overwhelmingly positive. The next step is a strategic energy review which the Commission will propose at the very beginning of next year. I look forward to reading the European Parliament's report on it.

It is obvious that we need coherence between the internal and external aspects of energy policy. We clearly need an effective internal market in energy. Having 25 or 27 different energy mini-markets is not the answer to the European energy challenges. However, we must link internal and external policy. Our paper for Lahti will look at the three external challenges: Russia, which I will return to; developing our energy relations with our neighbours; and creating a network to deal with external energy shocks. It is essential to build up energy cooperation with strategically important supply and transit countries. This is already happening with initiatives such as the new Energy Community Treaty and the memorandum of understanding on energy cooperation with Ukraine. We need to extend the principles of the internal energy market gradually throughout our neighbourhood. We also need to join the different areas of expertise which exist around Europe to create a more effective network to deal with external energy shocks. Of course, in the medium term, the best way to cope with energy shocks is through diversity: diversity of energy sources, of country of origin and of country of transit. Indeed, we need to mainstream energy to make it a major focus of our relations with partners worldwide.

Finally, energy efficiency is another crucial element of this strategy. I can announce to you today that next week Commissioner Piebalgs – the Commissioner for Energy – and I will propose an ambitious action plan to fulfil our commitment to save 20% of primary energy use by 2020.

Naturally, with 25% of the oil and gas consumed in the European Union coming from Russia, energy cooperation with Russia is crucial. The President-in-Office of the Council just explained why it is important. We must have a reinforced energy partnership with Russia. Such a partnership must be based on reciprocity, transparency, non-discrimination and openness to competition, including a level playing

field for upstream and downstream investment. This is the only way to have a stable and secure platform for our energy relationship. The meeting with President Putin will be a chance to deliver a clear and hopefully coherent message from European Union leaders.

We see three long-term objectives in our relations with Russia: we want to see a functioning democracy and market economy in which Russia lives up to the international commitments it has undertaken; we want to see a broad and strategic EU-Russia relationship based on interdependence – Russia needs the European Union and the European Union also needs Russia – and we want to enhance our cooperation with Russia on international issues. When we talk about effective multilateralism, this is what we mean. We have set our goal of a wide-ranging agreement to follow the current partnership and cooperation agreement. There are mutual benefits to be realised in areas such as investment and market-opening, as well as in energy and energy efficiency. We both have so much to gain from a real partnership.

I also take this opportunity to express my deepest sympathy with the family of Anna Politkovskaya, who was so brutally murdered last week. I want to pay tribute to her relentless pursuit of truth. She was a great defender of freedom of expression in Russia.

(Applause)

I sincerely hope that the perpetrators of this heinous crime will be found and brought to justice.

Another point we are going to address is that of immigration. The massive arrival of illegal immigrants at the frontiers of the European Union's southern Member States is a European problem that requires a European solution. In November 2006, the Commission presented a communication with a series of practical proposals for the European Union to respond to this challenge. On that basis, the European Council adopted a global approach to migration, outlining in detail how to respond in its internal and external policies. In less than a year we have seen the start of a lot of practical action: joint operations in the Mediterranean and the Atlantic under the coordination of the borders agency, Frontex; enhanced cooperation among the law-enforcement services of the Member States; better coordination of the work of the immigration liaison offices in Africa; and dialogue with key African countries of origin and transit, both bilaterally and multilaterally. For the first time, Member States are working together in joint operations protecting the European Union's external borders under the coordination of Frontex. However, let us be frank: it is not enough; much more is needed to tackle the illegal flows effectively.

In order to strengthen the European Union's response capacity, it is of the utmost importance that all Member States of the Union work together in a spirit of solidarity, not least to assist those Member States that are, let us say, in the front line. With a view to the informal European Council to be held in Lahti on 20 October, I have written personally to the Heads of State and Government underlining the need for such solidarity. Of course, the ideal would be to have already established the Community instruments, but we have not got them yet. Of course, the ideal would be to have a European migration policy. It is absurd to have 25 or 27 migration policies in an area in which people can move around freely, because decisions taken by one country have a direct effect on the other countries. But before we have a true Community method to tackle these issues, we at least expect Member States to cooperate well among themselves.

(Applause)

We believe this is also a practical example of European solidarity.

We also need to work much more intensively with the countries of origin and transit. The implementation of the action plan agreed in Rabat in July is a key priority. The Commission will work hard to ensure proper implementation in close partnership with the countries concerned. Let us also be frank about this. Security matters are not enough. The solution to this problem will come only with our support for sustainable development in Africa. By the way, I think we have to engage in a high-level dialogue with African countries. Is it not strange that the European Union has dialogue with Asia and Latin America at the level of Heads of State and Government, but not with Africa? Is it not about time now for Europe to make a commitment to establishing a high-level dialogue with Africa? I believe we have the right and the duty to do so. That was the message I took recently to our counterparts in the African Union Commission in Addis Ababa. That is why we are also actively engaged – via our cooperation with our African partners – in looking collectively at this issue.

In European terms, we also need a European Union decision-making process. When there are urgent and serious problems, the European Union needs to be able to react appropriately. This means using

the bridging clause in Article 67 of the Treaty. We cannot deny ourselves the means to deliver effective action.

To conclude, the informal European Council meeting in Lahti provides a good opportunity to take stock of the current European Union actions in the fields I have outlined and in several other fields as well. We are looking for a renewed commitment from the Heads of State and Government to deliver solutions to the real and pressing problems of the citizens of the European Union, and to deliver a Europe of results so that we can have more confidence to solve some of the very important problems in our Union.

Let me give you a final thought. A week ago I was in Darfur. Amidst the terrible conditions experienced by the people there, I saw something that I resolved to tell my friends back in Brussels: in the NGOs and other humanitarian organisations, there are so many young Europeans, so far from their homes, putting their lives at risk every day to help Africans. This is the kind of Europe of which I think we should be proud; a Europe that is ready to deliver solidarity and help, showing great courage. That is the kind of Europe I believe we all want: an open, outward-looking, generous Europe. That is the Europe we should strive for.

(Applause)

Françoise Grossetête, *on behalf of the PPE-DE Group*. – (FR) Mr President, Mrs Lehtomäki, Mr Barroso, we are deeply distressed and outraged by the assassination of Anna Politkovskaya, and we have many questions about the reasons that led to this crime being carried out. It is vital that the Russian authorities get right to the bottom of this tragedy as soon as possible, and we expect the Council to send out the message that it will stand firm in the face of this fresh blow to a profession that pays a heavy cost each year for carrying out its work. Allow me to pay tribute, through Anna Politkovskaya, to all of the journalists who risk their lives throughout the world in order to defend freedom of expression, to which we are so attached.

The Informal Meeting to be held in Lahti on 20 October will provide another opportunity to raise some recurring issues, such as competitiveness, innovation, immigration and energy policy. I fear that competitiveness and innovation will meet the same fate as sustainable development: everyone talks about it, everyone subscribes to it, but when it comes to taking concrete action, good principles go out the window. There are numerous examples of this. I could cite that of Galileo, the usefulness of which was so highly praised, but when it came to planning the budget for it, all of a sudden it was no longer a priority.

With regard to transport infrastructure and rail links, we recommend their being completed for the sake of competitiveness, but we sacrifice them on the budgetary altar. What can be said about the much-hyped ambitions in relation to research when it is clear what kind of support is actually given to innovation? I am thinking not only about financial aid, but also about the application of the laws that encourage investment in Europe and that clear the way for our SMEs to export outside European territory. I therefore expect a great deal from the Council's commitment to the European Institute of Technology, to which our President of the Commission, Mr Barroso, is, I know, very attached, as, I might add, is our Parliament. Indeed, it is no longer strong commitments that we expect from the Council, but concrete action.

Competitiveness is also the outcome of the regulations that we adopt, which must represent opportunities and not constraints. I expect the European Commission to take these principles as its starting point when it presents its 2007 legislative programme and the Council to follow that trend. I expect Parliament to have the courage to reject proposals that only deal with big ideas without doing anything specific with them. Policies, too, must be competitive, and thus effective.

Competitiveness also means striking a trade balance worldwide. Anti-dumping measures are certainly along these lines, but could we not have other strong political decisions, such as a demand for equivalent quality standards for all goods imported into the European Union?

Finally, on the energy issue, I hope that the discussions with President Putin will enable Europe to implement all of the structures necessary to guarantee the independence of its energy supply. It must also be able to equip itself with renewable energy sources so as to guarantee the independence of its energy supply from a nuclear energy perspective.

IN THE CHAIR: MRS ROTH-BEHRENDT*Vice-President*

Martin Schulz, *on behalf of the PSE Group.* – (DE) Madam President, ladies and gentlemen, I am obliged to you, Madam President-in-Office of the Council, and to you, Mr President of the Commission, for your very exhaustive description of what you intend to discuss at the informal summit. As so often happens when summits are in the offing, we have high hopes of this one. Mrs Lehtomäki and Mr Barroso have told us marvellous things about innovation, immigration, energy policy, the partnership with Russia, and about Darfur. The whole range of our concerns has been put before us in no more than some forty minutes, and I now find it difficult to respond to all these things with the necessary brevity.

If, after the summit, we get a forty-minute summary of what happened there that is just as closely packed with achievements and decisions reached, then I will be a happy man, but I have, at the back of my mind, the fear that we will have the same experience that we almost always have, for we are good at describing our problems, but find solving them a bit more difficult. The President of the Commission is right to say that investment in innovation is indispensable, not only here, but in all the Member States, and particularly in researching and developing energy-efficient technology.

One of the crucial long-term decisions we will have to take over the coming years has to do with the question of whether achieving greater energy efficiency will enable us to cope with the exponential growth in demand for energy around the world. It is worthy of note that enhanced energy efficiency also involves us abandoning an economy founded on extravagance by means of such things as technological developments and investment in research that helps to ensure that the products we are able to develop reduce energy consumption rather than increasing it. Europe is the continent that must lead, and give good example, in this area, and that is why you are quite right to say that our policy on innovation must give priority to innovation in energy.

My second point is that both the President of the Commission and the President-in-Office of the Council are right to highlight immigration as a problem we must get on top of, but the way in which this problem is currently being addressed does nothing to solve it, and I am much obliged to Mr Barroso for describing that so graphically. I do not want to go over again what others have rightly pointed out, namely that sustainable development in what we call the Third World addresses the causes of the immigration problem, but the external borders in southern and eastern Europe are external borders in which we all share; those who manage to enter our territory are free to move anywhere within the Schengen area. Member States cannot then say that they are going to arrange these matters for themselves or that the most they will do is to address them at the intergovernmental level, but that they will not allow any of their powers to be transferred to Brussels, and that I say not least for the benefit of my own country's government, with which you, Mr Barroso, met today. Germany too must understand that this sort of thing is just not on; this is a lesson that must be learned, even by the German minister of the interior.

Let me add something to what has been said about our policy on Russia. The policy that we, together with Russia, are currently engaged in adopting will be the basis for a renewable cooperation agreement with that country. It is obvious that discussions such as that we are having today, in relation to the case of Anna Politkovskaya, will always be emotional affairs. Mr Saryusz-Wolski, for example, who is listening to me with such attentiveness, is one of those who always get particularly worked up by anything to do with Russia, and so what I have to say, I say not least to him. Is there not a great deal going on in Russia that is not to our liking? To be sure, we want – as you have said – a functioning democracy and market economy to prevail in Russia, but there is one thing about which we must not be in doubt. Quite apart from the issue of whether we are further entrenching or extending Russian democracy, Russia is – even as it is constituted today – an indispensable strategic partner for the European Union.

So let me say that we must indeed talk about the state of democracy in Russia, but we cannot talk down to that country in a lofty and schoolmasterly way. It has to be clear to us that Russia will, without a doubt, be needed as a partner in energy policy, and above all as a partner in the resolution of conflicts around the globe – be they in Iran, in the Middle East or anywhere else – and that it will try to cooperate as our equal and with equal rights, and that equal status is something that we must concede to Russia just as we do to all our other partners. So, then, while I regard dialogue about democracy as indispensable, it must be founded on a realistic assessment of the situation.

I much appreciate the President of the Commission's reference to Darfur. What that situation shows – and not for the first time – is how vital it is that the European Union, by being the peacemaker that it is, brings people together across religious, ethnic and national boundaries, and, by means of that integration, fosters peace. That is something for the export market, and if you let the wider world have it, that is something to be welcomed.

Graham Watson, on behalf of the ALDE Group. – Madam President, Madam President-in-Office, Liberals and Democrats wish you well for Lahti. A Presidency in the second half of the year is never easy, and informal talks with 25 Heads of Government round a table are difficult to imagine. I bet you cannot even fit them all into one sauna!

On your agenda there will be important matters as diverse as energy, innovation and migration, although, as you say, the real story will be entertaining the President of the Russian Federation. We believe that the Member States must stand foursquare behind the Union flag in condemning attacks on freedom and private property in a country where one more candle of independent thought has just been extinguished. Mr Putin has clearly studied Machiavelli's dictum: 'Princes who have achieved great things have been those who have given their word lightly, who have known how to trick men with their cunning and who have overcome those abiding by honest principles.' While President Putin concedes that his country is tarnished by the murder of Anna Politkovskaya, he fails to add that 40 other journalists have been murdered in his country in recent years.

(Applause)

Liberals and Democrats pay tribute to Anna Politkovskaya. Among her criticisms of the state of freedom and democracy in Russia, she wrote, in a book called *Putin's Russia: Life in a failing democracy*, 'Yes, stability has come to Russia. It is a monstrous stability under which nobody seeks justice in law courts, which flaunt their subservience and partisanship, nobody in his or her right mind seeks protection from the institutions entrusted with maintaining law and order because they are totally corrupt. Lynch law is the order of the day. The President himself,' she continues, 'has set an example by wrecking our major oil company, YUKOS, after having jailed its chief executive, Mikhail Khodorkovsky. Putin considered Khodorkovsky to have slighted him personally, so he retaliated.'

Madam President-in-Office, Russia needs the European Union just as much as the European Union needs Russia. They need our market for oil and gas. We are their biggest customer. So let our Heads of State and Government talk to Mr Putin about oil and gas, but do not have them mince their words about an increasingly dictatorial regime. Let them also prepare for life without dependency on Russia through joined-up thinking on energy and the environment. In a week in which Al Gore has promoted his film on the 'inconvenient truth' of climate change, our energy policy must in any case reflect an urgent need for a change of direction.

Lahti is a follow-up to Hampton Court a year ago, where leaders approved plans to create a European energy market, raise competitiveness and educational levels and tackle the growing pressure of migration. In the past 12 months, the urgency for action in all those areas has increased. The Commission has rightly identified the needs, but Member States continue to deny the means. The Commission proposes a genuine internal market in energy, unbundling networks as we did with telecoms, creating an observatory to monitor stocks, developing a more sustainable energy mix, making energy savings. We welcome these proposals, but we need the Council to get on with them. Mr Barroso wants a European institute for technology. Get on with it, if you can raise the money! Migration is presented, on the one hand, with data showing we need to encourage migration of labour and skills, and, on the other, with media headlines stoking populist fears of uninvited guest workers taking away jobs and benefits.

To succeed the Council must act effectively, for which it needs the provisions of the Article 43 'bridging clause'. I hope the Finnish Presidency will continue to press for this. We support the Finnish Presidency and its modest and pragmatic approach to EU business. However, Madam President-in-Office, we fear you are being eclipsed already by the forthcoming German Presidency. Issues are being postponed; foreign leaders are courting Mrs Merkel. The German Foreign Ministry is taking the lead. Let us not raise excessively high expectations of what Germany can deliver, nor lower our expectations of what the Finnish Presidency can achieve. The Presidency needs to show that, in the words of the Monty Python song, 'Finland has it all'!

Daniel Cohn-Bendit, *on behalf of the Verts/ALE Group.* – (DE) Madam President, ladies and gentlemen, Anna Politkovskaya, visited this House on two occasions, at the invitation of our group, to report to us on the situation in Chechnya and the state of play as regards freedom of speech in Russia.

I really do think it is high time that we named names. Someone said that the guilty parties should be condemned; well, you will be dining with one of them tonight – with President Putin himself. Let us make an end of this constant self-deception; Russia is at present subject to a system engaged in the day-by-day curtailment of freedom of opinion, with newspapers being bought up and then disappearing from the scene, and their owners thrown into jail. That is going on day in and day out.

(Applause)

Mr Schulz is right; we do indeed need Russia, but we have to be aware of the fact that the Russia with which we have to deal is a Russia that does not shrink back from taking people out of circulation, and I can predict how its story is going to turn out, for it has already been written down in a book that is about to come out, entitled ‘The Day of the Opritschnik’ by Vladimir Sorokin, and I urge you to read it. In it, the author describes, from the point of view of an officer in the security services, the things that go on in Russia today, and we will read it: we will read about how some small-time crook, some small-time drug pusher gets caught, gets sentenced to ‘life’, gets taken off to some prison on the other side of the Urals, and then they will say, ‘Look, we’ve caught one!’ As for those, though, at whose behest the crime was committed, those who gave the money – as we have seen with the forty other journalists and the newspapers – well, nobody will ask, because nobody will be interested, for – as we saw yesterday evening on German television when Chancellor Merkel met him – we need Vladimir Putin. And why do we need Vladimir Putin? We need him because we – by which I mean Germany, with its Grand Coalition of red and green that has entered into an impossible treaty with Russia and avoided the Europeanisation of energy policy – because we have established a link with Russia. Even so, names do need to be named, and then, perhaps, we might get somewhere.

Yes, of course there have to be negotiations with Russia, but I am firmly convinced that now – yet again – is the time for us to display the necessary attitude; yes, of course we can laugh when Schalke 04 is bought by Gazprom, when Chelsea is bought by Roman Abramovich; all these things we can find amusing, just as we think it is terrific that Mr Putin is with us everywhere and turns up to watch Federal League matches every Saturday; the only problem is that the price we are paying is the price that the people of Russia have paid and the price that the people of Chechnya have paid, namely the price that you pay for doing no more than cohabiting with one of the most dangerously oppressive systems, smiling sweetly at it and otherwise looking the other way. I find it simply shameful that we look the other way. We say how appalled we are, and then we come back down to earth and say, ‘Oh, Vladimir, do you think you have a problem? What makes you do these things? But it is good that you are paying your bills more promptly.’ So that is all right, then. That is our attitude.

All I can say, by way of summary, is that we will resolve the energy issues, the immigration issue, and all the other issues only if – and this is where Mr Watson has got it right – we, at some point, speak frankly about what the problems are and say honestly about what we will or will not do. We must, I think, negotiate with Putin, but that does not mean that we have to dine with him like mates together.

Esko Seppänen, *on behalf of the GUE/NGL Group.* – (FI) Madam President, Minister Lehtomäki, the Finnish government wanted to hold an EU summit in Finland, probably with the purpose of spreading the glad tidings of Finland’s excellent competitiveness to others. The passage of time has brought other matters to the agenda, and, to Finland’s delight, the Russian President will be attending the evening meal organised for the Heads of State or Government. The matter of investigating the murder of the journalist Anna Politkovskaya should then be raised as a test that the rule of law in Russia actually works.

(Applause)

In the name of the new liberalism, the EU’s right-wing forces want to break and crush good educational systems and the good social security system. I call on the Finnish government to tell these EU new liberals that public services are the secret of Finland’s excellent competitiveness. Please tell them too that the advanced liberalisation of the electricity markets in the Nordic countries has raised the price of electricity, and that the state, and not the market, has to take responsibility for energy security. Do not harp on about the Lisbon objectives. The EU will not be the world’s most competitive knowledge-based economy by 2010. An economy built on dreams reminds one of Mr Khrushchev, who 50 years ago in

the UN promised that the Soviet Union would surpass the standard of living in the United States of America within 10 years.

Our group fails to understand the move by the Finnish Government to ratify the defunct EU Constitution in Finland. To my government, I would say this: you are up against alien forces, the same way you were when you insisted that the EU should decide on a common penal code with a qualified majority. That way, you would be wiping out the historical memory of nations. I send my greetings to the Prime Minister, Mrs Lehtomäki. Hold your head high for the rest of the presidential term. You could even try to think for yourself sometimes, instead of always being a kind of warm-up act for the next presidency, a far bigger one than Finland. To Mr Barroso, I would say that in several cases there is no proper legal basis for implementing his very ambitious ideas, although there is certainly room in the world for ambitious ideas.

Brian Crowley, *on behalf of the UEN Group*. – Madam President, I too would like to join with my colleagues in thanking the President-in-Office and President Barroso for their presentations here today. I will deal with the easy questions first of all and then go on to the more difficult ones facing the summit.

We have a right to tell the Russians that we demand standards of them with regard to freedom of expression, freedom of accountability and the freedom and the security of human life when people question and challenge authority. As Mr Watson rightly said, 40 journalists have been killed in Russia in the last two and a half years. Interestingly enough, not one person has been arrested in connection with those 40 deaths; not one person has been convicted in connection with those 40 deaths. If we are to expect that suddenly action will be taken because of the horrific gunning-down of Anna Politkovskaya in recent days, I think we are like ostriches sticking our heads in the sand. Only when real engagement and dialogue takes place with Russia can we guarantee a relationship of equality between the EU and Russia, despite our dependence on Russia for energy, despite Russia's dependence on us for markets, and despite the interaction that there is in geopolitical terms between eastern Europe and Russia.

I think that what we really have to do is show courage now in laying down clear standards and guidelines of what we expect from our partners with regard to their relationships. This is not just about the death of the journalist, horrific as that is; it is not just about Chechnya; it is also about Russian treatment of Georgia in the recent past and what they have done. While the Russian authorities condemn Chechen resistance fighters on the one hand, on the other hand they support 'resistance fighters' in parts of Georgia. They have put the economy of Georgia under tremendous strain, not just in economic terms but also in human terms, deporting hundreds of thousands of Georgians from Russia back to their home country, denying them access to education and to businesses which they legitimately own and control within Russia. All for the sake of 'clarification'.

My next point touches upon the European institute for technology, research and development and what is required for that. I am a great supporter of President Barroso's plan with regard to the necessity for Europe to take the lead and take the leap from the 20th century into the 22nd century with regard to what we need to do for research and development and investment in technology.

But first, before that can happen, we must ensure that the intellectual property rights and patenting rights are protected to allow for innovation to take place, to allow for investments to be made. It is easy to build the structure of a building to house an institute of technology. It is more difficult to put in place the legislative framework to allow for this to happen.

Finally, Madam President – if I may be allowed the same latitude as the other group chairmen were allowed – when we speak about energy and common energy policy and energy needs, one of the biggest opportunities that we are denying ourselves is the renewable energy that we can create and grow on our land. When farmers are suffering because of bad deals made by Peter Mandelson at the WTO talks, or when agriculture is under threat, then we need to invest in renewable energy.

Jens-Peter Bonde, *on behalf of the IND/DEM Group*. – (DA) Madam President, Anna Politkovskaja's Danish friend cannot obtain a visa for Russia, and I have asked Mr Solana to raise this matter at a suitable opportunity.

I turn now to the Finnish Presidency. I love Finland. I sit on chairs, and put flowers in vases designed by Alvar Aalto and use a Nokia phone. I have had respect for Finnish politicians ever since I was a young man and I have cooperated with your foreign minister in the EEA and with your prime minister in the Convention. Now, I have to ask with some dismay: what has happened to Finland? How on earth

can Finnish politicians persuade themselves to ratify a Constitution that has been rejected in France and the Netherlands and therefore no longer exists? Is it true that it is members of the Centre party's parliamentary group who are to vote against their own conviction? The great majority of Finnish voters are opposed to the Constitution, yet you force it through without a referendum. Shame on you! Instead of submitting to Mr Vanhanen's whip and adopting a new policy of Finlandisation whereby Finland turns itself into Germany's seventeenth state, you should start afresh with a new directly elected Convention, referendums in all the countries and a document that the electorate can happily vote for.

Finland currently has 7.8% of the votes necessary for achieving a blocking minority in the Council of Ministers, so the other countries are obliged to listen to Finland. That is precisely why we have a valuable culture of consensus in the Council of Ministers. The Constitution would introduce double majority voting, with the result that we should be voting on the basis of population figures. That would cause the Finnish portion of a blocking minority to fall from 7.8% to 3.3%, so there would no longer be any need to listen to Finland and other small EU countries. The German share of the vote would correspondingly increase from 32% to 51%. Germany and Turkey would thus be able to determine the speed at which an enlarged EU developed. A double majority would destroy the EU's culture of consensus, and the removal of the national Commissioners would make it difficult to get the EU to operate properly on a day-to-day basis. Nokia would no doubt get by, but the many small and medium-sized companies and local authorities would miss having contact through the Finnish *cabinet* when there was no longer a Finnish Commissioner at the table. Moreover, the rotation system would only, of course, continue until, true enough, the turn of the wheel replaced France with Malta. Stick to one Commissioner for each Member State and to the culture of consensus in the Council of Ministers instead of adopting the rejected draft Constitutional Treaty.

Koenraad Dillen (NI). – (NL) Madam President, as has already been said, the European Heads of State or Government will, when they meet in Lahti on 20 October, also be broaching the subject of immigration. The question is, however, what conclusions they will draw. Two weeks ago, yet another tragedy struck before the European coasts, involving ill-fated asylum seekers. Yet again, the blame rests with unscrupulous traffickers prepared to take huge amounts of money off people in order to bring them to Europe in search of their fortune. Yet again, the capsizing of a vessel of illegals off the coast of Lampedusa claimed casualties; the bulk of passengers and crew could only just be saved. In order to prevent such tragedies from happening again – off Lampedusa, off the Canary Islands and anywhere along our external borders – Europe has to send out clear signals, for desperate times call for desperate measures. We must come down hard on people-traffickers. The penalties cannot be tough enough. This should go hand in hand with a strict asylum policy, one that demonstrates to the rest of the world that Europe is serious about protecting its borders. That is why I should like to take this opportunity to congratulate the Swiss on the sensible choice they have made in all their cantons to tighten up legal conditions for immigration and asylum, because, paradoxically, in these matters, firm, humane and fair policy is the best way.

I should therefore like to express the hope that the European Heads of State or Government, at the informal Lahti summit, will ponder the Swiss example, for Europe must learn to listen to its people where major social issues are concerned. We have, for example, seen the arrogance with which the eurocracy wants to persevere with a constitution that was rejected by the bulk of the people, such as in France and the Netherlands. When the people have their say, their opinions are often wholly incompatible with the decisions taken over their heads by an elite unfamiliar with the real world. This is without a doubt also the case for the pressing issue of immigration.

Tunne Kelam (PPE-DE). – Madam President, I think the best way to honour Anna Politkovskaya's work is to read her book *Putin's Russia*, as Mr Watson has indicated.

We need to be aware that systematic intimidation, harassment and murder of independent journalists, as well as the lack of any results from any investigations, have created a climate of impunity in which killers seem not to fear the law. Such a trend is seriously damaging to Russia's reputation as a Council of Europe Presidency State. It also casts doubt on our common values. Therefore, I would like to ask the Presidency of the EU Council to raise this issue at the forthcoming Lahti summit.

The PPE-DE Group also calls on the Commission and the EU Member States to take a principled stand in insisting on the restoration of the freedom of the press and respect for independent journalists as among the main prerequisites for renewing the PCA agreement next year. Only when the EU sends a

clear signal that we value the life of this courageous woman not less than oil and gas will things start to change in Russia.

(Applause)

The only way truly to honour Anna Politkovskaya's passionate commitment to truth, justice and human dignity is to launch a common effort to make real her dream of a democratic Russia where citizens will not need to pay with their lives for telling the truth.

Hannes Swoboda (PSE). – *(DE)* Madam President, Madam President-in-Office of the Council, Mr President of the Commission, there is no doubt about it: where our relations with Russia are concerned, we are in a very tricky position. The murder of Mrs Politkovskaya may be the most recent, but it is not the only one, for such things are not a particularly rare occurrence. That is something that embarrasses us, but it should embarrass Russia even more – much more, in fact.

I would like to say something about three problem areas in which our relations with Russia are beset with difficulties. Firstly, as already mentioned, there is human rights and freedom of opinion. What we find particularly regrettable is that Russia does not realise that it is itself harmed by the abuse of freedom of opinion and of human rights that goes on within it. These things may perhaps harm us as well by interfering with our relations with Russia, but it is Russia itself that is most harmed, in that it is hindered from developing in a positive and democratic way.

Secondly, there is the neighbourhood policy, and, while we are not, today, discussing South Ossetia and Transnistria, it is nonetheless also the case that we in the European Union find Russia's policy in respect of its neighbours unacceptable.

It is not acceptable that it should be Russia that decides what is to become of the peoples of South Ossetia or of Transnistria. That is for the people who live there to decide for themselves, and they must decide that freely rather than under duress or in response to military pressure – perhaps even exerted by Russia, and so we will have to speak in quite frank terms to Russia about this.

Lastly, there is the energy issue, and, while I agree with all those who have spoken out in favour of a common energy policy – as, indeed, the President of the Commission did quite plainly and unmistakably – I wonder how many of those who applaud today would have applauded if we had said, a year ago, that we needed a common energy policy. And will they all applaud when they are told that they, too, need to rearrange their own preferences in line with one? The fact is that, while we are demanding a common energy policy, nothing has yet been said about what it should be like, and, when we start doing something about improving energy efficiency, developing alternative forms of energy and taking the appropriate action in transport and housing, there will be many who will get up and say, 'no, that was not what we meant'.

Back to Russia, though. Our problem today is that relations between the EU and Russia where energy policy is concerned are unbalanced, that Russia – under Putin – is, unfortunately making energy policy more and more into a political power issue rather than doing as we do and treating it as an economic factor, and if we want to do business with Russia, it really does have to be only on condition that we and it negotiate together as equal partners.

One thing that Russia must bear in mind is that the energy reserves – the gas reserves in particular – are running out; they will not be exhausted today, but they will be in eight or ten years' time, perhaps lasting as long as twelve, and the question arises of what Russia will do then. It is also in Russia's own interests that it should be aware of the fact that it needs our technology, our know-how and our money, and that it should therefore work at building up a relationship of equality where energy policy is concerned. If we, on energy issues, deal with one another as equals, we will also arrive at the right solutions. If we do not, then it is not just the European Union that will suffer the consequences, but Russia as well. It follows that Russia should recognise where its real, long-term interests lie. It has much to learn from dialogue with us, with the European Union.

Hélène Flautre (Verts/ALE). – *(FR)* Madam President, Anna Politkovskaya knows why she is dead. The postscript to her last book is entitled: 'Am I scared?' Why did she write? She wrote because she believed that words can save lives. She knew that she was in danger; she had been kept locked up; she had been the victim of a poison attempt; and she regularly received death threats. She was executed simply because she was telling the truth.

In her book, 'Chechnya: Russia's disgrace', she writes: 'Putin and his people have given their blessing to something that no country can accept, namely a form of corruption based on the bloodletting of thousands of victims, an army ravaged by military anarchy, a chauvinistic attitude within the government apparatus that is passed off as patriotism, wild rhetoric about a strong State, and official, popular racism against the Chechens, the fall-out of which extends to other Russian peoples. Putin's Russia now produces new pogrom enthusiasts on a daily basis, and attacks against the Caucasians have become routine.' Do you know when she wrote that text? She wrote it in 2003, and what do we see happening today? We see raids, arbitrary arrests and persecutions of the Georgians and of the human rights NGOs, which, I might add, have just lodged a complaint.

How does Mr Putin respond? Mr Putin declares that the measures taken against the Georgians are appropriate and that the State agents are acting in accordance with Russian law. Mrs Politkovskaya never stopped denouncing human rights violations. I hope that the 25 will have the courage to say to Mr Putin what that woman alone had the courage to say and that they will not merely utter a few fine words about the investigation ...

(The President cut off the speaker)

Mirosław Mariusz Piotrowski (IND/DEM). – *(PL)* Madam President, the Finnish Presidency has declared the implementation of an energy partnership between the European Union and Russia. I would like to ask how it intends to achieve this. So far it has been less a question of partnership than of the 'Finlandisation' of EU-Russia relations.

The EU's policy towards Russia is mainly one of concessions, and it is also ambiguous in its positions. This is often at the cost of the new Baltic Member States, as well as Poland. A textbook example of this is the German-Russian agreement to build a north European gas pipeline at the bottom of the Baltic Sea. Russia is skilfully using its position as a monopolist on the European energy market. Operating the principle of 'divide and rule', Russia is making agreements with stronger states over the heads of weaker ones, and the EU meekly accepts this. So far we have not even managed to get Russia to ratify the European Energy Charter, a fundamental EU document relating to the energy market.

The informal summit between the Heads of State or Government in Lahti in which the Russian president is to participate should bring about a change to this state of affairs. In this matter more than any other, the EU must speak up with a single voice and from a decisive negotiating standpoint.

Eija-Riitta Korhola (PPE-DE). – *(FI)* Madam President, my city of birth, Lahti, may be the stage for an important event when it hosts the EU summit. The subject-matter is most apt for Lahti, an area which for a long time has had a high profile as a centre of excellence in environmental technology – because there is no point talking about energy without energy efficiency. The most effective way of quickly increasing self-sufficiency in energy is to improve energy efficiency and conservation. When we hold the energy dialogue with Russia, we also need to say that it is not politically wise to increase our dependence on Russia for energy any further.

In the light of the climate challenge, we need all the resources we can muster. All low-emission energy must be given the credit it is due. It is high time we did away with the idea that renewable energy and emission-free nuclear power are somehow opposed to each other. This is an illusion: it is something that is more in the mind than what is actually the case when it comes to practical attitudes to energy.

I have asked the Finnish Minister for Trade and Industry to include the re-examination of Bulgaria's accession conditions on the Lahti agenda. I am alluding to the unfair and unnecessary decision to close four of the six nuclear reactors at Kozloduy. When we look at the criteria behind the decision today, we can see that the condition imposed on Bulgaria in Helsinki seven years ago is now obsolete. It is also unreasonable in view of European energy policy objectives. Improvements have been made, and the Council's working group has itself stated that the power plants meet safety conditions. Even so, they have to be closed by the end of the year.

If Finland does not address the problem now, there will be a shortage of energy not only in Bulgaria but also in its neighbouring countries, whose electricity needs Bulgaria has met these last five years. The Commission's claim that these reactors could be improved in economic terms has proven wrong. Kozloduy produces electricity at less than two cents per kilowatt-hour. Closing them can be partially compensated for, and that will be through the use of power plants burning lignite, the dirtiest of all

energy sources. Consequently, EU cash is being used to switch from a cleaner technology to a dirtier one. That is madness.

In asking for the case to be re-examined, I am not saying that we should renege on the agreement, but rather that we should examine it in the light of current information, so that there could be flexibility on the closure date. Why should Bulgaria increase its greenhouse gas emissions when it has an alternative which has been found to be safe?

Reino Paasilinna (PSE). – *(FI)* Madam President, ladies and gentlemen, he who speaks here of Finlandisation may be thinking of himself. It may be a long journey for him to get to Finland's level in terms of democracy and its economy, because we are at the forefront of Europe.

(Applause)

This has come about through hard work. Come, follow us! The themes at Lahti are investment and innovation. They are Finland's priorities too. The Union's level of investment in research and development is totally inadequate. The Barcelona objectives have been achieved by just two countries: one of them is Finland, the other Sweden. I am ashamed of the short-sightedness of Europe's leaders. Europe is in a constitutional crisis and spiritually powerless at the same time. We are just not coping in many areas because our investment in research lags behind that of our competitors, and soon the East will catch us up.

Out of this fragmented scientific arena we urgently need to build an efficient, straightforward and high-level European area of research. Through cooperation and collaboration we will succeed. We will be an area where the sun is setting unless we put innovation quickly into practice. As far as the founding of a European Institute of Technology is concerned, the project lacks money and direction. As rapporteur, my own opinion is: let there be innovation and the transfer of innovation into practical realisation; then our standard of living will improve.

We regard Russia as a strategic partner, and we will renew the Partnership and Co-operation Agreement. The shocking murder of the journalist Anna Politkovskaja does not sit well with the Russia which we are hoping will become a better partner for the European Union. She fought against corruption and violence; even the country's government says she did. Why was Politkovskaja not given protection? Everyone knew about the death threats. This serious matter needs to be raised at Lahti.

Europe is becoming more and more dependent on imports of energy. Dependence is growing at a phenomenal rate. As our problem is security of supply, and Russia has a problem with good customers – that is, a problem securing long-term agreements which can help the country invest in the energy infrastructure – I propose a solution where we strike a major deal and address both these issues at the same time. That way, the markets will open up both in Russia and the European Union under the same rules; that is, an energy agreement will be ratified in the same package. This way, we will create energy security for both parties and, obviously, especially for ourselves.

Satu Hassi (Verts/ALE). – *(FI)* Ladies and gentlemen, Russia's energy resources and our desire to secure deliveries of oil and gas must not be allowed to blur our vision when it comes to the worsening state of democracy and civil rights in Russia. Civil society is in dire circumstances there. Following the murder of Anna Politkovskaja, this should at last be obvious to everyone.

Human rights violations, assaults and even murder do not just target political opposition but also minority nationalities, dozens of which exist in Russia. The Mari Nation is one, and the European Parliament has also turned its attention to the outrages it has experienced.

The conflicts relating to nationality are also connected with Anna Politkovskaja's murder. She was murdered because she told the truth about what is happening in Chechnya.

On the very next day after the murder, thousands of Finns gathered in front of the Russian embassy for a candlelit demonstration, the like of which had never been seen before. I hope that the Finnish Government, as the country to hold the Presidency of the EU Council of Ministers, will express to Russia just as clearly its shock and the concern that we feel. Human rights must be at the core of Russian relations.

Nils Lundgren (IND/DEM), in writing. – *(SV)* Madam President, next week's Lahti Summit will deal with the issue of a common energy policy. This is another example of the fixity of purpose with which

the political establishment, for purposes concerned purely with political power, exploits a variety of social problems in order to promote the EU's positions. In reality, there is very little reason to conduct energy policy at EU level.

We are at a stage in history when it is beginning to appear quite certain that the emissions of greenhouse gases resulting from human combustion of carbon and hydrocarbons are causing climate change. We need to find ways of resolving this situation. Yet no one in a position of power in the EU is able to decide which types of energy we should choose in order to secure a sustainable energy supply for the future. What is more, the requirements of the different countries vary widely. Certain countries have the greatest possible interest in finding methods of separating and storing carbon dioxide from the combustion of coal and oil. Some countries are prepared to allow themselves to become dependent on natural gas from Russia, while others would rather pin their hopes on nuclear power, water power, wind and wave power, biomass or geothermal energy. There are various ways by which all of them can reduce their energy consumption. In so doing, countries must be free to experiment and try out a variety of routes. It is through such institutional competition between countries that progress occurs. The idea of the EU prescribing how much of each type of energy is to be used is an absurd notion that is dangerous for the future of Europe.

Struan Stevenson (PPE-DE). – Madam President, I am very happy that the President-in-Office has confirmed that discussions at Lahti will centre on the whole question of energy. Like the last speaker, Mr Lundgren, I hope that climate change will also be a core part of these discussions.

The protection of the citizen and his or her environment needs to be put at the centre of energy policy. Climate change and its possible repercussions, air pollution in cities, the deterioration of the urban environment and all the other pollution nuisances of which we are aware have a strong impact on our citizens in their everyday lives in economic, social and health terms.

We know that the planet is now 0.6oC warmer today than it was a hundred years ago. We know that by 2020 our environment will have warmed up by another 0.8oC. That global warming will lead to extraordinary weather conditions such as storms, extra rain and floods. We hear from the experts that water levels could rise by up to a metre. If that happens, countries like Bangladesh and – nearer to home – the Netherlands will face catastrophe. This is how important it is. Last winter we witnessed a crisis in Ukraine – who will witness another crisis this evening when they play Scotland at football! – and we saw the first interruption in our gas supplies for 40 years.

We get 22% of our gas from Russia, and this is a dangerous position for the EU to be in because, following that crisis last year, we discovered that some of the newer Member States only had 24 hours of reserve supplies. As Mr Barroso said on the subject of immigration, in terms of energy we cannot go on with 25 – soon to be 27 – disparate and completely separate energy policies. We have to centralise and have a coherent energy policy run from the centre.

(Applause)

Martine Roure (PSE). – *(FR)* Madam President, Madam President-in-Office of the Council, Mr President of the Commission, the most recent summits in Tampere and Luxembourg again showed the limits of European immigration policy and the limits of solidarity amongst European governments. We therefore hope that you will be able, in Lahti, to at last tackle the underlying causes of immigration.

If we want to have fewer people arriving on our southern borders, the answer is not, and never will be, to increase patrols and speed up return flights. I have met these immigration applicants: all the hope of their family and of their village rests on them and some of them would prefer death to failure. Combating illegal immigration, therefore, does not mean condemning these victims by sending them back to a destiny from which they were trying to escape; it means targeting the people who organise the trafficking, who deceive people by holding out the prospect of a better future in Europe, and targeting those who exploit them in Europe.

Should we not also make European policy on visas more flexible? That is the way to fight against clandestine activity. If it is true that we need workers, we need people with rights, not slaves. We have to accept that regularisations may be necessary in order to fight against the exploiters. Trafficking in human beings can only be combated effectively if we take action against undeclared employment and the exploitation of migrants in our own countries.

We also have to admit that we have been paying for Africa for a long time, we have to admit that our codevelopment policies have not been fair, and we have to allow for massive development of poor countries. Until now Europe has been happy just to make declarations of good intentions. We have to invest massively in these countries and also help to create public services that are accessible to everyone and to set up businesses that will pay their employees fairly, which, it has to be said, is not always the case at present. Workers are often exploited by European businesses in their own country and that, I repeat, is something that we must not be afraid to say.

Finally, our Member States have to realise that we must work together and that we will not be able to really do anything by each keeping ourselves to ourselves. Let us go beyond our national selfishness which is leading straight into disaster.

Nigel Farage (IND/DEM). – Madam President, well, here we go again: another Heads of State Summit, another discussion about our competitiveness – or, should I say, lack of competitiveness – and another complete waste of time! We have been here before haven't we? Do you remember, in March 2000, the Lisbon Agenda? I sat here and I heard this wonderful pronouncement that the EU was going to become the most competitive and dynamic knowledge-based economy in the world by 2010. It is not going very well, is it, Mr Barroso? I do not think you are going to meet those targets in the course of the next three and a half years!

And then we heard it last summer, when Mr Blair came here. He stood up and told us that we had to face the challenge of globalisation, and we could only do that if Europe became competitive, if we started to invest more money in research and development. And, of course, nothing has happened again. If you really want to improve competitiveness, then what you will do this weekend is look at the 91 000 pages of close-type legislation that make up the *acquis communautaire* and decide to get rid of a substantial chunk of it. If you were serious about making Europe competitive, if you were serious about moving into the modern world, that is what you would do.

I am amused that Denmark is to be the economic study for the weekend. Well, I understand that, because they have got the highest rate of employment in the European Union. I wonder whether that is because they have got their own currency – they are able to manage their own fiscal and monetary policy. In fact, unemployment figures outside the eurozone are half those inside the eurozone. So the real conclusion this weekend is that we should be doing far less at European level, because everything the EU touches turns to disaster.

Bogdan Klich (PPE-DE). – (PL) Madam President, the meeting between our leaders and President Putin will be an opportunity to raise the issue of secure energy supplies, and to express our extreme – and I repeat our extreme – concern at the state of Russian democracy and respect for human rights.

Too many times our politicians have buried their heads in the sand, and too many times they have accepted meaningless explanations from the Russian side, until finally the conscience of Russian journalism, Anna Politkovskaya, was brutally murdered by shots to the head, like Galina Starovoytova before her. These two victims mark the beginning and the end of the process of the retreat from democracy in Russia. Mrs Starovoytova's death in 1998 marked the beginning of the retreat from democratic standards in that country, because she was a symbolic figurehead, the leader of the St Petersburg democrats. The murder of Mrs Politkovskaya is a blow to what remains of the free press in Russia. Whoever ordered the killing knew that the victim was a person of unyielding character, a symbol of truth and independent journalism.

I did not know Anna Politkovskaya personally, although I did have the pleasure of working with Galina Starovoytova, and always admired her courage. For this reason, in view of their sacrifice, and before we feel the effects of Russia's retreat from democracy on our own heads, I appeal for respect for human rights and civil freedoms in Russia to be made a condition of further political dialogue with that country.

Edite Estrela (PSE). – (PT) Madam President, there are some very important issues on the Lahti agenda such as energy policy, illegal immigration, competitiveness and innovation. It is inevitable, however, that the issue of freedom of the press should also be addressed. Democracy, freedom and human rights are essential issues at a summit of this importance, due to be attended by President Putin at a time when the murder of the Russian journalist Anna Politkovskaya is uppermost in our minds.

The European Council must call on President Putin to bring the perpetrators of this heinous crime to justice. At a time when Europe is facing the effects of climate change and rising oil prices, energy

efficiency must, as a matter of urgency, be stepped up. Furthermore, dependence on fossil fuels must be reduced to help the economy, the environment and the quality of life of Europe's citizens.

The EU must diversify the sources and suppliers of its energy and must prioritise renewable energy so as to honour its obligations under the Kyoto Protocol. The idea of linking innovation to competitiveness makes perfect sense for the Finnish Presidency and for my country, Portugal. Harnessing innovation to boost competitiveness is one of the approaches of the Lisbon Strategy put forward by the Portuguese Presidency in 2000.

Eight examples of best practice, selected by the European authorities, were presented a few days ago at the first meeting of the national coordinators of the Lisbon Agenda. Portugal deserves praise for the Company in One Hour project.

IN THE CHAIR: MR OUZKÝ

Vice-President

Gunnar Hökmark (PPE-DE). – Mr President, the murder of Anna Politkovskaya is a threefold tragedy. It is personal – a tragedy for her family – but it is also a tragedy for Russian society, because it is a sign of an emerging development in that large country, and it is a tragedy for democracy, because it was a murder of an important democratic element in Russia. It was a step down the ladder which is weakening democracy in that country.

It was said earlier here today that we should be realistic about democracy in Russia. I do not know what the speaker really meant, but let us indeed be realistic about democracy in Russia: if we do not stand up for democracy in Russia, we will leave people like Anna Politkovskaya and thousands of others on their own. If we do not stand up for democracy and the rule of law in Russia, we will not strengthen the forces in Russia that can make Russia a better country and a better partner. Not standing up for democracy will not make Russia a better partner in energy policy or in any other area.

(Applause)

Not calling for democracy and the rule of law does not make Russia a better society. Russia will be a credible energy partner only when democracy is stronger and when the rule of law is stabilised. That is what it means to be realistic about democracy in Russia, and let that be stated here today.

Mr Barroso, some of the competences we have in the European Union – the internal market for energy policy, the trans-European networks, competition rules and trade policy – are the instruments that we must use with relation not only to Russia but also to other parts of the world. They are the best basis for the future energy policy of the European Union. Let us use them and let us go forward step by step.

Józef Pinior (PSE). – *(PL)* Mr President, the European Union must face up to the political, economic and cultural challenges of recent times. Firstly, the time has come to form a common European energy policy consisting of measures on the scale of the European policy on heavy industry after World War II. Secondly, the European Union must give a unified response to the problems of mass illegal immigration of people from all over the world, which is having a considerable impact on some countries. Finally, we have to achieve a real breakthrough in developing scientific research, new technologies, competitiveness and economic innovation within the Member States. In Europe we are currently in need of courage, vision and a forward-looking strategy. We need to deepen integration and achieve a truly common and unified policy in these three areas.

I would like to express my satisfaction at the fact that President Putin was invited to the summit in Lahti, and at the efforts to forge a strategic partnership with Russia. At the same time, however, our agreement with Russia should not be pursued at the cost of tolerating violations of human rights and media freedom. Russia is a land of immeasurable mineral wealth, but above all it is a land of people such as the murdered journalist Anna Politkovskaya, a journalist whose courage and honesty is a symbol of civic Russia, and whose activities should become a symbol and an inspiration for the whole of Europe.

Othmar Karas (PPE-DE). – *(DE)* Mr President, ladies and gentlemen, I find today's debate on the one hand a sobering experience, but am also, on the other, refreshed and reinvigorated by it. Many of those who have spoken in it have put forward factual analyses, have set the right goals and have told hard-hitting truths, but what comes next? What action shall we now take? Confidence is built not by analysis on its own, but only by action.

There are three messages I want to give the President of the Council to take with him to the Summit. The first is that, if he has listened to us, he will have heard us telling him not to treat his talks with Vladimir Putin as just 'business as usual', not to reduce the summit to a meeting about energy policy, but instead, also to talk about all the things that have been mentioned today. Secondly, we urge him to put before us a timetable detailing when we can expect to have the EU internal market in energy of which President Barroso spoke, and thirdly, we want him to give us a timetable for when the European Union will become a research area.

Turning to energy policy, the partnership with Russia is only a part of the energy policy that Europe needs. Our priority is greater independence where energy is concerned. We favour above all the prioritisation of research on the reduction of energy consumption and the creation of sources of renewable energy, and that is our great contribution to more innovation. We urge you to make it easier for small and medium-sized enterprises to participate in innovation and enable their representatives to take part in the tripartite dialogue.

Do not forget how this year started with the reduction of gas supplies to Ukraine, nor that the most recent major event in Russia was the murder of a critical journalist, which attracted far more public attention than the many similar murders that preceded it.

Malcolm Harbour (PPE-DE). – I want to focus my remarks on one of the key topics for the summit: innovation. I notice that not many speakers have talked about it today. I just want to encourage both the President-in-Office and President Barroso to make sure that this remains at the heart of the discussions. As you pointed out, President Barroso, there could not be a better place than Finland to have that discussion.

I was pleased that in both your speeches you talked about the main competition coming from China, India and the other Asian economies. We have to start looking outside and to start building on the real strengths of our technology. One of the things I particularly want to appeal to you to promote in your summit – something with which to engage Europe's leaders – is to energise and use the power of public authorities. They are spending billions of euros of public money on developing new services, but I do not think that many of them are thinking about how they use that money to generate innovation and to push forward the new products and services that European industry and companies are willing to provide.

Let us take Nokia as a good example, because you will be in Finland, the home of Nokia, for your summit. Wireless networks, wireless innovation, wireless services: these are the sort of things that we should be developing for health, for education, for raising the quality of public services, for transforming the quality of experience the citizens have in interacting with us. That is something that I would like you to put firmly on your agenda with the European leaders, because if we can achieve that we will make some serious moves forward. We know that other countries are doing that, particularly the United States.

In conclusion, I notice, President Barroso, that we see your European institute of technology on the agenda. I hope you will convince us that it is a worthwhile investment. I am not yet convinced, because I think many universities are already doing what you want to do – it is a lot of money.

Let us put innovation at the heart of what we do at the summit, and I hope that you will give it the importance that it deserves.

Jerzy Buzek (PPE-DE). – *(PL)* Mr President, I agree wholeheartedly with the statements of my colleagues from the Group of the European People's Party (Christian Democrats) and European Democrats on the situation of democracy in Russia, and I do not wish to repeat their arguments, to which I give my full support. I would like to raise two other questions, and to congratulate the Finnish Presidency for preparing two items for the informal summit in Lahti, namely energy and innovation. In energy we need a common policy, both within the European Union, to establish a common energy market, and outside it, for example joint European negotiations with the partners who supply our oil and gas. This is extremely important. We need to ensure that there is no repetition of the situation where one Member State's negotiations, for example, concerning supplies of oil or gas from Russia, place other Member States in an extremely unfavourable position.

It is extremely important that we approach our common energy policy in this way: this will be a major step towards creating a common foreign policy. There is, however, another aspect to our external policy regarding energy: Ukraine's pipelines are currently in a bad state of repair, and they are the last route

for energy supplies from the east which is independent of Gazprom. It is important that we invest in these pipelines, and that we make every effort to secure the funds necessary for such an investment.

On the issue of innovation, I would like to raise just three points. In the first place, we need a responsible economic policy whereby innovation is adopted by industry, which we do not have on our continent. And that means an economic strategy. The second point is the issue of a European patent: we need to have our own European patent. Thirdly I believe there is a need for a European Institute of Technology which will serve innovation. I personally support Mr Barroso's idea and believe that we now have the opportunity to finally sort things out.

Andreas Schwab (PPE-DE). – (DE) Mr President, Mr President of the Commission, Mrs Lehtomäki, I very much welcome the communication on innovation that the Commission will be publishing next week. It represents one of the first serious attempts at drawing up an EU strategy for the positioning of Europe in the context of globalisation, and so I believe that it will be the most important item on the agenda at the informal meeting in Lahti.

Innovation is, in particular, characteristic of small and medium-sized enterprises, and the communication takes that fact into account. As the Minister has said, innovation calls for European standards, and there are many fields in which much remains to be done on that front. For that to happen, we need – as you yourself said, Mr President of the Commission – to spend more on research and investment. Much as I rejoice in Finland's good example, I also have to point out that my own region, Baden-Württemberg, spends 3.6% of its gross domestic product per annum on research and development, which is a good deal more than either the USA or Japan do.

We also need more confidence in our own abilities, and that is at the heart of this communication. We have to say more about what we in Europe will, together, be able to achieve once our structures have been revised, even in a globalised world. We have an outstanding internal market, which – while we do have to further extend it – does nonetheless offer us protection. We do need more self-confidence in our dealings with Russia and China, but we also need to know where, within the European Union, we need to undertake reforms in order to remain competitive, and the innovation strategy offers an excellent basis for that.

It has also been said that a more innovative approach to the award of public contracts is needed, and examples of what is meant by this have been given. These things are already being done in my region. I believe that there are some splendid possibilities for putting Europe in a better position to cope with globalisation, and I also believe that this informal summit in Lahti should help to develop – perhaps in the coming year – a globalisation strategy for the European Union that will enable us to convince the public that this Europe of ours has a chance in a globalised world.

Vytautas Landsbergis (PPE-DE). – (LT) Mr President, we must have clarity, here in Brussels, when speaking about Lahti. The beginning of today's session revealed how disunited, polarised and easily manipulated we are. The European Parliament appeared to be unable to react immediately, with a joint document, to a terrible crime in Moscow, so as not to disturb the Russian president touring Europe. This is just one more indication that the European Union does not have its own European policy in respect of Russia, and that we, in Europe, implement only a pro-Russian policy in this respect. The cajoling of leaders does a disservice to Russia if anybody is still to believe that Russia could become a European country rather than Europe becoming a political annex to undemocratic Russia.

We are only talking about Europe's united Energy Strategy, but we are closing our eyes to the fact that Russia will never allow this to happen as it already has its Trojan horse in the middle of Europe. The supporters of Mr Schroeder and others suffering from political blindness will continue to destroy a united Europe.

Unfortunately, here in Parliament we have only one option – to talk openly about the deliberate moral surrender of influential Europeans. The Russian president is the one who is absolutely open when he says that European values are unsuitable for his Russia and his regime. According to Russian politicians, Europe can simply throw out its Energy Charter together with the Human Rights Charter, since Europe will sign anything dictated by Russia anyway. This was voiced in Sochi and on various other occasions. Such is the real partnership and the common space. This is the common space where journalists are murdered and we do not dare to question if this common space is for us. We nevertheless get irritated about North Korea and Iraq, instead of simply recognising that both buttons, the one in Teheran and the other in Pyongyang, are pressed by the same player somewhere in between.

We should at least try to understand that Anna Politkovskaya, the last brave journalist, was murdered not only by Putin's Russia, but by conformist Europe as well.

(Applause)

Boguslaw Sonik (PPE-DE). – *(PL)* Mr President, it is appalling that the road to civil freedom and respect for fundamental human rights needs to be paved with the killing of innocent people.

Today we are discussing the murder of Mrs Politkovskaya, the woman who unflinchingly exposed the crimes committed against the Chechen people by the Russians. But let us remember that, before her, others lost their lives in the struggle against dictators, for example the Ukrainian journalist Mr Gongadze or the Lebanese journalist Mr Kassir. In these cases, did the state do everything to protect those who exposed the connection between public structures and criminals? Or did hatred for their uncompromising behaviour and their writing lead to a closing of eyes, to a washing of Pilate's hands, to the indifference of the state to their fate and the threat of death that hung over their heads?

Russia has always produced great figures who have swum against the tide of dictatorship and risked their lives to expose the crimes and iniquities of their governments. We only need to think of such names as Kravchenko, Bukovsky, Sakharov or Solzhenitsyn. Should we as citizens of the free world always abandon these people to their fate? No, we did not support Mrs Politkovskaya enough during her lifetime. Let us support her after her death.

I believe that the investigation into this crime should be conducted under international supervision, as happened in the case of the murder of Lebanon's prime minister Rafik Hariri. I cannot imagine the European Union signing a cooperation agreement with Moscow without this crime being investigated, and without those who ordered it and who carried it out being put on trial. The European Union should either give priority to commitments to freedom and civil and human rights, or to economic and energy interests.

Mr President, the hour of truth has come. We must be uncompromising. We owe it to the murdered journalist.

Simon Busuttil (PPE-DE). – *(MT)* Mr President, I hope that next week's summit will discuss the letter sent to the Finnish Presidency by no less than eight Heads of Government, who wrote to you about illegal immigration. Although summer is over, and one now expects the flow to abate, it is common knowledge that we had a crisis, and that it is still there. If we remain passive, we will be facing even greater problems next year. I must say that during the last few days we witnessed the first concrete steps in our bid to convince European countries to tackle the problem of illegal immigration in unison. Firstly, last week saw the start of patrols in the Mediterranean. I can see Mr Frattini here, whose role I wish to acknowledge. I hope that these Mediterranean patrols send out a clear message that the Mediterranean is not an open sea, free for all, where organised crime ferries immigrants to Europe unimpeded. Secondly, we took a vote in the Committee on Budgets whereby we increased substantially the budget for the Frontex Agency to almost EUR 35 million, so that it can strengthen its operations at our external borders. I hope the Council is willing to support us, rather than reducing the budget for Frontex as it has already tried to do. How can the Council say it is conducting the struggle against illegal immigration in a serious manner, if, at the same time, it allows European governments to act in a niggardly manner and try to reduce the budget in this area rather than increase it? Thirdly, it appears that agreement will be reached this week about the four European immigration-related funds, which will operate as from next January. I am satisfied with the adoption of measures such as the emergency clause, which enables the European Union to extend immediate financial help in emergency situations. Much remains to be done, if we want people to feel that Europe is indeed taking into consideration their feelings about illegal immigration. Parliament has spoken and so has the Commission. The Council is now expected to do its part. Thank you.

Alexander Stubb (PPE-DE). – Mr President, listening to Mr Landsbergis's football fan club giving him applause, I hope the fan club of the Finnish national team in a European state called Kazakhstan is as strong as his, because we are 25 minutes into the match and it is still 0-0, so we need a little bit of help!

First of all I support the Finnish Presidency and its agenda for Lahti. With regard to external energy, you know what you need to do: you need to thank Mr Putin for the fact that it is actually on the agenda,

because at about this time last year he was squeezing the Ukrainian pipelines a little bit and that is the reason we are actually talking about it in Lahti. So give him a big thank-you when he gets there.

Second, with regard to innovation, this is not product placement but the truth is that we spend about EUR 4 billion a year on innovation and research and development. That is less than Nokia spends on research and development per year. I hope that makes the leaders of the European Council think.

My third point relates to EU-Russia relations. It is funny to listen to the debate here, apart from the murder case, of course. Sometimes it seems to me that we are much quicker to criticise the United States than we are Russia, and perhaps in the latest case we should deal with Russia as a superpower much like the United States.

I want to support the President of the Commission very strongly on EIT. I think there are a lot of misunderstandings around the concept. It is a network which I think would work quite well. Everyone agrees on the problem, now it is a question of how we are going to find a solution. I think we need public and private partnerships, much like the MIT in the United States. In that sense I hope that this initiative of yours will go through.

Finally, the problem with informal European Councils is that you usually get very few practical things out of them. President-in-Office, if you come out of that meeting with three things, I think it will have been a success. One: a green light for the EIT; two: some patent legislation, or at least a promise to have it; and three: a common energy policy. If you do not get these results I think future informal European Councils will be as empty as this Chamber is today.

Paula Lehtomäki, *President-in-Office of the Council*. Mr President, I would like to thank the European Parliament for its valuable contribution during this discussion today. I can assure you that I will convey the message to the Prime Minister for him to look at during the preparations for the Lahti Summit.

It is of course true that innovation and competitiveness have been on the European agenda for some time, but it is now our aim to turn this discussion into action, at least to open the door to the way forward. Action is what is really needed at the moment.

In the framework of the strategic partnership that we have with Russia, all the issues can and will be discussed. I am sure that the very important points you have raised during this discussion will also be discussed during the meetings. I am very happy that you will have an opportunity to continue the discussion on the results of the Lahti Summit with the Prime Minister of Finland later this month, on 25 October in Strasbourg. I thank you very much and look forward to having some 'deliverables' from the Lahti Summit.

José Manuel Barroso, *President of the Commission*. Mr President, first of all let me welcome the broad support that was given for the agenda for innovation, for a European institute of technology, for a common energy policy and for a European immigration policy. But let me tell you that we need to deliver that message outside this room, because, as some of you said, there are still some misunderstandings.

Let me just mention the EIT. It is interesting that everybody agrees that in Europe we are not doing enough in terms of innovation; there are not enough links between the universities and the research centres and the world of the economy, business and practical projects. But when an idea comes to change that situation, immediately there is resistance. It is amazing! Everybody then says, 'but we have excellent universities!' – of course we have excellent universities! But if we have excellent universities, why are we falling behind the Americans and others? Something is wrong. The status quo is not an option. We cannot go on with business as usual.

I know we have excellent universities. Universities were created in Europe. They are a European creation, but we are not taking advantage of the full benefits or the full potential of our European dimension. Let us be frank: some of our universities are still very corporatist, very closed. We need a European dimension. Even the biggest Member States lack the dimension to promote the global culture we need now to face the challenges of this 21st century. Therefore, the idea is network-based. It is not a huge bureaucratic institution; it is network-based, building on the principles of excellence, on what all excellent universities and excellent research centres are doing, but with a view to connecting businesses with research so that we can promote innovation.

At the Commission I met with the leaders of the most important European companies that are driving research in the world. I got great support for the idea and I could name some of the companies. Two of those leaders in European business came from the United States, and they told me at the meeting that their biggest shock when they came to Europe was to discover that, unlike in the United States where they have American institutions for the whole of America, in Europe we do not have that. Only now are we starting with the European Research Council. So we have great institutions to promote research in Germany, Britain, France and Sweden. We have great things, but we are missing a European dimension. We are missing a European mission to give them the real tools they need to compete with the best. That is why I believe this is a great idea. I hope that, not only will it be supported in general, but that it will be supported when we come forward with practical proposals. That is why I hope to have your support when we come forward next week with a practical proposal on the EIT, and I hope for your support when in January we come forward with a really ambitious energy package.

My final point concerns coherence. The best way to negotiate with Russia is from a coherent and unified position. If we want to be credible when we discuss matters with Russia or other partners, we have to show them that we are able to have a coherent policy ourselves. We cannot discuss energy with them in a serious manner if we have 25 different energy policies. It would not be credible, let's face it.

The first thing to do if we want to be seen from outside as credible, is to put our own house in order and to have a real joint approach to energy. The same, of course, applies to other issues. But I strongly agree that the fight against climate change is a crucial element in our energy policy and we should recall that the European Union is a key player in that field. We are, in fact, leading in the world. I can tell you that when we discuss this matter with our American friends, with our Russian partners, or with the Chinese or Indians, we always put this question at the forefront of our negotiations. It is important to do what we can, but also to involve others in those efforts. But what all these issues show – from innovation to immigration, to energy, to the fight against climate change – is a strong argument for Europe. In the age of globalisation, even the biggest Member States do not have the means to tackle those challenges. So if you want a strong Europe, we are going in the right direction. A strong Europe is not bureaucratic, but has a common approach to those issues.

We should also speak with one voice on human rights, and I hope that this is the message which comes out from Lahti: the European leaders may come from different political and ideological backgrounds, from different national situations, but they are ready to build a strong Europe together and they are ready to speak with one voice to the outside world. That is what I am hoping for from Lahti.

President. That concludes the debate.

Written statements (Rule 142)

Pedro Guerreiro (GUE/NGL). – *(PT)* Quite apart from important international issues, the next European Council is set to include the so-called 'innovation policy', the proposed 'common energy policy', and 'illegal immigration', issues for which working documents have yet to be tabled. We shall return to these issues in due course.

Apparently, two debates have been left off the agenda: one on our 'functional' or 'assimilation-related' 'absorption capacities', that is to say the enlargement to include Croatia and Turkey, and the other on the so-called institutional reform (the composition of the Commission and Parliament, and the Council's decision-making process). This debate concerns setting the rules of the game, which are always imposed by, and in the interests of, the major EU powers.

Another debate absent from the agenda concerns the attempts to (re)impose the so-called 'European Constitution', which has already been rejected. Hitherto, and despite numerous attempts to do so, there is still disagreement over what can now be done to resurrect the, revamped or otherwise, 'European Constitution'. Yet its proponents reflect, prepare the ground and set up think tanks while they wait for the French elections and the German Presidency, with the latter expected to present the (pseudo) 'way forward'.

The more they dither, the less the workers and the people are aware of the real significance and primary objectives of the EU.

15. Use of passenger data (PNR) (debate)

President. The next item is the statement by the Council and the Commission on the use of passenger data (PNR).

Paula Lehtomäki, *President-in-Office of the Council.* (FI) Mr President, ladies and gentlemen, talks on releasing passenger data to the United States of America were brought to a conclusion last week. The outcome of the talks helped to avoid a state of non-agreement between the EU and the United States, which is very important.

The Presidency has received a letter dated yesterday from Sophia in 't Veld, the European Parliament's rapporteur for the PNR report, and we shall return to the questions raised in it in more detail in writing as soon as possible.

In the negotiations, we agreed on a new temporary PNR agreement. Its purpose is to replace the earlier agreement made in 2004, which the Court of Justice of the European Communities overturned in its judgment last May. The negotiations were tough, as the annulment of the earlier agreement threatened to push the EU and the United States into a state of total non-agreement. Despite the difficulties, the negotiations mandate given by the Council in June 2006 was adhered to. The new arrangement will guarantee both the level of protection of personal data under the former agreement and the continuation of transatlantic air traffic. The arrangement therefore makes it possible for passenger data to be released to the US authorities in the future, at the same time guaranteeing an adequate level of data protection when the information is being processed, in accordance with the commitments given previously by the US Customs and Border Protection.

The Committee of Permanent Representatives followed the progress of the talks closely and discussed the outcome and its content on 6 October. Coreper said that it was in favour of signing the text of the negotiations. The outcome of the talks was reported to the Ministers of Justice in the Justice and Home Affairs Council, which began immediately after Coreper.

The temporary agreement which resulted from the negotiations will apply after it has been signed. Coreper will sign it for the EU tomorrow, and the intention is that the Council should grant the authority to sign as soon as possible.

The temporary agreement will remain in force until the end of July 2007. During this time, the parties intend to agree on a more permanent arrangement for releasing PNR data. The aim is to start these talks as soon as possible.

It took some hard negotiation to reach agreement. The United States wanted to change the previous arrangement so that it would accord better with an altered operational environment. The biggest challenge in the negotiations was how to respond to the changes that had occurred since 2004 in US legislation and the organisation of the administration while at the same time maintaining the principles relating to standards of data protection for Europeans.

In addition to the text of the agreement itself, the talks also covered a letter by US negotiators addressed to the Commission and the Presidency which discusses the interpretation of the commitments made regarding the use of PNR data. The EU will take the letter into consideration, but it will not become a part of the agreement.

The outcome of the talks is a success for many reasons. Firstly, the temporary arrangement aims at ensuring the security of air passengers. This is vitally important.

Secondly, I wish to stress that the commitments on the use of PNR data given previously by the US administration will continue to apply. The aim is to guarantee the same level of data protection for citizens' PNR data as with the previous system. The agreement contains a provision which states that the US Department of Homeland Security should be seen to guarantee adequate protection for PNR data sent from the EU. This relies specifically on the notion that the DHS will continue to comply with its commitments made in 2004. Owing to the organisational changes in the US administration, under the new agreement the number of authorities with electronic access to PNR is greater than before. These authorities have, however, been specified in the agreement.

Thirdly, I am glad that the release of PNR data under the new agreement is aimed at the same 34 fields of data as in the earlier arrangement.

Fourthly, the new agreement will guarantee the legal security of the public and that transatlantic flights will continue. At the same time it will ensure that airlines are able to operate viably.

We have other good news for airlines. During the negotiations, the United States undertook to test systems where airlines can themselves store PNR data on the databases of the US authorities, starting this year. This has always been an important objective for us.

Talks on a more permanent PNR system to replace this temporary agreement in July 2007 are to commence in the near future. We have also agreed that questions relating to the storage and destruction of data should only be resolved during these talks on the PNR system. We shall therefore return to this matter very soon.

Mr President, I regret that I cannot stay here for this debate as I have to leave at 6.20 p.m. as agreed earlier with Parliament, and, unfortunately, my flight will not wait a minute longer.

Franco Frattini, Vice-President of the Commission. (IT) Mr President, may I start by expressing my full agreement with the Presidency's positive assessment of the value of this agreement, which has a limited time-span – up to July 2007 – but has the prime advantage of guaranteeing juridical continuity in a very sensitive subject. It also allows airlines to ensure fitting treatment of the personal data of EU nationals travelling to the United States without disrupting air traffic to and from that country.

This agreement forms part of a wider commitment. I can of course say that, during the very complex negotiations that have been in progress, both the European institutions - the Presidency and the Commission - and the United States have confirmed their willingness to start straight away on a shared project. This would cover a wider field and would thus include the reaffirmation of a common will, that of the EU and the United States, to work towards a definite agreement - the one that will enter into force after August 2007, replacing the present temporary one - and to cover the widest possible field of joint cooperation against terrorism, together with protection of the rights of the individual.

This is a much wider political perspective. As I have emphasised on many other occasions, I consider it politically necessary that Parliament should be involved with it, even though the procedures will necessarily form part of the so-called 'third pillar', following the decision of the European Court of Justice.

It is clear that the contents of this agreement must be considered in more depth. I already know that many honourable Members have studied it attentively. I should like to make some brief comments. Firstly, this agreement does not permit the exchange of a larger amount of data. It permits the transmission of data to other agencies which are concerned with customs and border protection and complies entirely with comparable data protection regulations.

We are not looking at a change in the agreement because, as you know very well, we have clarified the meaning of the undertakings. There was in fact a change after 2004 in the structure of the agencies, brought about by domestic United States legislation. Previously, that is to say at the beginning of 2004, there was only the United States Customs and Border Protection. Now, however, for example, we have a new interlocutor, namely the Department of Homeland Security, which we must take into account, at any rate in interpreting undertakings. The agencies that I mentioned earlier also form part of this process, which is why it is impossible not to refer to them.

What is the distinguishing feature of this interpretation? On the one hand we have to take note of the existence of various agencies; on the other we have established that United States Customs and Border Protection retains the same function as before, this agency – and only this agency – being the direct recipient of transferred data. The other agencies can obtain the data that they require from this first agency on a case-by-case basis. Thus this is not a matter of direct access to data on the part of other agencies; it is a transmission to other agencies in response to a request.

What would be the request that justified such a transmission? As I have already said, the request would be made on a case-by-case basis. We have specified that the concept 'case-by-case' means the indication either of a concrete threat or of a specific flight or flight-path for which information has been received that justifies the request for data. Such a request for data would be justified solely by reasons relating to anti-terrorism investigation, as has happened previously; in this respect nothing has changed. We

have therefore specified that American agencies with an investigative remit other than anti-terrorism will not have access, not even on the basis of an indirect request.

The other element which is important in my opinion is, on the one hand, the impossibility of direct access and, on the other, the change in the modalities of accessing data. Many honourable Members have in the past frequently emphasised the malfunctioning or the inadequate guarantees of the so-called 'pull' system: that is to say, the system that permits the user to extract data direct from databases. We have in consequence requested that the system should be changed and replaced by a system of the 'push' type, as has been requested on numerous occasions by parliamentary authorities; this has been agreed.

The 'push' system means, as the work clearly indicates, that the data is not extracted but supplied on request. It has been agreed that the new mechanism, as we have written in the covering letter to be sent by the United States, will come into operation no later than December 2006, that is within a month and a half at the latest. The mechanism will be tested at the beginning to check its functioning, but in any case it will be operational – I repeat – by the end of this year.

A specific obligation has also been confirmed, namely – bearing in mind section 2 of Article 6 of the Treaty on European Union – to respect the fundamental rights of the individual in the handling of personal data. We have inserted a reference to that same Article 6, replacing the reference to a directive on data protection, because the European Court of Justice has established that that directive is not directly applicable in security matters. An important reference to European legislation would therefore have been missing. We have accordingly replaced it with a more general cross-reference – in my view, one that is still more binding – to Article 6 of the EU Treaty, where there is a reference to the fundamental rights of individuals.

To conclude, the US authorities have a commitment to continue to guarantee, also on behalf of the Department of Homeland Security, an acceptable level of protection for the handling of data and therefore, obviously, the possibility of revising the application of this agreement, as has already been laid down in the earlier agreement.

The final aspect concerns confirmation of the data custody period, a subject that has not been broached. It is true that there has been a request to keep data for longer than the period foreseen by the current or previous agreement. The request came to nothing, firstly because the agreement will come to an end in July 2007 and, secondly, because we have taken the view that a subject as sensitive as the period of data retention could if necessary be a topic for later negotiations. I can assure you that the Commission intends to set in train such negotiations in January 2007, so that they will be sufficiently far advanced by the end of July 2007 for a definitive agreement to be reached.

Ewa Klamt, *on behalf of the PPE-DE Group*. – (DE) Mr President, Mr Vice-President of the Commission, ladies and gentlemen, only recently, some elements in this House celebrated the ruling of the European Court of Justice to the effect that the agreement between the EU and the United States on US access to airline passenger data was invalid on formal grounds. The interim agreement that has now been concluded leaves the nature and scope of the information largely unchanged, however. Admittedly, the United States no longer has automatic access to the data, instead having to request them from the airlines. This represents a successful negotiation outcome, one for which I should like to express my particular thanks to Commissioner Frattini.

Nevertheless, the agreement that the European Court of Justice declared invalid clearly stipulated that the customs and border protection authorities were permitted to pass on these data only in exceptional cases. Now, airline passenger data may be passed on, as required, to all the American authorities responsible for combating terrorism. Passengers probably do not feel that this compromises their security – the opposite is more likely to be the case – but my group, the Group of the European People's Party (Christian Democrats) and European Democrats, has a strong sense that, by referring the case to the Court of Justice, certain Members of this House have done us all a disservice, for one thing that must be recognised today is that the new agreement affords no greater data protection than the old one.

For this reason, I would plead that we continue to work to safeguard the high standards of data protection in Europe, including in the case of the transfer of airline passenger data. While Parliament and the Commission should exert their influence on future negotiations to this end, we must also recognise that a sovereign state such as the United States will continue to exercise the right to lay down rules on who can enter its territory and on what conditions.

Martine Roure, *on behalf of the PSE Group*. – (FR) Mr President, Commissioner, first of all I wish to say, on behalf of my group, that we urgently needed to reach a new agreement with the United States. It was not, indeed, possible to leave the airlines in the state of legal muddle in which they had been since 30 September and under the threat of severe sanctions if they did not transfer the required data. We had to reach an agreement common to all the Member States of the European Union in order to guarantee an equivalent level of protection for each one.

We are nonetheless concerned about facilitating the transfer of this data. The subsequent transfer of data to other agencies responsible for the fight against terrorism poses a problem if we do not also have the appropriate guarantees. We are asking for European citizens to have the right to effective recourse to a judge in the event of abuse in the use of this data. We expect the American authorities to put in place the guarantees of protection that we are asking for and which are included in the declarations of commitment.

We believe that it is necessary to involve national parliaments too. Article 24 of the Treaty provides that the European Union is the contracting party. That does not, however, prevent Member States from using a parliamentary ratification procedure. Therefore, at the time of signing these judicial cooperation agreements with the United States, the Member States, with the exception of two of them, made a declaration stating that they would not be bound by these agreements until they had been ratified by their parliaments. Can you confirm that the same applies to the agreement concerning the PNR data and, if so, when these ratifications are to be carried out? It is a very precise question to which we would like to have an answer.

Finally, the negotiations for the new 2007 agreement must focus on defining a binding, global framework which guarantees the protection of security and of the fundamental rights of citizens. We must not be shy of repeating that the European Parliament and the national parliaments must be involved. It is, moreover, necessary to engage in an overall reflection on the protection of data relating to European citizens within the framework of transatlantic relations. Indeed, a recent hearing on the company SWIFT revealed to us the potential conflicts between European law and American law and we must sort out these conflicts: it is our responsibility.

IN THE CHAIR: EDWARD McMILLAN-SCOTT

Vice-President

Sophia in 't Veld, *on behalf of the ALDE Group*. – Mr President, I have the feeling that I have ended up in the wrong theatre play and I have the wrong script in front of me. The President-in-Office and the Commissioner were talking about the agreement and you completely ignored the side letter from the Department of Homeland Security, which gives an interpretation of the agreement that goes in a completely different direction from what you have just said. So I am afraid that I am unable to share the joy just expressed by the Presidency and the Commission.

I sent a letter – to which the President-in-Office just referred – with a number of questions. I would very much like to get an answer to those questions, preferably during this sitting, or otherwise in writing. For example, you said that there is no change in the number and the nature of the data and there is no change in the level of protection, but how do you then explain the part in the side letter from the Americans that says that, in addition to the purpose of fighting terrorism and related crimes, we will also collect the data to fight infectious disease and other risks? I call that a considerable widening of the scope. The sharing of data has been widened to include agencies which have not all been specified. The Americans now say that they may not apply the agreed data-retention periods even to the data collected under the old agreement.

You said that we have agreed to move to a 'push system': I am sorry, but that is not what I read. I read that the Americans will move to the 'push system' as soon as it is technically feasible. Well, congratulations! That was also part of the old agreement. It has been technically feasible for more than a year and the Americans have simply refused to do it. So how can you present it this way in a press conference?

I would also like to get an answer on the impact on other categories – the precedent that this agreement sets – for example, the bank account details as in the case of SWIFT, and the telecoms records, to which the Americans also have access. Could somebody please reply to that?

I think we should look to the future, because unfortunately we need this agreement. The only other option would have been no agreement, in which case the Member States would not have stood together in solidarity and would have moved ahead and concluded bilateral agreements with the Americans. I think that for the future we need a strong and clear mandate. Such a strong mandate requires the approval of the European Parliament for reasons of democratic legitimacy. That is the only basis on which a new agreement can be concluded. Therefore, I hope that the bridging clause will be adopted as soon as possible. I know that you are our ally at least on that one.

(Applause)

Johannes Voggenhuber (Verts/ALE). – *(DE)* Mr President, Mrs in 't Veld is not in the wrong play; this is about the defence of the rights of our citizens and the role of Parliament. It is just that the staging is a little tired and the cast is less than brilliant.

Until the judgment of the European Court of Justice, what we were dealing with was the transfer of highly personal data on our citizens to a foreign country. The judgment has revealed that this transfer of data was illegal – and not just on formal grounds, Mrs Klamt. We passed on our citizens' data without any legal basis – or, put another way, illegally. We are talking about a serious encroachment on fundamental rights without any legal basis. There is nothing formal about that. This should really make us think.

What is it, then, that we are dealing with today? We are dealing with an agreement that represents a juridical continuation of this illegal transfer in the third pillar – that is to say, intergovernmental cooperation without the involvement of Parliament, without a public debate, outside the jurisdiction of the Court; without even the involvement of national parliaments, without ratification. When Mrs Klamt says that the USA has the right to determine who it admits into its territory and on what conditions, I would reply that, up to now, we have agreed that considerations of human dignity, international law and human rights impose certain limits on this.

I really consider it an incredible absurdity when the Commission argues that we are passing on the data, but that the protection of our citizens' fundamental rights will remain, as the USA has promised to guarantee the same level of data protection as we enjoy in Europe. Do we, then, together with the Americans, now constitute a single superstate? Do fundamental-rights considerations not forbid us to transfer our citizens' data to foreign countries regardless of the level of data protection in force there? Do fundamental-rights considerations not forbid airlines to transfer data even to our authorities where to do so would infringe these rights?

Personally, I have to say that the defence of the fundamental rights of European citizens indeed makes for a good play, but the cast and staging are dreadful.

Sylvia-Yvonne Kaufmann, on behalf of the GUE/NGL Group. – *(DE)* Mr President, Mr Vice-President of the Commission, Mrs in 't Veld is right: the PNR agreement concluded last week is by no means cause for celebration. Although the fact that we once more have an agreement, as opposed to no agreement, avoids legal uncertainty, nothing has been achieved, in essence, in terms of content. On the contrary, the new agreement even falls short of the previous one.

This has been yet another instance of the EU kowtowing to Washington. How else can one interpret the fact that PNR data are to be transmitted directly to the US Department of Homeland Security? The real scandal is the fact that, in future, this all-powerful US authority will be able to routinely transmit data on European airline passengers to all the US authorities active in the field of combating terrorism – which includes the CIA, and we all know what that is capable of. I should just like to remind my fellow Members that this House set up a special committee because the CIA, in the process of 'combating terrorism', was taking it upon itself to kidnap and torture Europeans, among them the German citizen Khaled El Masri. In the light of this, are we to believe that this notorious secret service will not do as it pleases with airline passenger data on our citizens?

The new agreement, too – despite Parliament's demands to the contrary – fails to afford EU citizens even the same means of legal protection as it does American airline passengers. EU citizens will not have equivalent means of legal redress to defend themselves against the processing of incorrect data or against the abuse of their data. Why was it not possible to make the regulations that apply to US citizens applicable to EU citizens, too – as is the case, for example, with the agreement between the EC and

Canada? The PNR agreement does not afford sufficient protection of EC citizens' right of self-determination over their personal data, and my group considers this unacceptable.

The only ray of hope may be the envisaged change of system from 'pull' to 'push', but even this is relative, as it is not the intention to introduce this change immediately, despite existing commitments on the part of the USA, but to first have a trial run. The push system is used in the case of Canada, however, and is perfectly feasible in technical terms. What, then, was stopping the EU from insisting that the USA immediately honour the commitment it made to us a long time ago?

Brian Crowley, on behalf of the UEN Group. – Mr President, despite the short time available to me, there are three points that I want to raise.

First of all, what further guarantees have the American authorities given with regard to how the data will be used? I know we have the 'push system' and the 'pull system' and so on, but what kind of criteria are laid down for the use of the data?

Secondly, when we hear about actions on a case-by-case basis determining whether a threat exists or if a particular flight may be under threat, how much time do we have to be able to respond to that request for information, and what difficulty will there be in accessing that data? And I mean that from a European perspective as well as a US perspective.

Thirdly, and I suppose most importantly, if we find that some data has been misused, what comeback do we have? What mechanism is in place to ensure that an individual or groups of individuals whose data has been misused can get some kind of comeback from the American authorities?

These are questions which I think all European citizens want to have answered. I agree with the deal, I think it is a good deal in general and better than the previous deal, but there are still requirements for further clarity on it.

Ioannis Varvitsiotis (PPE-DE). – (EL) Mr President, I have listened very carefully to everything said by both the Minister and Commissioner Frattini. They have both accepted that the agreement reached has positive elements for Europe.

My view is that the views which prevailed were the American views. I have three specific comments on this interim agreement. Firstly, it says in the agreement, as Mr Frattini also said, that the number of data items transferred remains unchanged but that this agreement leaves open the possibility of new information being included on frequent flyers. I believe that this reference is open to numerous interpretations. Perhaps the Commissioner could explain what applies to the House?

Secondly, it was agreed to change from the pull system to the push system, meaning that the airlines will upgrade their own systems. Can the Commissioner tell us who will bear the cost of this changeover to the new system? I fear that the cost will be passed on to passengers and tickets.

Thirdly, I am worried about the retention of the term 'adequate' used to qualify the level of protection of data. Who in fact judges if the level is adequate? Do the assurances being given by the American side suffice? Can the Commissioner tell us what guarantees we have on actual data protection?

Finally, I believe that all this must be addressed in the new round of negotiations due to start in January. The new agreement must be more balanced than this one.

Stavros Lambrinidis (PSE). – Mr President, the temporary PNR agreement with the United States continues to treat as non-binding the US unilateral undertakings for the proper use and protection of personal data in the form of a protocol. Why? And how is it possible that the European Council in this case concluded an agreement that seems more flexible on US obligations than even the agreement that a mere private company, SWIFT, was apparently able to negotiate with US authorities for the unacceptable transfer of banking data? SWIFT, for example, has claimed that it can in real time block any US search if it violates the causes for which it has been agreed.

The PNR and SWIFT cases reveal a dangerous political and legal black hole in the protection of our fundamental rights. A third country invoking exclusively reasons of its own national security can apparently impose upon Europe, including directly upon private companies, the level of access to, use, and even protection of, data. This is clearly unacceptable, and, while the whole EU pillar structure has de facto collapsed in these two cases, the Council insists upon denying Parliament the role of an equal

partner in fighting terrorism and in protecting fundamental rights. What is now urgently needed is a comprehensive and democratic European approach in cooperation with all our partners on a global level to deal with these issues in the future.

Jean-Marie Cavada (ALDE). – *(FR)* Mr President, in view of the large number of speakers and people present in this debate, I shall try not to tire you out even more. I agree with much of what has just been said, on a subject that is really very serious. I wish publicly to thank Mr Frattini for his efforts to inform our committee. I am speaking, in fact, as Chairman of the Committee on Civil Liberties, Justice and Home Affairs since Mrs in 't Veld has already spoken on behalf of my group.

I shall make two observations, the first concerning the political climate. I believe that, in the context of the forthcoming negotiations, there needs to be more effort made towards the notion of reciprocity. I want to speak about reciprocity of the information that we agree to supply to the American services: what can we hope to obtain in return? I have good reason to wonder because, whilst it is true that we Europeans need to be able to land in the United States, particularly for business purposes, one must not underestimate the same need on the part of American companies because a lot of business is done in Europe. We are therefore in a relatively balanced position.

My second observation concerns the future. This interim agreement lapses in July 2007, and it will therefore be necessary to prepare the follow up, no doubt from the end of the coming winter. Given the numerous questions posed by the grey areas in this agreement, particularly – and this worries me a bit – the explanatory letter to which Mrs in 't Veld alluded just now, does it seem unreasonable to you, Mr Vice-President, to hope to build some sort of compromise by the next United States/Europe summit, that is to say by April 2007? Can one hope to build a kind of transatlantic Schengen on the basis of which the United States, on the one hand, and the European Union, on the other, could establish a framework making it possible to sort out both the problem of the demands of security and that of the protection of citizens? We have a right to a new political structure as, in a few months time, we shall be entering into the negotiation of a new agreement.

Giusto Catania (GUE/NGL). – *(IT)* Mr President, ladies and gentlemen, I believe that the most honest opinion we can express is that we have agreed to blackmail, since unfortunately Europe has in this matter been subjected to blackmail by the United States; that is to say, the US is dealing with single Member States and airlines, which is why we have in practice been coerced into concluding the agreement in question. This – I repeat – is the most politically correct position, which Parliament must express.

However, it is as if we are having to defend an agreement that effectively damages European citizens: it is in fact true that nothing has changed, but the agreement that has been annulled by the Court of Justice was a very bad agreement. We would have to put into the hands of the American authorities 34 personal data items, of which, as the Americans themselves testify, only seven or eight would normally be used. If that is how things are, I do not understand why we have to hand over all this information and, furthermore, to put it in the hands of the American intelligence services – a new feature of the agreement – unless anyone maintains that we can trust the CIA.

I do not believe that I am speaking just for myself; I consider rather that this Parliament has every reason not to trust the CIA. What has happened in Europe is clear for all to see: Parliament has even set up a special commission on CIA activities in Europe, and there have been discussions on what happened with SWIFT, when it was discovered that our bank accounts were being inspected by the Americans. I therefore remain puzzled and still believe that we cannot trust the activities of United States intelligence agencies.

I believe that the agreement in question was not negotiated in the name of European citizens; it certainly was not negotiated in the name of this Parliament, which was completely ignored in the discussion, as Mrs in 't Veld recalled a short time ago. In my opinion we must instead involve the European Parliament, just as we need to involve national parliaments, so that this agreement is reached in such a way as to give priority to defending the rights of EU citizens and, above all, ensuring that our personal data is not put into the hands of persons who will certainly not make fitting use of it.

Michael Cashman (PSE). – Mr President, I should like to congratulate the Commissioner. It is not a perfect agreement. When compromises have to be made, agreements are never perfect, but, as Mrs in 't Veld said, it was either an agreement or no agreement. If there was no agreement, we would have had data anarchy and certainly no EU-wide protection for our citizens. I want to associate myself fully with the comments of Mr Cavada, who I believe has taken a really constructive approach.

We need to look at what is happening with PNR and we need to look at what is happening with SWIFT – incidentally, the memorandum of understanding that SWIFT managed to negotiate is a good basis upon which to build any future negotiations. But we can see it also as an opportunity to create this so-called Schengen transatlantic area, because we will come up against these problems time and time again.

However, I should like to say to this House that nothing is being imposed on us. The choice is ours. If we wish to travel to the United States, we will have to abide by conditions set by the United States. If we want to set up a business in the United States, exactly the same principle applies.

We have to negotiate for our common good and this interim agreement is a step in that direction. Congratulations, Commissioner! The easiest thing in the world is to knock something; the hardest is to support it. Well done.

Alexander Alvaro (ALDE). – *(DE)* Mr President, I must admit that I see some aspects quite differently from the previous speaker, but Mr Cashman and I have a relationship of friendly disagreement, and it actually works quite well.

Nonetheless, I think it most regrettable that the Council is no longer present, as it is clear from the speech on its behalf that neither was it present at the negotiations nor does it know the substance of this agreement. It is not possible to speak of any gain in data protection if we have adopted the same amount in this regard as before, namely nothing – as twice nothing is still nothing. We still do not know where the data retrieved will end up. We do not know which authority in the United States has access to them, and thus where they will be stored in the end, let alone where they will be transmitted. We do not know when they will be deleted. European citizens are not entitled to enquire where these data are. They are not entitled to require that the data be corrected. It is not true, therefore, that we have achieved more in essence.

I am not accusing the Commissioner personally, as I know the pressure the United States has exerted, but I should have liked us to have put up more resistance to this pressure and, for example, taken up my colleague Mr Cavada's suggestion in saying that, if the US expects data from us, it has to hand its own over too.

Who says there cannot be any threat to the EU from the USA? Who says that we do not also have the right to learn who is travelling into our territory? We must be able to pay the US back in the same coin in this case instead of just yielding to its pressure.

Sarah Ludford (ALDE). – Mr President, the Presidency said that the final outcome is a success, but I say it is a sell-out. We are told that data protection will be in compliance with relevant European standards, but I read in paragraph 3 that the Americans will process data in accordance with applicable US laws, and in paragraph 1 that data will be handed over as required by the Department of Homeland Security.

Then we have the accompanying US side letter which says that they will interpret the agreement as laid down by President Bush's executive decrees on data sharing and access by other agencies. This is a complete assertion of US jurisdiction, so I would like to ask Commissioner Fratini to tell us whether he accepts this accompanying US side letter as an intrinsic part of the agreement.

Paragraph 6 of the agreement says that the Department of Homeland Security is 'deemed' to ensure an adequate level of data protection. Now what on earth does 'deemed' mean? Paragraph 1 says that we are relying on US continued implementation of the undertakings as interpreted in the light of subsequent events. So we are at the mercy of events to tell us if the US will respect its undertakings! So the Presidency assertion that the earlier undertakings continue to apply is baseless.

The Commission and the Council say that the agreement delivers legal certainty for EU citizens. I agree with this only in one respect: the certainty that their legal rights have been sold down the river, or rather across the pond. This is not theoretical; we have heard all this year on the Temporary Committee on the alleged use of European countries by the CIA for the transport and illegal detention of prisoners, regarding people about whom soft information has been transferred to the United States that has become hard information, leading to people being rendered to places like Syria and tortured for months or years or incarcerated in Guantánamo Bay. This is not theoretical.

President. Mrs Lehtomäki has had to return to Finland – data-free – because it is the Indian Summit tomorrow, so there will be no reply from the Council in this debate.

Franco Frattini, Vice-President of the Commission. (IT) Mr President, I believe that in the next few months there will be a debate with Parliament – because I confirm my personal willingness and that of the Commission to maintain a political dialogue with Parliament, even when we start on the negotiation phase with the United States of America – which in my opinion must presuppose a desire for mutual understanding, based in turn on familiarity with the official records on the subject.

I have heard some Members speaking about personal data being sent to the CIA: it is simply not true. You must read the official records, honourable Members. It is clear from these that neither the CIA nor the other American secret services will have access to this data. This is a fact, established by the official documents – which we have checked. It is not true to assert that we are putting the data in question into the hands of the secret services without any checking. For this reason I am willing to engage in dialogue, but on the basis of shared data. By the same token, it is untrue to assert that data sent to the Department of Homeland Security is then sent to all the agencies. That is definitely not the case.

We send data only to those agencies that are entrusted with the task of either undertaking investigations or dealing with terrorism. These are the two conditions that place a limit on who receives the data. A request for personal data has to be made on a case-by-case basis, and the undertakings specify what is meant by ‘case-by-case’. Looked at in this way, therefore, the agreement – signed but not yet ratified – is in no way different from the earlier one. The earlier one may not please you, but it has not been changed nor made worse.

Some observations have been made concerning the entering into force of the agreement: for example, Mr Roure has referred to Article 24. You know very well, Mr Roure, that national parliaments have the right – and in some cases the obligation – to ratify agreements. You know equally well, however, that this temporary agreement has been negotiated very urgently to avoid the anarchy to which Mr Cashman has referred. Anarchy means the absence of rules and of protection and the possibility that any bunch of people could sign an agreement. It is therefore clear that we shall apply Article 24 of the agreement, including the part that states that it will come into force immediately. If we were to await all the ratifications, this agreement would come into effect after July 2007, whereupon the immediate anarchy that we wanted to avoid would be caused. We are talking about rules laid down in the Treaties, not of an interpretation of our own.

We have repeated that ‘[A]n adequate level of data protection is guaranteed’. This is a formula that existed previously. I have been asked a serious question: how can we protect the citizen or indeed the European Community if this adequate level is not maintained? Honourable Members, you know that the undertakings and the agreement envisage the possibility of denouncing the agreement and maybe of suspending it, if it were to emerge that the ‘adequate level of protection’ had not been maintained. So there are suitable instruments; and if it were necessary to resort to legal procedures, it would certainly not be for me to establish in what cases a magistrate could invoke his jurisdiction.

I have received objections to the existence of a covering letter that establishes the application of a certain jurisdiction, for example only United States jurisdiction. You know full well, however, that this letter is a unilateral act, not part of the agreement. The Commission has not agreed any dispositions concerning jurisdiction that might be contained in a unilateral letter from the State Department. Therefore it is absolutely untrue that we are surrendering our rights concerning jurisdiction. It is up to the judges to establish who can or cannot act. This will certainly not be established by the agreement under discussion.

I believe that there is another particularly important matter: the ‘push-pull’ aspect. Mrs in ‘t Velt has asked some complicated questions, seventeen in all, to which we shall naturally reply in writing: they are very technical questions, but important. However, there are other points to which I must now respond. It is simply not true that, according to the agreement, the new ‘push’ system that Parliament wants will come into force when the Americans want it. On the contrary, we have it in writing that ‘by December at the latest, the system will be operational’. The agreement therefore refers to a date that is very clear and close – one and a half months away – and, as you well know, there is a network of international airlines, headed by the Amadeus chain, that is already in a position to apply the ‘push’ system tomorrow. There thus exists the technical capacity and there is also a juridical basis, which was not contemplated in the previous agreement. This is certainly an improvement: the ‘push’ system can come into operation from tomorrow.

As far as the limited scope of the agreement is concerned, someone – I think it was again Mrs in ‘t Velt – stated that the transmission of data would no longer be justified only by the war on terrorism but also by other objectives. Points 3 and 34 of the undertakings, which have not been modified, established and still establish that, in the event of a matter of life and death, including cases other than specific investigation of terrorism, personal data may be requested. This is nothing new.

One more thing, Mr President, and I apologise for the length of my speech. I am in full agreement with what Mr Cavada and Mr Cashman said: we can also call it the ‘Transatlantic Schengen Agreement’ (I like that title). Certainly there will have to be wide-ranging political negotiations with the United States. We shall need to establish once and for all – and Parliament will also have to do this – whether the United States is, as I believe, Europe’s foremost ally in the war on terrorism, or whether it is a problem. I consider it to be our foremost ally in the war on terrorism; this being so, it is clear that, just as we Europeans have constructed the Schengen area of security and affirmation of rights, we must start doing the same thing with the United States. Otherwise, we risk forgetting that the problem is terrorism, not the US.

President. I should like to thank the Commissioner and all colleagues who took part in that important debate.

The debate is closed.

16. Footwear from China and Vietnam (debate)

President. The next item is the debate on the oral question to the Commission on the definitive results of the anti-dumping investigation concerning footwear from China and Vietnam, by Enrique Barón Crespo, on behalf of the Committee on International Trade (O-0096/2006 – B6-0432/2006).

Olli Rehn, Member of the Commission. Mr President, honourable Members, I am replacing my colleague Peter Mandelson in this debate. Peter is currently on his way to the EU-India Summit with Minister Lehtomäki and he really is on duty because we have many important trade policies to discuss with India.

Last week the Council adopted the measures proposed by the Commission to tackle the dumping of Chinese and Vietnamese footwear in the European Union. These measures offer a balanced solution in a complex case; a solution which responds to the clear evidence of unfair competitive practices and state intervention which has enabled Chinese and Vietnamese companies to engage in dumping in the European Union.

The measures now adopted will help to redress the situation. They offer some comfort to footwear producers in the Union while taking into account both the interests of consumers and the changing structure of the sector within the Union, where many household names in the footwear sector now choose to manufacture outside the Union.

This is in fact a case study of our ability to respond to the challenges and opportunities presented by globalisation. The full findings of the investigation are set out in the measures which we published on 6 October, as well as the details of how we established the level of dumping and injury to EU industry and determined the appropriate level of duties in this case. This information is in the public domain and is of course, as in every other case, open to public and, ultimately, judicial scrutiny.

With regard to the possible use of a deferred duty scheme, it is correct that the Commission considered such an approach as a possible response to this case. Such a novel approach would indeed have had certain advantages, but it did not command the support of a majority of Member States. The Commission listened to the concerns of the Member States and in late August presented the measures which have just been adopted by the Council.

In formulating the level of duty, the Commission applied the ‘lesser-duty rule’, which is part of our existing legal framework and entirely consistent with the international framework applying to anti-dumping. This rule allows the Commission to set levels of duty which reflect the actual damage being suffered by EU industry rather than the level of dumping established in the investigation. This is not in itself a novel approach. At the same time, given the nature of this sector, where quotas on shoe imports applied up to 2005, this was an important factor which needed to be taken into account in determining the appropriate level of duty to be applied. Nevertheless, the situation is specific to this particular case, and, while each case must be judged on its own merits, particularly when we face

globalisation, it does not as such represent a fundamental change in the way we deal with trade defence cases.

Let me conclude by highlighting that the kinds of challenges posed in the shoes case cannot be ignored. This is why, as part of our push to strengthen our external competitiveness, the Commission will publish a Green Paper in December looking at how our trade defence instruments operate in the context of economic globalisation.

I am very much looking forward to that debate and I believe we need to work together to look for practical, sensible improvements that will reinforce the ability of Europe's businesses to compete fairly in a global marketplace. I am very much looking forward to Parliament's active participation in this debate.

President. I should like to apologise to Mr Barón Crespo that I gave the speaking order incorrectly. He should of course have had the floor first in order to put the question to the Commission. Mr Mandelson is not present for the reasons Commissioner Rehn has explained. He is flying with Minister Lehtomäki to Finland for the EU-India Summit.

Enrique Barón Crespo (PSE), *author.* – (ES) Mr President, I had two complaints and I shall add another, since I find what is happening in this House today to be absolutely intolerable.

Firstly, it shows disrespect towards Parliament to change our rules and make the substitute Commissioner reply before I have the opportunity to put my question.

Secondly, the absence of the Council. There is no justification for it, and we raised this today in the Conference of Committee Chairmen: there is no justification for the absence of the Council, particularly given that the Council's role in this issue is currently very much in question, in terms of the impartiality it has shown in considering it.

The Finnish Presidency – and I say this with very great regret, since Finland is exemplary in terms of transparency – has not acted correctly, and Mrs Lehtomäki should have given explanations.

With regard to Commissioner Mandelson – and I say this to Commissioner Rehn so that he can pass it on, and I will say a little more – if Commissioner Mandelson were in a State school, his parents would have been called because of their son's truancy: because he was not here at the September sitting to debate the report on India; today he has had to leave; he is not going to be here for Mercosur ... Yes, it is very important to talk with India in Helsinki, but it is more important to be where the executive should be, which is in this Parliament talking to its Members.

Mr President, with regard to the fundamental issue, I must say that we support the Commission: we support it and we entirely disagree with some people's two-dimensional stereotypical view that there are either pro-free trade countries or protectionist countries in this field.

The Commission is taking a balanced approach; we act here jointly and with solidarity, and we are in a very serious situation. It is said that there is protectionism; well we must protect our workers, for example. At the moment I can tell you that the last industry remaining in France, in Alsace, manufacturing safety footwear, which is very important, is going to go to the Court of Justice, because the differences are of 40% — bearing in mind that we are asking for antidumping measures in the form of a tariff of 10% to 20% — and the footwear coming in does not conform to the minimum safety standards.

This is not therefore a debate that divides the European Union into those who are in favour of doing the right thing and those who want to close the doors. This is a debate in which we are calling for compliance with the rules that we have agreed within the World Trade Organisation. In its work, the Commission has acted correctly, though it has not done so today when it comes to Commissioner Mandelson's absence.

We therefore believe that the Commission should treat such an important issue as this with greater respect. Other issues are very important too, but the President and I have missed many planes in order to fulfil our duties. If there is a Summit tomorrow, they should get up early or arrange things in some other way; but where they should be today is here.

President. Your point is very well made, Mr Barón Crespo, and your own experience as President will tell you how difficult it is to keep some of our speakers to their speaking time. I note that in earlier debates this afternoon Mr Frattini and Mr Barroso spoke jointly for more than 42 minutes.

I cannot apologise on behalf of Mr Mandelson, but I think Mr Rehn has explained the situation. I am sure your remarks will be conveyed to Mr Mandelson by Mr Rehn.

Georgios Papastamkos, on behalf of the PPE-DE Group. – (EL) Mr President, I endorse Mr Barón Crespo's objections concerning the Commission's conduct on such crucial discussions.

The question of antidumping duties on footwear has divided the Member States of the Union. It has also highlighted conflicting interests between manufacturers, on the one hand, and suppliers and consumers, on the other.

We, the Group of the European People's Party (Christian Democrats) and European Democrats, continue to advocate multilateralism and open and balanced international trade. However, I consider the arguments put forward against the adoption of the measures in question, by which I mean protectionism for the benefit of the industry and the passing on of the cost to European consumers, to be misleading and unsubstantiated.

Ladies and gentlemen, it must be made clear that the imposition of duties is a justified legal commercial defence measure or, if you like, a productive protective measure. By contrast, dumping practices are a primary protective measure – and one which distorts trade. Given, therefore, that the application of dumping practices and the damage caused by them to the European industry have been confirmed, the failure to take measures would mean tolerance of unfair competition. To all those who put forward the argument of better prices against the imposition of duties I ask: did consumers benefit from the reduction in import prices following liberalisation? Clearly not. As the Commission itself confirms, there was no benefit to the European consumer, given that prices remained stable or even increased slightly in certain instances.

Ladies and gentlemen, the European Union should send a clear message: yes to competition; no to its manifest or concealed distortion. The Union is and will remain an open market to partners who respect the rules and disciplines of the multilateral trade system.

David Martin, on behalf of the PSE Group. – Mr President, frankly I am dismayed by this decision to impose tariffs on shoes for two reasons: firstly, because a large number of European consumers are going to be asked to pay more for their footwear in order to bring dubious benefits to a small number of European producers. I particularly regret the fact that children's footwear has been included in this. If you are a relatively low-paid parent of a young child, who has to buy new footwear regularly, this imposition is a serious one and I regret that we have taken this action.

The second reason I am dismayed is the way the majority in Council was allegedly – and I say allegedly because I have no hard proof of this – put together. I understand that Latvia was persuaded to change its vote, which was nothing to do with shoes, but because Italy promised then not to vote for GSP sanctions on Belarus. Because Latvia trades extensively with Belarus, this was a big hook for the Latvians. That sort of horse-trading, if it is true, brings both the European Union as a whole and the Council in particular into disrepute.

Sajjad Karim, on behalf of the ALDE Group. – Mr President, may I first of all associate myself with the comments of complaint that were raised by Mr Barón Crespo.

Commissioner, the EU's move last week to slap duties on the imports of shoes from China and Vietnam not only went against the will of the majority of Europe – a number of Member States have clearly undertaken horse-trading and have now abandoned their declared positions – it has also raised the possibility of the EU being reprimanded before the WTO as many question the factual and legal basis of the Commission's investigation.

Protectionism was the fuel behind this short-sighted, sticking-plaster measure. Duties are quick fixes which only hurt those EU industries that have actually adapted to the global economy. Britain's Clarks Shoes, for example, has first of all shown foresight, in relocating production of shoes to China and Vietnam; responsibility, in diversifying into retail outlets in the UK, where they now employ more people than they ever employed in shoemaking; and, not least, understanding, in recognising the Commission's difficulties and trying to work with you and not against you. Yet, because of last week's

ill-thought-out measures, Clarks is now being penalised for all three, as European retailers and consumers are now expected to foot the bill for an ailing Italian manufacturing industry.

It is short-sighted, too, for whilst Commissioner Mandelson is rolling out his plans for stronger bilateral links with emerging economies in Asia, it has incensed the Chinese, cut across EU-sponsored poverty reduction and hunger eradication programmes in Vietnam and shown an EU protectionist red flag to the region.

I fear that Commissioner Mandelson's review of the EU's anti-dumping rules comes a year too late. The naming and shaming of retailers who do not forward the benefit of cheap imports to the consumer is a smokescreen for the Commission's poor management of the challenges of globalisation. On this one, the Commission has failed miserably.

Margrete Auken, on behalf of the Verts/ALE Group. – (DA) Mr President, the Council's decision concerning duties on shoes from China and Vietnam is another example of the EU's protectionism. The decision is an assault on the multilateral agreement system and, specifically, the Multifibre Agreement, and it excessively punishes those Member States that have managed to comply with the agreement. The duties hits, for example, Denmark, which has transferred its production of shoes to China and only retained the design and marketing aspects in Denmark. Even worse, the EU is now undermining the WTO and the multilateral agreement system.

It is also remarkable that the Commissioner does not even listen to people when they are talking. Even though he is Finnish, he is unable, when standing over there, to understand my Danish. I would point out to the President that this is completely unacceptable.

(The President cut off the speaker)

Commissioner Mandelson will now pin his hopes on bilateral trading agreements. The justification for this is that, as long as the WTO route is barred, we must find new ways. I would point out, however, that it is, in actual fact, the EU that, together with the United States, is mainly responsible for the WTO negotiations having stalled. No doubt there are indeed problems involving human rights, interest rate policy and environmental standards, but they must not be solved through protectionism. They must be solved through binding multilateral cooperation. Strengthening the bilateral approach will only buttress poor countries' dependence on the EU. It is a poorly disguised continuation of colonial exploitation. Commissioner Mandelson calls the bilateral agreements 'stepping stones' to better global trade. They are not that, however. On the contrary. They entail a rejection of the WTO and the multilateral trading system and thus also of the ideals of fair and free trade and of the fight against poverty, which the Commission otherwise emphasises as its global vision. With the bilateral strategy, that vision is just empty words.

Pedro Guerreiro, on behalf of the GUE/NGL Group. – (PT) Mr President, we feel that the problem with the measures decided by the Council is that they are overdue, that they will have a limited impact and that they fall short of what is needed in a sector that has a good future ahead of it and that is very important to Portugal and the EU.

Commissioner, you will certainly be aware of the reality of the closure and relocation of many companies and the loss of jobs in the footwear industry in Portugal, the result of which has been an increase in unemployment and the danger of thousands of workers falling into poverty. Once again, let me highlight the case of the workers of the multinational C & J Clark in Castelo de Paiva who, three years after the company's closure and following repeated promises, remain without alternative employment. In other words, with the liberalisation of world trade, the workers employed by innumerable micro-, small and medium-sized enterprises in the footwear industry in the EU have been the losers. Those who have gained most, on the other hand, from the huge rise in footwear imports from third countries have not been the so-called consumers but, rather, the large multinationals and the major importers and distributors, which have made tremendous profits, as the Commission has acknowledged.

If international trade as a whole were properly looking after the consumers' interests, it could have long since significantly reduced the selling price of imported footwear.

As we have pointed out, the responsibility for this situation does not lie with third countries, but with the EU and its policies of promoting competition and liberalising international trade, as well as maintaining the value of the euro, a policy that hampers manufacturing industries such as the footwear

industry. Just last week, as a matter of fact, the Commission declared its intention to increase bilateral free-trade treaties, thereby launching a fresh crusade to liberalise world trade.

It is this policy that should be brought into question.

Zbigniew Krzysztof Kuźmiuk, on behalf of the UEN Group. – (PL) Mr President, just last year, a total of 1 billion 250 million pairs of shoes from China came onto the European market. That is half of all the shoes sold in the European Union during that time. Meanwhile, since 2001, production of leather footwear in Europe has fallen by almost 30%. In the European Union shoe sector almost 40 000 jobs have been lost during this period.

The situation in Poland is similar. In 2001, Poland imported only 300 000 pairs of Chinese-made shoes. Now the figure is 9 million pairs per annum. This has had a direct knock-on effect on employment in the sector. In 2003, the shoe-making industry in Poland consisted of 123 firms, while in 2005 there were only 93. At the same time, employment in the industry fell from almost 17 000 to 13 000, with production falling from 18 to 15 million pairs. What is more, it is not the consumer who has benefited from these huge imports through lower prices, as is generally thought, but the importers themselves, who often add profit margins exceeding 100% of the transaction value.

In this situation it is good that the European Commission has finally decided to impose tariffs to protect the European market, and in particular that experts from the Commission have established beyond all doubt that China is using dumping prices. Governments such as China and Vietnam are unfairly supporting their manufacturers through tax concessions, the provision of free land, and also by absolving them of the full costs of manufacture, for example by waiving environmental taxes. The only regret is that this has come so late in the day, after the European shoemaking industry has suffered so badly.

The European Commission must do everything in its power to prevent such a situation from repeating itself in any other sector of the economy. What is more, decisions on how to react to the sale of goods at dumping prices within the European customs area must be made quickly to limit the damage such imports cause to manufacturing, and therefore to employment in the European Union.

Jana Bobošíková (NI). – (CS) Ladies and gentlemen, I fundamentally disagree with the fact that the Council and the Commission have adopted the Mandelson proposal and in the last few days have imposed high customs duties on footwear from Vietnam and China. I feel that this is a short-term measure that is tantamount to anti-liberal protectionism and that does not in any way help European competitiveness. This is just prolonging the agony for these manufacturers who fight hard to adjust to the reality of the global economy. By introducing customs duties the politicians paradoxically punish those amongst the businessmen who have come to understand the rules of the global economy and, in a show of flexibility, have moved production to Asia and managed to hold their own under the new market conditions. The introduction of customs duties also ultimately works against the consumer, given that the cost of a pair of shoes has gone up by EUR 7. I should like to know which Head of State or which Commissioner will be going out in person to explain to families with many children that when they buy more expensive shoes they are not buying higher quality, but are subsidising inefficient footwear companies.

José Albino Silva Peneda (PPE-DE). – (PT) In imposing the anti-dumping tax on leather footwear imports from China and Vietnam, the EU took a good decision, albeit a long overdue one. Still, better late than never.

We are all aware that China and Vietnam export various products around the world, including footwear and textiles, which enjoy major state intervention at source. Examples of this state intervention include non-refundable loans, tax breaks, the artificial devaluation of the currency and, in some cases, the non-depreciation of investments. These products continue to enjoy the total, or near-total, absence of social or environmental regulation, which accounts for a significant proportion of production costs in EU countries. European footwear manufacturers know that they have to compete with companies that manufacture products while paying their employees lower wages. They are opposed to the idea that competition should be distorted by this kind of intervention from exporting countries selling their goods below the production price. Where I come from, this is known as cheating.

The EU has, albeit belatedly, made the right decision, but in watered-down form. What is happening shows that the authorities of these countries are unwilling to change their behaviour and, in view of their repeated unfair practices, I would have preferred the original version of the sanctions, which called

for anti-dumping tariffs for five years, rather than for the two-year period that has finally been decided on.

These measures were only supported by a narrow majority in the Council, only 13 out of 25 Member States. I should therefore like to ask, in conclusion, whether we will be able to hold on to that majority in two years' time? If not, what will the EU do?

Let me be absolutely clear on this point, Commissioner. I am no advocate of protectionist policies. I just want everyone to play by the rules.

Kader Arif (PSE). – *(FR)* Mr President, ladies and gentlemen, it is a strange conception, as Mr Barón Crespo said, of democratic debate and of the respect due to our institution if the Trade Commissioner and Finnish Presidency are not here to answer our legitimate questions.

If the Commissioner had managed to get here, I would have had two questions for him. Why have the anti-dumping duties been imposed for two rather than five years, which is a first in the history of this instrument, and why are the duties so low when there is a blatant violation of the international trade rules and when businesses are suffering serious losses?

If the Finnish Presidency had honoured us with its presence, I would not have congratulated it on its biased coordination and on its unwavering support for the position of the big importers and distributors, at the expense of our own industry which is experiencing a number of tragic bankruptcies with the job losses that that entails. Once again, however, financial considerations have prevailed over social considerations and the vital solidarity between countries within the European Union, a solidarity which, if we keep on putting it to the test, tomorrow could end up being the exception and no longer the rule that unites us.

To sum up, the position adopted means more unemployment in Europe, a missed opportunity to promote social norms and decent employment, and profit reserved only for importers and distributors: I cannot accept it.

Danutė Budreikaitė (ALDE). – *(LT)* The European footwear market has shrunk by one third over the last five years as it is not able to compete with cheap production subsidised by the governments of Asian countries. With the imposition of anti-dumping duties on Chinese and Vietnamese leather footwear for the next two years, EU Member States trying to compete in the footwear manufacturing sector have won a temporary victory against those EU countries that have moved their production to Asia. Large sales networks, such as footwear importers from Asia, are also resisting the introduction of such duties.

Market protection measures are necessary as long as the energy sector is subsidised, preferential duties are applied and the environment is being polluted in Asian countries. These measures will at least partially serve to reduce the differences between the operating conditions of European and Asian footwear manufacturers, albeit temporarily.

The transfer of production to countries with cheaper workforces appears inevitable. The Earth is still round, and will the EU not be harmed after destroying its own manufacturing capabilities? Why will the European Commission not consider a reform of the foreign trade policy of the WTO and the EU?

Leopold Józef Rutowicz (NI). – *(PL)* Mr President, footwear is a product whose quality has an important effect on our health and on comfortable walking. Its practicality and durability depend on the design, the method of manufacture and the materials used. Securing a basic standard for footwear entails certain costs. Very low-priced shoes may originate from subsidised production or manufacturers using very low-quality raw materials and technologies that do not meet health and consumer requirements. This should be taken into consideration when protecting the industry and consumers in the European Union. For this reason I believe that the introduction of anti-dumping duties is justified, as is the use of any other methods that would restrict the import of shoes that fall short of European requirements.

Christofer Fjellner, (PPE-DE). – *(SV)* Mr President, the introduction of duties on shoes from Vietnam and China is a splendid own-goal by the EU. It is bad economic policy and bad trade policy, and it is morally bankrupt.

Allow me firstly to explain why it is bad economic policy. What we are doing at the moment, you see, is standing up for and defending those industries that are uncompetitive, at the same time as punishing those industries that have adjusted to globalisation, for example by moving their production to more

competitive countries. In that way, we achieve the feat of weakening the EU's competitiveness two-fold by means of one and the same decision.

I am afraid that the Commission's vision for the future is that the EU should compete globally using cheap shoes. I think the worst that could happen is that the Commission might succeed and that we would retain this industry. In that case, we shall be able, in 30 years, to expect to see Europe exporting shoes to Vietnam, while Vietnam exports cars, or an even higher-value product that we cannot even imagine, to Europe.

Secondly, the introduction of these duties is bad trade policy. At the end of this month, Vietnam will become a member of the WTO. The EU's welcome present is duties on Vietnamese shoes. The signals we are sending to Vietnam, from one of the world's largest trading blocks, are a disaster, especially since the country is going through major changes in order to meet the requirements for future WTO membership.

Thirdly, it is morally bankrupt because it hits individuals hard in order to satisfy small, well-organised special interests. You are not content to prolong the duties on shoes, but you are now also extending them to include children's shoes. What do you say to Swedish families with small children who may be forced to buy several pairs of children's shoes per year? Do you think that families with children have too much money? Have the previous measures allowed them to get off too lightly?

This is an example of the EU showing its very worst side, namely when well-organised special interests are allowed to come before the wellbeing of the people. That, I think, is something we must prevent from happening in the future.

Francisco Assis (PSE). – *(PT)* Advocates of free trade believe that trade protection instruments such as anti-dumping measures should only be adopted in extraordinary, objectively verified, circumstances. Unfortunately, such circumstances apply in this instance.

China and Vietnam have been responsible for particularly unacceptable commercial practices in the footwear industry and have gone so far as to increase the numerous competitive advantages they already enjoy. By acting in this way, these two countries have breached one of the fundamental principles of free trade, namely that of fair competition. These measures are not, therefore, to be understood as being opposed to free trade, but as being, quite the opposite, a vital factor in protecting free trade in the long term.

We must therefore applaud the Commission for what it has done in this area. It is, however, important to emphasise that European industry must keep up its efforts to modernise, by investing in innovation and in improving quality in order to increase its competitiveness in the sector around the world. This effort must involve the public authorities, with the rules of free and fair trade always being adhered to.

The adoption of these measures must not, therefore, be seen as an attempt to reopen the door to unwanted protectionism, but rather as a vital instrument for ensuring that international trade is fairly regulated.

Anne E. Jensen (ALDE). – *(DA)* Mr President, Commissioner, in contrast to the previous speaker, I wish to say that if anyone believes that European jobs can be saved by placing duties on leather shoes from China and Vietnam, they should think again. That is simply not how things work. The fact is that production will, of course, merely move to other low-wage countries. The latest figures from Eurostat show that, since the duties were approved in the spring, shoe production has moved from China and Vietnam to countries such as India and Indonesia. The EU countries' inefficient producers gain nothing.

The Commission maintains that dumping has taken place and says that it has presented all the practical results of the anti-dumping inquiry. I have to say that I can only find a few general documents. I think that there is a major democratic problem if decisions are taken on a casual or incomplete basis. It reinforces the impression that what we have here is political horse-trading, and I would therefore call on the Commission openly to present the results of all its investigations and to submit detailed analyses of the consequences that the shoe duties are having, and will have in the future, for European consumers and companies.

Luca Romagnoli (NI). – *(IT)* Mr President, ladies and gentlemen, the matter addressed by Mr Barón Crespo's question flows from the case of the footwear sector, because the entire production system of Member States has been thrown into a crisis, and not merely from today, by unfair competition – or, to put it more plainly, by the remorseless and unbridled financial greed of the so-called free market:

a market that would be better defined as being without rules, which preys on individuals like a vampire, exploiting workers without paying heed to their age and without any social security remotely comparable to that which is in force in countries of the European Union. It is a market with devastating financial interests that impoverishes society and nations, intent on the exponential enrichment of multinational companies.

The trade defences such as anti-dumping measures, and thus the maintenance of tariffs, are the first and the minimum indispensable tool; but they are not entirely satisfactory, since the unfair competition that is in danger of flooding the markets with much cheaper products is the consequence of the huge advantages offered by production factors. Unfair competition should thus be fought not only by defensive means: one cannot attempt to win the war with rearguard battles, and defence does not guarantee victory in war, as strategists even before von Clausewitz have already noted.

If, therefore, the European Union wishes to safeguard its producers, it must impose controls on the products that it aims to promote in the internal market. It is unthinkable to set off prices against production so long as the production factors are so unbalanced in favour of Asian industry – unbalanced in respect of costs not only of labour but also, for example, of administration.

At the start of this parliamentary term, I tabled an oral question in accordance with Article 108, with dozens of signatures in support of colleagues of various nationalities and political leanings. It was obviously not put down for the debate, perhaps because it clashed with the interests of those who, in the name of profit, despise social considerations and the profound importance of employment. I said then - and I remain of the same view - that, as well as imposing restrictions on imports from countries that do not give guarantees as mentioned earlier, it is time to institute a control mechanism that would certify how products imported into Europe are made, whatever non-European country they come from, and that would in consequence authorise or prohibit the trade.

Let us impose a trade mark of ethical certification – ethical as regards employment and the environment and, more generally, ethical as regards the production process. Karl Popper was undoubtedly a supporter of free trade, but he summarised perfectly the extent to which liberty cannot be considered ...

(The President cut off the speaker)

Zuzana Roithová (PPE-DE). – *(CS)* Ladies and gentlemen, I firmly reject the view that anti-dumping is tantamount to harmful protectionism. In fact, the opposite is true. For Europe, there is nothing worse than taking a benevolent view of the unfair trade practices of third countries whilst imposing very strict requirements on European manufacturers. We should not be surprised that European firms have moved production to Asia, where they can make the most of low social and environmental standards, in such a way that they can sell poor quality shoes, textiles, electronic equipment and other goods cheaply and at huge profits to Europeans who are, moreover, losing jobs on their home markets. Countries that have joined the EU adhere to trade rules and cannot by themselves impose official sanctions against third countries. That is a competence of the Union. This is why it is important for the Commission to take action on this occasion. I am concerned about inconsistency, however. After all, children's and sports shoes from China and Vietnam are also sold at dumping prices. Their exclusion from these measures simply on the grounds that sports shoes are no longer made in Europe, or even on the grounds that poor quality children's shoes will be a help to poor families, is a sign of Europe's weakness. The previous exclusion of children's shoes which were demonstrably harmful to children's health showed a gross failure of professionalism on the Commission's part.

I believe that in this case we should follow the principle of mutually monitoring the agreed rules and not simply surrendering to European wholesalers, who often benefit from our lack of thoroughness in these matters. We are all aware that we are talking about just a few euros, which will make no impact on the generous profits that the consumer does not see. The Council statement showed that governments are not interested in principle, but in concrete trade interests that differ across the north-south divide. I hope that at least here in Parliament we uphold the principles of fair competition irrespective of whom it suits in Europe or otherwise. It is our duty to support the Commission and to warn the Council against any such policy. To conclude, I should like to call on the Commission once again to address the issue of compulsory certification for children's footwear that is sold in Europe, regardless of who has produced it. Shoes should be healthy, whether they are made by the Chinese, the Japanese, or anyone else.

Giulietto Chiesa (PSE). – *(IT)* Mr President, ladies and gentlemen, if this debate were to be confined to weighing up the arguments for and against anti-dumping measures for leather footwear from China

and Vietnam, it would truly serve no purpose. European countries are divided on this issue because producers' interests are in conflict with those of distributors. This is a statement of fact, not a matter for outrage. We should be asking a different question: does a common European interest exist? How would one define it? In my opinion we can and must try to define it, because a divided Europe is a weaker Europe. However, it can be done only if we start from a strategic and realistic vision of Europe's position in the market and in world trade and remain bound by principles and figures.

One of these principles is the defence of the European consumer: among other things, the producers' requirement, that is to say the 'made in', is sacrosanct: first of all, because it signifies more information and therefore more openness (this is a European principle); and, secondly, because it transpires that a drastic fall in the costs of importing leather shoes has not in fact been matched by a reduction in retail prices. On the contrary, it has become clear that there exist in Europe unearned incomes from this situation and that these too are a cause of the danger. The tariffs that have been imposed for two years are a reasonable compromise measure, which also endorses a correct method of respecting the interests of all parties.

Antonio López-Istúriz White (PPE-DE). – (ES) Mr President, Commissioner, thank you for being here with us today. I would like briefly to communicate to the Council my relative satisfaction with the agreement reached on 4 October: satisfaction because it has finally been agreed that action should be taken to counter the sale of shoes from China and Vietnam below real costs prices. I say relative satisfaction, because this kind of tariff measure is usually in force for five years rather than the two years that the Council has agreed to. Those of us from Spain and the Balearic Islands are calling upon the Commission and the Council to leave open the possibility of extending these duties, since the problem of unfair competition will still be there in two years' time.

Furthermore, in the region that I represent, the Balearic Islands, one of the regions most active in defending equal conditions in the marketing of footwear in the European markets, we believe that the tariffs provided for in the Council's agreement are low compared to those applied during the provisional period that ended on 6 October: the temporary tariff of 19% for Chinese footwear is becoming 16%, and in the case of footwear from Vietnam it is falling from 16.8% to 10%. For the Balearic Islands and for my country, the fundamental issue is to defend equal conditions in the marketing of footwear, conditions that exclude this kind of dumping practice.

We are not therefore talking about imposing protectionist measures that hinder free trade, but rather about taking measures to combat unfair competition.

Panagiotis Beglitis (PSE). – (EL) Mr President, the recent decision by the Council of Ministers to impose antidumping duties leads me to two crucial comments. The first concerns the efficacy of the common trade policy and the mechanisms which it has at its disposal to defend European interests. Unfortunately, yet again China, as a member of the World Trade Organisation, is continuing its dumping practices through its state policy, whereas the European Commission is continuing, for its part, to monitor this practice as a neutral observer.

On the other hand, we have Vietnam, which is also continuing to take dumping measures, while at the same time seeking to join the World Trade Organisation. I believe that the European Commission must also send a message to the Vietnamese authorities, given that it wishes to join the World Trade Organisation.

My second comment is more serious and concerns the very future of the European Union and the defence of the European productive fabric. In Europe there are not only consumers, whose interests we must of course defend; there are also workers who are losing their jobs and remaining unemployed. There are imports, on the one hand, but there are also productive businesses and sectors of industry which must be able to compete in a secure international environment free from distortion. Europe cannot become a jungle of uncontrolled imports in the name of the liberalisation of international trade.

Béla Glattfelder (PPE-DE). – (HU) China and Vietnam are subsidising the export of footwear in an unacceptable manner. These subsidies are contrary to WTO rules. This State aid causes market distortions and results in dumping. The market distorting subsidies cause serious harm to European producers and the European economy, attested to by the fact that several tens of thousands of jobs have been lost in recent times.

That is why the introduction of anti-dumping measures is justified from a legal and economic point of view. It is not true that such anti-dumping measures are protectionist but, on the contrary, it is the Chinese and Vietnamese states that are using protectionist, market-distorting measures. The aim of the anti-dumping duties is precisely to offset the effects of China's and Vietnam's protectionist, market-distorting practices. Thank you very much.

Margrietus van den Berg (PSE). – (NL) Mr President, while northern Europe considers the anti-dumping measures to be protectionist, and brandishes consumer interests to back up its argument, southern Europe considers the measures to be inadequate to protect their shoe industry against unfair competition. This gap in the EU is increasing, and with it the mistrust.

Dumping is not the same thing as fair competition or reduced costs. Dumping is unfair competition, whether that is because the dumping companies receive state support or whether they use child labour to keep wages down. Where dumping is going on, we must close ranks. We cannot simply dismiss unfair competition if, for once, it appears insignificant in comparison with the benefits for the entire community. It is unfortunate that the government of my own country, the Netherlands, uses this very argument against taking anti-dumping measures. How arbitrary of them! Who, though, stands to benefit? Not the European consumers, because last year, although import prices for shoes from outside the EU dropped by 25%, consumer prices remained the same. Does the Commissioner agree with me that we must work on a new anti-dumping policy that rules out arbitrariness and brings unity in the EU? We must protect ourselves against unfair competition. We must protect both our producers and consumers. Surely they do not want to buy products that are made by children? We must strive for clean clothes, clean shoes and clean hands.

Syed Kamall (PPE-DE). – Mr President, the impact of these tariffs will be to increase shoe prices for my constituents in London at a time when families, especially those on lower incomes, are already facing higher energy bills. With these tariffs, the EU has effectively levied a tax on consumers in a vain attempt to protect shoe manufacturers in certain countries who need to face up to the fact that they cannot produce shoes more cheaply than Asian countries. Globalisation is a reality; we in Europe should not be burying our head in the sand and hiding from it. The most successful European companies have embraced globalisation and outsourced low-value manufacturing to China and Vietnam.

We are also deluding ourselves if we believe that duties imposed on Chinese and Vietnamese shoes will lead to more European jobs. Retailers will simply fill the gaps with more imports from other countries such as India and Indonesia, and indeed this has been shown to be the case.

When will we realise that free trade is good for European consumers and creates more and better jobs in the long run? It may be painful for some, but the EU will gain in the longer term.

Olli Rehn, Member of the Commission. (FI) Mr President, ladies and gentlemen, first of all I would like, on behalf of the Commission, to thank you all for your contributions. They reflect the justifiable concerns of industry and employees, and important considerations as far as consumers are concerned. I will convey the outcome of this debate to Commissioner Mandelson, and also, obviously, to all my colleagues. This is a very important issue, and we will be monitoring it continually.

Right from the start we realised that this would be a very tough and complicated case, and, after a thorough investigation, the Commission in April imposed temporary anti-dumping tariffs. All the conditions of anti-dumping tariffs were met; there is no doubt about that. The report showed that China and Vietnam practise dumping, as a result of which it was in the Community's interests to intervene.

Several speeches, like the one just now, mentioned consumer prices. We have looked into this in detail, and these investigations show that in all likelihood these solutions will have no effect on consumer prices. This is because there is, I would say, very considerable added value between import and consumer prices. The average import price is EUR 8, while every one of us knows that shoes in a shop normally cost many times more than that. Consequently, the effect of anti-dumping tariffs will be minimal, and in any case they apply to just 11% of the Union's total imports.

As I said, Mr President, I will convey the content and spirit of this debate to Mr Mandelson.

Enrique Barón Crespo (PSE). – (ES) Mr President, I take note of Commissioner Rehn's expression of disapproval, but I believe that what has happened today must be looked into by the Presidency and the Conference of Presidents, because it shows a lack of respect for Parliament, particularly on the part

of the Council. As for the Commission, I hope that it will sort out its issues at home and continue to work in favour of European interests.

President. Thank you, your remarks are noted.

That concludes the debate.

Written statements (Rule 142)

Ilda Figueiredo (GUE/NGL). – (PT) If we are to protect manufacturing and jobs with rights, the Commission and the Council must focus more on the industrial manufacturing sectors in each Member State and must not only take into account the interests of the large economic groups involved in world trade.

Sectors such as footwear, textiles and clothing have been particularly hard hit by the disastrous policy of liberalising world trade, within the framework of the WTO. Thousands of jobs have been lost. In Portugal alone, jobs have been lost in the footwear factories of C&J Clarks in Arouca, Castelo de Paiva and Vila Nova de Gaia, of Rodhe in Tancosco and of Ara in Avintes. Hundreds of jobs have also been lost at Ecco and Rodhe in Santa Maria da Feira, and many others in the area of Felgueiras.

This policy does not only affect the workers, and the countless micro, small and medium-sized enterprises; it also hinders regional development in huge areas in countries such as Portugal.

Fresh measures must therefore be adopted, and, as a minimum, the period for maintaining customs barriers must be extended, with a view to protecting manufacturing, as well as employment with rights.

Tokia Saïfi (PPE-DE). – (FR) I am very pleased that the 25 Member States of the European Union have at last adopted definitive anti-dumping measures in relation to the import of Chinese and Vietnamese shoes. European manufacturers were suffering heavy losses in their export market and were victims of unfair competition. It was therefore right to apply the trade defence instruments which the European Union has at its disposal, instruments that, I would remind you, were approved by the WTO.

Furthermore, I wonder about Mr Mandelson's desire to fight against protectionism and about his assimilation of it, in the context of future reform – the *Global Europe* communication – with trade defence instruments. I am not in favour of protected markets, shielded from competition, disconnected from all the developments brought about by globalisation. Nonetheless I am in favour of applying the legal rules when, in the markets, the competition is unfair. Therefore, the safeguards or anti-dumping measures must under no circumstances be put in the same category as protectionist instruments. The purpose of these instruments is to protect European manufacturers against unfair competition, by requiring compliance with the rules defined by the WTO. I ask the Commissioner, Mr Mandelson, therefore, what the aim of this reform will really be: to adapt these instruments or to weaken them?

17. European Agency for Reconstruction (debate)

President. The next item is the report by Jelko Kacin, on behalf of the Committee on Foreign Affairs, on the proposal for a Council regulation amending Regulation (EC) No 2667/2000 on the European Agency for Reconstruction (COM(2006)0162 – C6-0170/2006 – 2006/0057(CNS)) (A6-0285/2006).

Olli Rehn, Member of the Commission. Mr President, Honourable Members, I would like to thank Mr Kacin very much for the positive assessment of our proposal in his report.

Let me first explain the rationale of the proposal. At the end of an era of reconstruction, and in view of the preparations for accession, we decided to reassess the mechanisms for assistance implementation in the Balkans, including the future of the European Agency for Reconstruction. We explained our views on the future of the Agency in a report issued in December last year, which was transmitted to the Council and the European Parliament for information. The need to prepare the beneficiary countries to assume their own financial responsibility for the implementation of EU assistance led the Commission to the conclusion to discontinue the Agency but to seek its extension for two years until 31 December 2008, with its current mandate and status, and gradually to phase out its activities under CARDS.

In the mean time, the Commission will prepare the programming and implementation of the instrument for Pre-Accession in a deconcentrated manner through our delegations in the countries concerned from next year onwards. So we have both phasing-out and phasing-in going on at the same time.

The current Regulation expires on 31 December 2006, and, therefore, it is important that the amending regulation is adopted well before the end of the year in order to provide continuity in the implementation of CARDS and legal certainty for the staff of the Agency. A number of administrative decisions will have to be taken directly following the adoption of this regulation before the end of the year.

On the phasing-out of the Agency, the Commission is committed to ensuring an efficient phasing-out and at the same time a phasing-in of the EU delegation's liaison office in order to deliver aid without disruption and in a cost-effective manner. This is a complex process in terms of transferring staff (to the extent possible), transferring files, closing all remaining financial activities and making all necessary arrangements to ensure sufficient premises for the reinforced Commission delegations. The Director-General of DG Enlargement has created a Task Force at director level to monitor and steer this process.

The Commission welcomes Mr Kacin's proposal for regular reporting to the European Parliament 'on the ongoing operational details of the transfer plan'. My services will always be at your disposal to reply to your questions and to provide you with updated information on a regular basis. However, for the sake of legal clarity, I would prefer that this amendment is not included in the text of the amending regulation, the purpose of which is merely to extend the mandate of the Agency for an additional two years.

Jelko Kacin (ALDE), rapporteur – (SL) As rapporteur for Serbia and rapporteur for the Group of the Alliance of Liberals and Democrats for Europe for Albania, Montenegro and the Former Yugoslav Republic of Macedonia, I have been following the political circumstances in the region very closely. I am aware of the fact that the phasing out of the Agency will coincide with a period of critical developments in the Western Balkans. We have already witnessed Montenegro's declaration of independence, and now we are facing not only the prospect of local, parliamentary and presidential elections but also, on top of that, the constitutional referendum in Serbia. This will take place by the end of the year and, although in theory it should not affect the timetable for deciding the future status of Kosovo, it will nonetheless do so in practice. For this reason, I have also drafted two amendments that I will proceed to present.

As I stated when presenting my report to the Committee on Foreign Affairs, I support the Commission's proposal for phasing out the Agency by extending its mandate for a further two years. The Agency will retain and renew its current status and mandate, together with its activities under the CARDS programme, but it will be phased out and replaced by Commission delegations and offices that will manage the IPA, our new financial instrument.

The Agency was founded in 2000 as the principal EU office for reconstruction in war-ravaged Kosovo. It later extended its operations to Serbia, Montenegro and the Former Yugoslav Republic of Macedonia. The Agency is independent and its mandate is renewed successively every year by the Council and the European Parliament. Hence, even as far back as its founding, it operated on the premise that it was a temporary body and that it would ultimately be replaced. Now, ten years after the Kosovo crisis, it is obvious that the current interim arrangements are inadequate and inappropriate.

The countries of the Western Balkans are in a state of transition from a reconstruction phase to a phase of preparation for their prospective membership of the European Union. Streamlining the European Union's activities by devolving them to Commission delegations is therefore the appropriate and correct way of demonstrating our political commitment to the countries of the Western Balkans. This will also ensure that we make the best use of EU taxpayers' money. Beginning to phase out the Agency now, at a time when activities under the CARDS programme are also being discontinued and replaced by the new financial instrument that is the IPA is both sensible and timely.

I firmly believe that the new streamlined and rationalised arrangements for the political and financial assistance offered by the EU will have positive effects on the political and economic stability of the region. The draft amendment in my original proposal recommended that, in order to coordinate our positions with the Commission, we draw up a detailed report on our organisational plans for devolution. As the Commissioner has informed us, my later recommendation envisaged instead a draft amendment which would oblige the Commission to report to Parliament and the Council on the situation in this region on a quarterly basis. However, the devolution process must be continuous.

The quarterly reports would need to include brief information on the progress of the devolution of individual duties from the Agency to the individual delegations, as well as an assessment of their cooperation in the quarterly period. The reports would need to include new facts that have been gathered since the last report or will shortly be gathered, and would also need to set new objectives that need to be met. Likewise, the reports would need to include an overview of devolution in practice in the beneficiary countries, particularly in the case of the Former Yugoslav Republic of Macedonia, which is still a candidate country, but unfortunately at present still does not have a date for the commencement of negotiations.

In the context of these reports, the Commission would also need to present measures which it intends to adopt in order to promote regional projects after the Agency ceases to operate. Equally, the Commission must adopt specific plans to expand the delegations in response to the break-up of the Republic of Serbia and Montenegro and to expand the delegations in the light of the future status of Kosovo when that becomes reality. At the same time, I have called on the Commission to ensure that all the valuable knowledge and technical expertise which the Agency has accumulated during the seven years of its operation is transferred to the delegations.

Paulo Casaca (PSE), *draftsman of the opinion of the Committee on Budgetary Control*. – (PT) Mr President, Commissioner, Mr Kacin, I should like to draw the Chamber's attention to the findings of the Committee on Budgetary Control. On at least two missions, one in Thessaloniki and the other in Kosovo, the committee has noted the effectiveness and innovation of the European Reconstruction Agency's external activities.

No such previous Community action has been anything like as effective or innovative. Action on the ground, in conjunction with the local authorities, has been outstandingly good, and I feel it would be a serious mistake if we were to fail to make use of such action in other situations and to forego its benefits.

Commission resources and European funds must not merely be handed over to the United Nations or to NGOs or to any other institution without the proper resources to administer Community funds on the ground.

The EAR's experience in administering Community funds has been most valuable, and I should like to call on the Commission not to let that experience go to waste, because that would be disastrous for the whole of the EU.

Hannes Swoboda, *on behalf of the PSE Group*. – (DE) Mr President, I should like to start by thanking the rapporteur, Mr Kacin, for his work. Although we do not always agree about matters of substance, working with him and discussing things with him are always interesting experiences. I might add that I fully agree with his amendments.

As Mr Casaca has already said, the Agency has done a very good job, and I think that the EU can be proud of itself for creating it. It has indeed done an excellent job, and if that is said by someone like Mr Casaca of the Committee on Budgetary Control, a body from which we can of course expect particular criticism, it counts even more.

Nevertheless, I agree with Commissioner Rehn when he says that times and situations change; individual countries go their separate ways; the duration of the run-up to countries' accessions often varies. I would also ask him, however, to ensure that the people who have had some very positive experiences in these countries also be given the opportunity to continue to do good work for the EU and for these countries.

I should like to take this opportunity to give my sincere thanks to Commissioner Rehn, too, for his commitment to this region; as it is very important to have someone with sensitivity towards the region, someone who knows that its needs have to be met appropriately, and that that includes a pan-European approach. I should like to ask the Commissioner to do his utmost in the coming months, at a time when the situation in Bosnia–Herzegovina and Kosovo will be precarious, and also to join together with Parliament – and the Council, too, I hope – to guarantee the stability of this region. I am sure that he will do so. A great deal of the work that the Agency, too, has done, will simply be undone if we do not set clear European objectives to ensure that the path towards EU membership is clear. The countries must increasingly do their own work, however – albeit with our help and support – as we cannot take it off them. It is very important, therefore, that the responsible Commissioner give a clear direction. If he does so, we shall give him our full support in his further work.

Erik Meijer, *on behalf of the GUE/NGL Group*. – (NL) Mr President, the accession of newcomers to the European Union is at its most successful when they already enjoy more or less the same level of democracy, human rights, environmental protection and welfare as do the other Member States. The European Agency for Reconstruction can help remove some of the differences that are still delaying the accession of seven western Balkan states. In recent years, there were differences of opinion about the emphasis this agency should place on education and infrastructure, of both of which there is a desperate lack in those countries, or on reforms. Those reforms in the areas of governance, justice, police and market are mainly external requests. Internal requests, on the other hand, are requests for financial support for small projects that can be tackled independently without too much red tape, supervision or control, combined with the restoration of railway lines, bridges, flood-control dams and drinking water basins that have suffered damage as a result of war or neglect. To pass on the responsibilities of this agency to delegations and agencies of the Commission in 2009 is a radical step. What I would like the Commission to tell us is whether it only wants to help simplify EU intervention or also wants to meet local needs more effectively

Panagiotis Beglitis (PSE). – (EL) Mr President, I too agree with the previous speakers who said that the Balkan reconstruction agency did indeed play a very important role, not only initially in sending humanitarian aid, but primarily in the reconstruction and strengthening of democratic reforms and in consolidating democratic institutions in the countries of the Western Balkans. This role was strengthened in particular – or I would say legalised – by the decisions taken by the European Council in Thessaloniki in June 2003 to support the European prospects of the Balkans, which support we need to constantly renew with deeds and decisions. Of course, this role became more effective because Thessaloniki was chosen as the agency's headquarters, due to its geographical vicinity and its knowledge of this area.

As we have seen, the agency was created in a difficult period for the Balkans. I fear that this is an equally difficult period today; we are at a dead end in the negotiations on Kosovo and therefore – and I appeal here to Commissioner Rehn – particular care is needed and we need to pass new competences to the local representations of the Commission in the capitals of the Western Balkans at once, so that there is no vacuum. Of course, there is the two-year transitional period, but what we need to secure as of now is for experience and know-how to be passed on from the agency to the local representations of the Commission. I would even say, Commissioner, that you need to be flexible, that you should not be dogmatic, even when it comes to the possibility of negative developments in the Balkans, so that provision is made right now to extend the term of office of the agency in Thessaloniki a little, even to beyond December 2008, depending on local developments.

To close, I would say that the reconstruction process in the Balkans is not a technocratic process. It is, of course, a political process, which is why the European Commission should keep the European Parliament informed. I agree with Mr Kacin that periodic reports should be submitted on the operation of local ...

(The President cut off the speaker)

Józef Pinior (PSE). – (PL) Mr President, the Commission proposes to discontinue the European Agency for Reconstruction, but also to extend it for two years until 31 December 2008, retaining its status and mandate. According to this plan, the Agency and its activities will be gradually phased out and replaced by Commission representations and offices which will be managed by a new financial instrument.

Reform and ensuring proper financial management is of key importance to the European Union. On the other hand, the phasing out of the European Agency for Reconstruction should not follow a rigid schedule, but should be based on political and economic criteria and factors with full use of its potential as regards specialist knowledge and practice. The European Agency for Reconstruction is being closed at a time of key political events concerning the development of the Western Balkans. In eliminating the Agency, the Commission must make provision for securing stability in the region, and for the UN Security Council decision on the status of Kosovo. Securing the role of the European Union in this process should be a primary aim in this.

Justas Vincas Paleckis (PSE). – (LT) While working at the European Parliament, I had the opportunity to visit countries of the former Yugoslavia as well as Albania and witness at first hand how valuable the European perspective is for those countries. The European Agency for Reconstruction has played and continues to play an important role in stabilising the situation and supporting reforms in the region.

As we gradually phase out the activities of the Agency, the economic and political consequences of the elimination of the Agency and the use of the professional experience and knowledge of its staff must be considered. The next few years will be crucial for the West Balkan states on their way to the EU, while some ways of solving the Kosovo problem can once again disrupt not only this region, but much more.

I welcome suggestions of how to strengthen Parliamentary control at this stage of the Agency's operation. The Commission's report should explain whether the delegations and officers of the Commission taking over the task of closing the Agency will be able to properly compensate for this closure.

Olli Rehn, Member of the Commission. *(SV)* Mr President, honourable Members, I would thank Parliament for supporting the Commission's decision gradually to phase out the European Agency for Reconstruction (EAR) by allowing the Agency to discontinue its activities under the CARDS Programme. As the IPA is phased in, we shall obtain the best possible conditions for successfully continuing to support affected countries in the Western Balkans. Many Members have expressed concern about the EU losing expert knowledge. We are keen to retain the expertise we have and are therefore, as far as possible, inviting those staff who now work for the EAR to do the same type of work in the Commission's delegations.

Where Montenegro and Kosovo are concerned, the Commission is in the process of planning a well-structured delegation in Podgorica, Montenegro and a possible upgrading of our liaison office in Priština.

Mr President, I would thank Parliament for its support for our stabilisation and integration policy in the Western Balkans. It is incredibly important that we work together in pursuit of the same goals. I am sure that, together, we can achieve very good results when it comes to stabilising the Western Balkans and integrating them into the European Union.

President. I should like to thank the Commissioner and all the speakers in that debate. I should also like to thank the interpreters for their patience.

The debate is closed.

The vote will take place tomorrow at 11.00.

(The sitting was suspended at 8.50 p.m. and resumed at 9.05 p.m.)

IN THE CHAIR: MR BORRELL FONTELLES

President

18. One-minute speeches (Rule 144)

President. The next item is the one-minute speeches on matters of political importance.

Czesław Adam Siekierski (PPE-DE). – *(PL)* Mr President, for a number of months now, Polish farmers and exporters of farm produce have been unable to export their products to the Russian Federation. In March this year Ukraine became the latest country to ban the import of meat and meat products from Poland. The decision was taken without giving any legal grounds for it. It is surprising that talks between the European Union and the Russian Federation have yielded no results. Perhaps the European Commission does not attach the required importance to matters of trade between Poland and Russia, and gives priority to other interests of the European Union and other countries. For this reason, I again ask the European Commission to do everything it can to have the export ban on Polish agricultural products in Ukraine and Russia lifted. This is a problem that is within the competence of the European Commission, and also within the scope of its responsibility.

Mario Borghezio (NI). – *(IT)* Mr President, ladies and gentlemen, a few hours ago an Internet website linked to Al Qaeda declared a holy war through the Internet, inviting all the Muslim hackers of the world to bombard Christian websites, especially the Pope's. This is, in my opinion, an extremely serious matter and an attack on the fundamental principle of religious freedom.

When the freedom to be able to address the world by means of communication is under attack, especially at the highest level, and aim is taken at a religion, indeed at an entire system of belief, one of the basic

values of the European Union is under attack: the principle of religious freedom. Europe cannot remain silent about this. We are faced with an escalation of actions and initiatives whose purpose is to strike at the basic principles of our freedom. We must defend ourselves from such arrogance and from such a totalitarian escalation of Islamic fundamentalist extremism.

Katalin Lévai (PSE). – (HU) I feel that as a Hungarian MEP, I ought to respond to the sudden international interest in my homeland.

It is my conviction that there is unnecessarily great concern in the European Parliament with internal political struggles, and my Hungarian colleagues in the opposition have brought an atmosphere of Cold War politics into the building. We did not receive our mandate in order to bring the conflicts among our domestic parties onto a European political stage, as this serves only to increase the distance between the European institutions and the citizens of the European Union. It cannot be in anyone's interest to present a biased image of Hungary and to destroy the positive image of the country that we have worked so hard to build up.

If we want the decreasing confidence in the EU and its institutions to be restored, we must transcend petty conflicts of interest and engage in European-style politics to meet the not insignificant challenges that face us. The further enlargement of the Union, offences against human rights, the negative effects of globalisation and the efficient collection and expenditure of EU funds for the development of neglected regions are but a few of these. We have a lot to do.

Marco Pannella (ALDE). – (IT) Mr President, ladies and gentlemen, less than twenty-four hours ago I was in Moscow and, for one moment, was on the point of putting on the MEP's sash while I was among the thousands of people paying their last respects to Anna Politkovskaya. Then I thought that that would offend the gaze of that lady, even though she could not see me, to see our emblem on display.

The journalist Anna Politkovskaya told us what you did not wish to see or hear. On page 6 of today's *Le Monde* we read about people arrested in Moscow because they said: 'Georgians, we are on your side!'. Georgians, not Chechens. The symbols worn by those who were arrested were, moreover, those of the Transnational Radical Party. We, as radicals and liberals, have brought to this Parliament members of the Chechen Government in exile, who came to announce that they had chosen non-violence. Nothing was done about it.

Mr President, allow me to make a suggestion: let us no longer call our buildings 'Schuman' or 'Adenauer'; let us call them 'Daladier' and 'Ollenhauer'. Let us remove these names that we have no right to use ...

(The President cut off the speaker)

Kartika Tamara Liotard (GUE/NGL). – (NL) Mr President, I should like to draw your attention to the poisoning scandal involving the *Probo Koala* in Ivory Coast a few weeks ago, the repercussions of which are as yet incalculable. The ship has, or will soon have, permission to leave Estonia. There is still much uncertainty as to what will happen with the poison and the contaminated crew. My observer, who travelled to Estonia on my behalf, totally agrees with Commissioner Dimas when he says that this is only the tip of the iceberg. Poison of that kind should never have left the EU in the first place. This is a breach of European and international law. Having been denied the opportunity to speak with the crew of the *Probo Koala* on several occasions, despite prior permission, I can only conclude that various authorities are playing a very underhand game with human lives, a game that is not yet over by a long way. The *Probo Emoe* is already appearing over the horizon.

Kinga Gál (PPE-DE). – (HU) As I mentioned at the meeting last week of the Committee on Civil Liberties, Justice and Home Affairs, the greatest and most tangible achievement of the rule of law is precisely citizens' free exercise of political rights. These, of course, are not to be confused with inadmissible violent acts.

For this reason, I wish to draw Parliament's attention to the investigations and the offences requiring investigation which took place in Budapest on the night of 19-20 September, the consequences of which are still being felt to this day, calling into question the effectiveness of the rule of law in Hungary. According to complaints, the police used excessive force on the two days in question, and took disproportionately harsh measures not only against the demonstrators but against young people, including several foreign nationals, who were on the streets. Among those they arrested, punished collectively

and in some cases still continue to detain were some individuals who had absolutely nothing to do with the violent events.

It is important that the use of force to curtail fundamental human rights and in particular personal freedom – such as preliminary arrest and detention – should be used only in cases where they are absolutely convinced that this is truly necessary.

Antonio De Blasio (PPE-DE). – *(HU)* Mr President, the European spirit is under threat in Hungary; we are moving further away from Europe. The socialist Minister of Local Government and Regional Development made a promise to his fellow coalition members last Saturday that he would make the appropriate legislative amendments to ensure that, in future, development funds from the European Union are distributed based on party political considerations.

If this becomes a reality, it would no longer be elected bodies that decide on the use of funds from the EU budget, but rather party political intentions would set the course, thus providing fertile ground for non-transparent, unverifiable spending. This declaration not only endangers Hungary's credibility in the European Union, but also the development of a European spirit in Hungary, which demands that EU funds should serve cohesion and unity among the Hungarian people, based on the realisation of the fundamental principles of democracy.

The remarks by the socialist minister unambiguously point to the fact that the use of EU funds serves the aim of enriching the Hungarian socialist party elite.

Gyula Hegyi (PSE). – Mr President, last Friday the Hungarian Government gained a solid majority in a vote of confidence in the Hungarian Parliament. As a result, our national currency has become stronger, economic prospects are better and Hungary has returned to normal life. There is no general crisis in Budapest. Only our leading opposition party, Fidesz, is in crisis. The elected members of the national parliament lead anti-democratic demonstrations on the streets instead of opposing the government inside the parliament. As far as I know, elected parliamentarians should work in the parliament, not on the street, where extreme-right wrongdoers who were also demonstrating set fire to a building housing a television station.

It would be very wise if the PPE-DE Group could tell its Hungarian members that parliamentary democracy should mean respect for parliament, respect for parliamentary elections and strict borderlines between democratic politics and non-parliamentary extremism.

Marios Matsakis (ALDE). – Mr President, a report recently issued by the United Nations Human Rights Office for Iraq states that the bodies at the Baghdad mortuary often bear signs of horrific torture, including acid burns, excision of eyes and teeth and wounds made by drills and nails. Human rights organisations have repeatedly reported that acts of torture are taking place in the prisons run by the US and British forces and the Iraqi Ministry of Justice and Defence and in prisons controlled by various military factions. The UN Human Rights Office's position is that the level of torture in Iraq today is worse than it was during Saddam Hussein's rule of terror.

The EU, and Parliament in particular, have an obligation to respond appropriately to this UN report. I call upon you, as well as the President of the Commission and the Finnish Presidency, to make a clear statement on the issue as soon as possible.

Bogusław Rogalski (IND/DEM). – *(PL)* Mr President, at last year's confidential session of the Committee on Foreign Affairs on a new partnership agreement with Russia, the PCA, Mr Brok, the chairman of the committee, acted in a scandalous way. Mr Brok reacted brusquely to my question to Mr Mingarelli, whose job was to reassure the new Member States that the planned agreement with Russia would not affect their energy security, and that the agreement would not be concluded in the manner of the agreement on building the northern pipeline, in other words that it would not protect exclusively German interests. In a raised voice he replied that it was the kind of question that might be raised at an election rally in his country and rejected it without giving the speaker a chance to reply. Leaving aside the fact that the reaction itself was quite arrogant and supercilious, Mr Brok allowed the principles of parliamentary democracy, which is based on pluralism of views and freedom of expression by MEPs, to be violated. His behaviour showed extreme bias in the running of the committee towards securing the sanctity of German-Russian relations.

I ask the President to respond to this and to explain the behaviour of Mr Brok in his discrimination against MEPs from the new Member States.

Marie Anne Isler Béguin (Verts/ALE). – (FR) Mr President, one event chases away another. Nonetheless we are now witnessing live the escalation of violations of the rules of international law perpetrated by Russia against Georgia: the granting of Russian citizenship to the people of South Ossetia and Abkhazia, the rejection of the peace plan proposed by Georgia to settle the conflicts with the separatist regions and the closure of the two border crossing points. Tension has further increased following the arrest of Russian spies by Georgia, with reprisals from Moscow which has hunted down Georgians and is trying to economically strangle its neighbour by unilaterally introducing sanctions blocking trade between Russia and Georgia. Finally, by giving the impression that Russia would recognise the separatist regions, South Ossetia and Abkhazia, if Kosovo gained its independence, Mr Putin makes the resolution of the conflict even more remote. The list is long and the Georgians are utterly exasperated.

Faced with this situation on the brink of explosion, the European Union has a crucial role to play in bringing the sides, and especially Russia on the occasion of European Union/Russia negotiations, to the negotiating table to find a solution and put an end to this latent conflict in the Southern Caucasus. The Neighbourhood Policy allows us this; military action would be a total failure of our policies.

Carlo Fatuzzo (PPE-DE). – (IT) Mr President, ladies and gentlemen, EUR 10 billion is the sum that the Italian Government has concealed and written off from its debts in presenting the national budget for 2007. I thank you warmly for having given me the floor to make it known, through this Parliament, especially to the Commission, that the budget that has reached you from the Italian Government lacks a debit entry of EUR 10 billion.

To whom is this debit owed? To the Italian pensioners who have worked in Switzerland and are awaiting this payment of EUR 10 billion, which the Italian Government has no intention of paying and – what is worse – which they have deleted from the budget. No one knows that there is a debit item of EUR 10 billion in the Italian national budget. I hope that, from today, it will be known to everyone.

Toomas Savi (ALDE). – (ET) Mr President, last Saturday, Russia was once again the scene of a political murder. The first few years of the 21st century have clearly demonstrated that in Russia the right to express the truth is a taboo for which people must all too often pay the ultimate price – their lives.

Political foul play has become a part of everyday life in Russia, and unfortunately we too must come to terms with this. Anna Politkovskaya's struggle for democracy, human rights and freedom of expression is the best thing that could have been done in the interests of tomorrow's Russia and a better Europe.

Ladies and gentlemen, I sincerely believe and hope that Parliament and the unofficial meeting of the Heads of State or Government at the informal dinner to be held in Lahti on 20 October will be able to exert sufficient pressure on President Putin to ensure that the truth of this terrible injustice is revealed as soon as possible, and that all those who participated in it are brought to justice.

Leopold Józef Rutowicz (NI). – (PL) Mr President, I would like to raise the issue of water shortages, which is becoming an important matter for many citizens of Europe.

Water is necessary for life and for economic activity. Unfortunately, the constant increase in temperatures in the 25 Member States (by 0.2°C over 10 years) and a reduction in precipitation in many regions have made access to water increasingly difficult for many citizens, leading to losses in agriculture and problems in manufacturing. The water situation is rapidly deteriorating, while investments in renewing water resources and water conservation are a long-term, costly process. This makes it necessary to organise training and the exchange of experience, and to popularise best practice and methods for the rational use of water and water conservation. Economic activities should also be redirected towards rationalising the water situation in all areas of the economy. Water shortages could become a barrier to agricultural production, and in particular to the production of raw materials for biofuels, whose supply is not a problem. The water situation must be constantly monitored, and Parliament needs to be kept regularly informed ...

(The President cut off the speaker.)

Danutė Budreikaitė (ALDE). – (LT) While travelling to the Women's Basketball World Championships, the Lithuanian basketball players ended up stuck in French Guiana on their way to Brazil and were

unable to depart for four days. Brazil refused to admit anyone who was not vaccinated against yellow fever.

After subsequent vaccination and the verbal assurances of the Minister of Health of Brazil that everything would be all right, the Lithuanian team finally reached Belen in Brazil by chartered aeroplane. However, they were rudely forced back onto the plane by immigration officers and sent back to Cayenne.

Only the Lithuanian basketball players received such treatment. Other Europeans who were vaccinated at the same time were admitted to Belen. Brazilian officers made it clear that German players would face no problems in this situation.

Why is Lithuania subject to double standards, as if it were not a European Union Member State? It would appear necessary to allocate more funding for raising awareness about the new EU countries, not only within the EU, but also abroad.

Laima Liucija Andrikienė (PPE-DE). – *(LT)* Can a mouse really scare an elephant? It would appear so, and the current crisis in relations between Russia and Georgia is evidence of this.

The European Union has a choice of how to react to events in its neighbourhood: it can just make a statement or get actively involved in the peaceful settlement of this conflict.

I welcome the participation of Mr De Gucht, the Belgian Minister for Foreign Affairs, in handing over the Russian officers to Russia and his statement made on behalf of the EU. However, this is still not enough.

I believe that, if Russia is considering the possibility of military action in resolving the conflict with Georgia, the European Union must make every effort to immediately stop the deportation of Georgians from Russia and the compiling of lists of pupils from Moscow schools with Georgian family names, as this reminds us of the policy of Nazi Germany and the deportation of citizens of Jewish nationality.

During the deportations following the Soviet occupation, my parents were transported to Siberia in wagons for animals. Now the means of transport have changed: Georgians are deported from Moscow in planes used for the transport of cargo. Such acts and such a policy cannot be allowed to continue.

Lidia Joanna Geringer de Oedenberg (PSE). – *(PL)* Mr President, in May this year we adopted at second reading the Regulation of the European Parliament and of the Council on nutrition and health claims made on foods, which states that as of 1 January 2007 European law will make food producers responsible for placing accurate information regarding the properties of food products on packaging. This means in practice that all the health benefits of products must be confirmed by independent laboratories.

Unfortunately these regulations will only superficially benefit consumers. Also, the EU regulation may eliminate the products of small and medium-sized companies who will be unable to afford tests of the same standard as wealthy European firms. In effect, consumers will have less and less choice and will be unable to make informed purchases, and they will still not know what they are actually buying. The destructive mechanism of such competition could be restricted by licensing the right to issue recommendatory health symbols, and creating a uniform system of recognising healthy products. It is also essential to give special support to small and medium-sized enterprises, whose products are often of higher quality than the products of large companies on our common market.

Andrzej Tomasz Zapalowski (IND/DEM). – *(PL)* Mr President, the Republic of Lithuania gained independence just over a decade ago. This fact was celebrated by all of democratic Europe. Lithuania immediately started to introduce social and economic reforms, the aim of which was to eliminate the remains of Soviet occupation. An important role in achieving independence was played by the large Polish minority (10% of the total population), which has for centuries inhabited the areas around the capital Vilnius. However, although many years have gone by since the end of Soviet rule, the Lithuanian authorities have so far failed to return to the Poles the land that was confiscated from them by the occupying forces. And despite numerous agreements, Lithuania has refused to allow Polish names to be written in their Polish spelling, insisting that they be written in Lithuanian. These activities are a blatant breach of European regulations on national and ethnic minorities in EU Member States.

Oldřich Vlasák (PPE-DE). – *(CS)* Mr President, ladies and gentlemen, I should like, if I may, to draw the Chamber's attention to a serious problem facing the Czech Republic as regards drawing on cohesion

funds for modernising the waste-water sector. In order for us to honour our obligations under the directive on waste-water treatment, we will have to invest over EUR 4 million by 2010, more than 10% of our annual national budget. We agree, of course, that this cannot be done without EU subsidies. I therefore fail to understand how it is possible that in the Commission there are projects aimed at bringing clean water to Czech towns that have been lying untouched for a year and a half. These are projects put forward by our water companies based on an operational model that is in line with Community law, and yet Commission officials, acting on the basis of personal whim, refuse to authorise them and try instead to dictate to us, the elected representatives of these towns, what sort of contracts we should be signing and how we should be solving the problems of the water sector. Let us not forget that the Czech Republic is in the heart of Europe and that the main European rivers rise there and flow into neighbouring countries. This is therefore not only a Czech problem, but also a European one.

Marco Cappato (ALDE). – *(IT)* Mr President, ladies and gentlemen, I have emphasised the untimeliness of the statement by Mr Barroso, President of the Commission, before the vote in Parliament on the Eurlings report on Turkey, since Mr Barroso influenced the vote with his negative observations, aimed at ruling out Turkey's prospects of membership. Furthermore, given the subsequent comments by Mr Rehn and Mr Verheugen, one must think that Mr Barroso was lacking in foresight concerning not only our Parliament but also the Commission itself.

I wish to express my full support for Mr Verheugen's statement, which confirmed the objective of full membership of the European Union for Turkey and emphasised that it is in our interests to have a Turkey that is linked to the West: that is, a democratic Turkey governed by the rule of law, which respects human rights and protects the rights of minorities. This, in my opinion, is the objective that we must keep in view: a European Union that is capable of promoting democracy and the rule of law and – please allow me to say this, Mr President – a European Union that should have had the courage to send representatives of Parliament, the Commission and the Council to the funeral of Anna Politkovskaya, something that, in the event, it did not do.

Nils Lundgren (IND/DEM). – *(SV)* Mr President, you recently contended that the historic dimension possessed by the EU seat in Strasbourg cannot be viewed in the same way by certain Nordic countries that did not participate in the Second World War. The people of the Nordic region did not suffer enough during the Second World War to be able to understand the symbolic value of having the European Parliament in Strasbourg. Thus, Nordic criticism of the European Parliament's expensive commute to Strasbourg can be dismissed.

Your statement was, of course, entirely erroneous from an historical point of view – Finland, Norway and Denmark were, in fact, involved in the Second World War – but it is also remarkable in another respect, in that the President of the European Parliament is entirely serious in believing that we should not listen to views on the sites at which the European Parliament sits if such views are expressed by citizens and MEPs from countries that did not take part in the Second World War. This is a grotesque idea, the only redeeming feature of which is that we thus need not listen to the President either, as Spain was also a non-combatant country in the Second World War. This line of thought is unreasonable. The peoples of Ireland, Portugal, Spain and Sweden today have as much right to be heard in the current debate as those of other countries. It is scandalous that the person entrusted to be the President of the European Parliament should have such poor judgment as to consider himself entitled to tell us whom we should listen to and whom we should try to silence.

(The President cut off the speaker)

President. Thank you very much, Mr Lundgren. I wonder whether you have had time to read the letter that I wrote in response to the letter sent to me by several Members, and which you will have received. Have you read it? If you have, I do not understand your question. You are still saying things that are entirely false.

In that letter I explained to everybody what I said. What I said is nothing like what you claim I have said. In that letter, I explain clearly that I merely pointed out that some countries may be influenced in their points of view by the fact that, during their history, they did not take part in the world war. That is in no way intended to imply that some countries have no right to express an opinion. It does not mean that their opinion should not be heard. I simply say that they have different opinions and that one of the reasons for that may be that they have different histories.

Why do you say that the President of Parliament is denying anybody the right to express an opinion? Do you imagine that I am stupid enough to deny any European citizen the right to express an opinion because of their country's history?

Of course everybody has the right to express their opinion. I simply say that opinions may vary for differing historical reasons. Quite frankly, I do not understand why we are having such an absurd debate about a misinterpretation of my words that you, I regret to say, are persisting with.

Árpád Duka-Zólyomi (PPE-DE). – (HU) It is unfortunate that the question of the conflict between Georgia and Russia, and a debate on these unusually disturbing tensions is not on the agenda. This would be a very opportune time for such a discussion.

Things are happening in the Caucasus that may seem astonishing at first glance, but in reality are the natural consequences of a decade and a half of Russian–Georgian relations. The retaliation and punishment following the discovery of a group of Russian spies reflect a warlike situation. It is unacceptable that the Russians should expel Georgian citizens from the country on the basis of their ethnic identity. We are faced with a violation of human and civil rights and freedoms. It is obvious that the Russian Federation cannot accept that it has lost its influence over the Georgian Republic. It finds this hard to bear, as it feels its identity as a great power threatened.

The Council, the Commission and Parliament have a great responsibility. They need to intervene more decisively and negotiate with the Russians. First of all, we need to establish what the territorial integrity of Georgia means, for at present this is understood in several different ways. It is only through peaceful means that a solution can be found, and we must avoid the outbreak of another armed conflict in the region.

Marian Harkin (ALDE). – Mr President, I wish to raise the European perspective of the proposed takeover of Aer Lingus by Ryanair. Until recently, Aer Lingus was the Irish national carrier and in state ownership. It was in a healthy economic situation but needed to raise finance to renew its fleet. The Irish Government said that the EU would not permit any state investment in the airline, which is news to me. As I understand it, a state has flexibility in investing in airlines if in fact they are in a healthy economic position – as indeed Aer Lingus was. This is another example of the ‘blame Brussels’ mentality, whereby a national government can explain its own actions by saying, ‘the EU will not allow that’, when that is not necessarily the case. However, that is history, and we now have Aer Lingus being targeted in a takeover bid by its main rival, Ryanair.

In a way it is ironic that on the one hand we blame the EU for the current situation when in fact no blame attaches, while on the other hand we will undoubtedly make a case to the Commission’s DG Competition to block the takeover, to save us from our own actions and to protect us from the consequences of those actions.

Pedro Guerreiro (GUE/NGL). – (PT) Mr President, I should like to take this opportunity to salute Portuguese workers and their union confederation, the CGT-IN, who will be holding a general day of protest tomorrow, 12 October, against the right-wing policies pursued in Portugal. Among other issues, the Portuguese workers are fighting against the government’s social security proposals aimed at raising the retirement age and at reducing pensions; they are fighting to protect and increase domestic manufacturing, to create jobs with associated rights, to defend public services and public administration designed to serve the citizens; and they are fighting for the right to collective contracts, for higher wages and for the fair distribution of wealth.

I wish to say a final word, Mr President, on the European Court of Justice’s recent ruling on the Cadman case regarding maternity/paternity leave and salary calculations. In my view, it is utterly unacceptable that this could be seen as, and used for the purpose of, bringing into question the principle of ‘equal pay for equal work’, which is enshrined in Article 59 of the Constitution of the Republic of Portugal.

Milan Gaľa (PPE-DE). – (SK) Last June the European Commission developed a proposal envisaging a reduction in land areas taken up by vineyards in the European Union. The losses and consequences resulting from this reduction would be offset through a package of direct agricultural payments totalling EUR 2.4 billion. This proposal would affect nearly 12% of the total surface area of vineyards, in other words approximately 4 000 hectares tended by about one and a half million viticulturists. This step could entirely undermine wine production in Slovakia, which has experienced substantial growth over

the past few years, especially in terms of wine quality; in addition, this comes at a time when Slovak wines are becoming increasingly competitive in European Union markets.

The Commission's proposal also prohibits the use of added sugar in producing certain types of wine, although in my country this procedure is traditional, as the vines cultivated in Slovakia are characterised by higher acidity, which is typical for the region. I am not questioning the need for reform in the European wine market, but I believe we should look to other solutions.

Gerard Batten (IND/DEM). – Mr President, next week a LIBE Committee delegation will visit Algeria. However, one of the Algerian visa requirements is the absence of an Israeli visa passport stamp. Mr Gaubert noticed this and was rightly appalled at this blatant anti-Semitism. He demanded an explanation. The matter was referred to you, Mr President, and you were asked to make representations to the Algerians. I understand that you refused to do so, saying it was a matter for individual MEPs. Mr Gaubert has quite rightly refused to go on the trip.

This raises two important issues. First, why has the European Union sent almost one billion euro to Algeria since 1996, when that country is implementing a blatantly anti-Semitic policy? The EU should stop these payments immediately.

The second issue is the apparent dereliction of duty by you, Mr President, when you could have made a stand against Algeria's anti-Semitism, backed by the weight of your office. Please reconsider and rectify this situation.

President. The truth is that I do not know what you are referring to, Mr Batten, but you are welcome to clarify what you have said to me. If you would be kind enough to give me the details, I will be able to ascertain whether or not I have acted correctly and, if necessary, I will put things right.

I am happy for you to explain your point further.

Witold Tomczak (IND/DEM). – *(PL)* Mr President, today's debate about the soft fruit sector gives rise to the hope that the two years of attempts to change the organisation of the fruit and vegetable market are now beginning to take effect. Is it not strange that the Member State that supplies 90% of the EU's frozen strawberries had to wait so long for a decision to introduce protective customs tariffs? Many Polish farmers have incurred huge losses in the past few years while waiting for an end to Chinese dumping on the market. Nobody will compensate them for these losses. But the fruit and vegetable market is not confined just to strawberries. The 18 main produce types introduced by the new Member States are an issue that has still not been regulated. These include above all cooking apples. Polish apple growers will soon be protesting against the low prices offered by the processing industry.

Parliament has spent two years attempting to regulate this sector of the fruit and vegetable market, so far to no avail. Suffice it to say that apples are the main fruit in the European Union as regards harvesting (they account for 32% of all fruit harvested), while the EU is also a major importer of this fruit. How much longer will we have to wait for this and other segments of the fruit and vegetable market to be regulated as promised in the European Parliament's resolution on simplification of the common market organisation in fruit and vegetables of 11 May 2005? Will this vote be honoured by the European Commission?

President. A member of the secretariat will speak to Mr Batten so that he can explain the point he has made with regard to relations with Algeria and the President's compliance with his duties.

That concludes this item.

IN THE CHAIR: MR COCILOVO

Vice-President

19. The protection and welfare of animals 2006-2010 (debate)

President. The next item is the report (A6-0290/2006) by Mrs Jeggle, on behalf of the Committee on Agriculture and Rural Development, on the protection and welfare of animals in the period 2006 to 2010 (2006/2046(INI)).

Elisabeth Jeggle (PPE-DE), rapporteur. – (DE) Mr President, Commissioner, ladies and gentlemen, on 23 January 2006, the Commission presented its Communication on a Community Action Plan on the Protection and Welfare of Animals 2006–2010.

The report I drew up on this Communication as rapporteur for this House was adopted unanimously by the Committee on Agriculture and Rural Development on 12 September. The objective of the Action Plan on the Protection and Welfare of Animals is to bring together Community activities previously spread across different Commission services, councils and policy areas and to structure them in accordance with uniform guidelines.

Animal protection is an emotional, extremely politically sensitive issue. Such protection – appropriate to the specific needs and requirements of the respective animals – should be a matter of course in our civil society. On this basis, it is important to me as rapporteur that we establish a uniform level of animal protection in the EU. The Commission has emphasised time and again that the EU's animal-protection standards, which are already high and are set to be improved still further, are an example to the world. A large majority in the committee supported my emphasis on the need for precise impact assessments in the case of all legislative measures on animal protection. In addition, it is only consistent to demand these high animal-protection standards in negotiations with the WTO and in bilateral agreements.

Genuine animal protection cannot be restricted to farmed animals and animals used in experiments, but must cover all animals. In addition, the progress that has been made must be taken into account. Many of my fellow Members, and many people who have written to me, are particularly concerned about animals used in experiments. The scientific research sector has significantly stepped up its efforts to protect animals in recent years, however. A large number of alternatives to animal testing have been developed in order to translate the 3Rs principle into practice. Even though there is still a long way to go on this, I do think that we are moving in the right direction. The report supports endeavours to replace animal testing with alternative methods on the basis of further research. For this reason, we are making consistent calls for resources to be made available under the Seventh Research Framework Programme, too. Precise scientifically based animal-protection indicators are the most reliable basis for the further development of viable animal protection.

This baseline report for the 2006–2010 period is not intended to detail any specific individual measures. We do not support any amendments calling for the non-binding application of voluntary animal-protection standards at national level. The report makes an emphatic call for proper application and enforcement of the existing rules on animal protection, for example in the field of animal transport. We welcome the proposed ban on imports of cat and dog fur and call for decisive action to restrict the trade in seal products. The need for accession countries to adapt their legislation as a matter of urgency has been emphasised. In addition, we strongly support a simple, compulsory 'EU label' for animal protection.

There are 14 amendments. We support Amendments 2, 3, 4, 5, 6, 7, 8, 12 and 14 but cannot support Amendments 1, 9, 10 or 13. We have requested split voting on paragraphs 5, 7a, 29, 54 and 71.

To the Commissioner I would say that Commissioner Kyprianou is currently in Brazil, where I am sure he will praise European animal-protection standards. I hope that he will also speak about the deficiencies in agricultural products imported into the EU from Brazil that have been detected once again by the EU Food and Veterinary Office. European agriculture and European consumers suffer as a result of distortions of competition. The European animal protection standards that are being called for must also have a positive impact on our competitiveness. I am much obliged to the Commissioner, and I am obliged to all my fellow Members for their constructive cooperation.

Neelie Kroes, Member of the Commission. Mr President, with regard to the Community Action Plan on the Protection and Welfare of Animals, I am grateful for all the hard work done by the members of the committees concerned. Let me acknowledge in particular the efforts of Mrs Jeggle on this important initiative.

Animal welfare is a subject of major concern for EU citizens, stakeholders and Members of Parliament. They have all been very vocal in calling for higher standards of protection for animals, not just in the EU but worldwide. The Commission is working hard and with some success to develop a greater international consensus on animal welfare. For instance, we have been instrumental in the development of animal welfare standards by the World Organisation for Animal Health. We should remember that the issue is not restricted to farm animals, but also extends to experimental, zoo, circus and wild animals.

The action plan seeks to promote a broad-based approach to animal welfare involving all stakeholders, so that everyone plays their part. It is not just a matter for farmers or animal handlers: scientists, industry, citizens and governments all have a role to play. Moreover, it is an area which can render sectors of the EU economy more competitive, and the proposed establishment of a European information platform would facilitate an open dialogue and a sharing of expertise and experience.

There are also strong links with other Community policies, for example the Lisbon Strategy for growth and employment, the principle of better regulation and paying proper attention to the scientific, social and economic principles underpinning Community policies. As highlighted in Parliament's report and in the Austrian Presidency's conclusions, more research is needed to address current knowledge gaps and strengthen the scientific basis for our policies. In particular, the development and validation of objective science-based animal welfare indicators are key to the successful implementation of the action plan. This work could be improved by the establishment of a Community centre for the protection and welfare of animals. The Commission needs and intends to consult widely during the coming months, including with Member States and stakeholders, on the expectations for such a centre.

In implementing the action plan, the Commission is keen to ensure that policies are developed and implemented in a more coherent and consistent manner, respecting our clear obligations under the protocol to the EC Treaty.

Animal welfare is an issue of major importance for EU citizens and I very much welcome Parliament's positive attitude towards our initiative. The Commission will pay close attention to the aspects highlighted in Parliament's report, and I am sure we will return to the action plan many times during the course of its implementation. I look forward to Parliament's future support for the initiatives necessary to follow the strategy laid out in the plan.

Jens Holm (GUE/NGL), *draftsman of the opinion of the Committee on the Environment, Public Health and Food Safety*. – (SV) Mr President, Commissioner, ladies and gentlemen, every day, millions of animals suffer, be it in the meat industry's animal factories, in European slaughterhouses or in the course of transport or painful animal experiments. We now have the opportunity to make practical improvements to the conditions experienced by these animals.

I am speaking on behalf of the Committee on the Environment, Public Health and Food Safety. It was my predecessor, Mr Sjöstedt, who was responsible for the matter with which we are dealing. In the opinion we have drafted, we demand, for example, that animals should have the right to natural behaviour, that the overproduction of meat should be prevented, that all hens should be entitled to range freely by 2016 at the latest, that sows should have the right to roam freely throughout their life cycle and that a maximum time limit of eight hours should be introduced for the transport of animals. Therefore, it is, unfortunately, with disappointment that I am forced to note that Mrs Jeggle's report does not pay heed to any of these demands.

It is thus important for us to influence this report as much as possible. The Confederal Group of the European United Left/Nordic Green Left has requested a split vote on those points we think make the value of animals dependent on commercial considerations. If Mrs Jeggle's report is adopted, animal protection will only become something worth aiming for if it is not in conflict with the WTO and commercial interests. That is how matters actually stand, but we cannot have them remain like that. Animals have value irrespective of changes in competitiveness.

What is important is that we in Europe take the initiative and become competitive through higher standards and better animal protection. I would therefore call on you to vote down the wordings in recital G and in paragraphs 51, 52, 53 and 59. I would also call on you to vote in favour of, for example, Amendments 11 and 12, now happily also supported by Mrs Jeggle. If you vote in this way, we can finally obtain an action plan that makes life much better for the hundreds of millions of animals in the EU. That is something that animals deserve.

Agnes Schierhuber, *on behalf of the PPE-DE Group*. – (DE) Mr President, Mr President of the Commission, Commissioner, ladies and gentlemen, I should like to start by thanking the rapporteur, Mrs Jeggle, for this sound, objective, professional report. It is well known that Austria, my home country, has a national animal protection act that is among the most modern in Europe. I am delighted that this report has borrowed heavily from the Austrian Federal Act on the Protection of Animals, which is really very practicable and is concerned with keeping animals in conditions appropriate to the respective species.

This whole matter has been very difficult, as the European public is rightly concerned about this issue. After all, the welfare of all animals must be taken into account. For this reason, I am very disappointed that the previous speaker still refers only to animals for breeding and production, not to all animals. All animals are living beings, and all have a right to be kept in conditions appropriate to their species, be it in zoos or homes or as pets. Being a farmer who ran a farm for more than 30 years and kept animals there, I of all people know how important it is that animals be kept in conditions appropriate to their species. The way animals are kept and fed has a particularly strong influence on the quality of the product, of the foodstuff they go to produce. Accordingly, on the basis of my knowledge and day-to-day experiences, I hold this report in very high regard.

I am also delighted that this report mentions animal protection with regard to the WTO, and particularly to imports from third countries. After all, it has to be made quite clear that, unless we succeed in making the breeding and keeping of all animals – be they from the EU or imported from third countries – subject to the same rules, there will be no benefit to European farmers, European animals or even European consumers, as production methods will simply not be as desired.

All animals are living beings, as I have already said, and that is why I should like, in retrospect, to thank Mrs Jeggle most sincerely once more for her report.

Marc Tarabella, *on behalf of the PSE Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, I would like first of all to thank Mrs Jeggle for her excellent report. We are going to vote tomorrow on this report, which is the result of long labours, and I am delighted at the common position that we have reached. I wish, however, to remind you of three fundamental issues, which are, actually, in the report and that I would like to bring to the fore.

Firstly, I would like to stress the need to speed up the development, validation and approval of alternatives to testing on animals. We must give ourselves the financial and logistical means to find other methods that make it possible to avoid these tests. We must also limit and strictly regulate these tests in cases where an alternative is not yet possible.

Secondly, we must not forget that improving animal welfare results mainly in increased production costs for European producers. I wish to stress, therefore, the need to validate their efforts through labelling and through information campaigns to explain the reason for a price difference. European producers must not be penalised because they respect the demands of the European Union and improve our food and, for their part, consumers need to know that the price increases result from an improvement in that food. Thanks to the creation of a European label and to the organisation of appropriate marketing and information campaigns, consumers will be able to identify those goods produced with particular regard for animal welfare.

Thirdly, animal welfare must not be a European value only. The measures that we are adopting within the European Union must also be respected in all those countries from which we import meat. This is vital on both economic and quality grounds. The European Commission must do its utmost, with the help of international organisations such as the Council of Europe or the World Organisation for Animal Health, to make the WTO give more attention to animal welfare and to upward harmonisation of measures relating to it. In the long term, clearly the aim must be to reach a level of protection for animals that is as high and as uniform as possible on the global scale.

Karin Resetarits, *on behalf of the ALDE Group*. – (DE) Mr President, Commissioner, Mrs Jeggle, ladies and gentlemen, the Jeggle report contains many aspects necessary and urgent in order to take forward animal protection throughout Europe. We in the Group of the Alliance of Liberals and Democrats for Europe give priority to all tests aiming to promote informed purchasing decisions by consumers. After all, in free-market consumer societies, the consumer is king. He or she decides whether our chickens lie on straw bedding or are chained to iron bars before they disappear down our throats as Chicken McNuggets; whether our pigs are pumped full of medicines to enable them to survive the torments of their short lives; or whether stray cats and dogs are skinned to make stylish trimmings for winter coats.

Consumers have the power to determine whether to boost and support those farmers in Europe to whom animal protection, keeping animals in conditions appropriate to their species and healthy foodstuffs are important, or whether to force our farmers to participate in global dumping, with rock-bottom standards and prices. I am convinced that the majority of well-informed, enlightened consumers would never buy a product that had suffered agonising torment before ending up on the shelves. Human beings have a

tendency to bury their heads in the sand. They prefer not to admit the reality of such sad things as animal suffering when they put a joint in the oven.

It is our political duty to ensure that consumers are informed about the real conditions of production. We politicians must spread our knowledge. The power of advice on packaging is demonstrated by the warnings on cigarette packs. The Jeggle report calls for a labelling programme to resolve the difficulties consumers have in recognising products that have taken particular account of animal protection. I would make an appeal for us to be courageous in this regard. The consumer should also be able to tell what has been produced at the cost of appalling animal suffering. In this case, the consumer would certainly not reach for the cheap goods, but opt for a somewhat dearer product that would show his credentials as a animal lover. We Europeans are much too defensive in this respect.

Let us not be intimidated by cheap competition from third countries: we cannot possibly produce as cheaply as they do in any case. Let us put our trust in the ever growing community of consumers who make conscious decisions when choosing what to buy and opt for products that guarantee animals are treated with respect.

Friedrich-Wilhelm Graefe zu Baringdorf, *on behalf of the Verts/ALE Group*. – (DE) Mr President, I should like to express my respect to Mrs Jeggle for her work. It was not a straightforward job, and there are still some inconsistencies to be found, but, on the whole, the line it takes is the right one – Mrs Jeggle is not to blame for the inconsistencies. I agree with her that our high animal-protection standards must be an example to the world. This is particularly applicable since we have not made a particularly good impression as a cultural area in recent years. I am thinking here of BSE, of dioxins, of the culls as a result of foot-and-mouth disease, of the millions of animals destroyed and burned on pyres – that was not a glorious chapter to show the world. For this reason, it is important that we adopt a new line in this regard.

There is also a sales argument that needs to be taken into account when dealing directly with consumers. If there is someone who objects to chickens being kept in cages, you can say anything you like, but what he wants is a free-range egg – he has no appetite for the alternative when he thinks about the chicken. There must be market orientation according to considerations of animal protection, therefore; but we must also realise that animal protection entails costs. When we are dealing with anonymous markets – which is usually the case with imports from third countries – we must have qualified external protection to ensure that our standards are not circumvented, because this will be expressed in the price. I would say to Mrs Jeggle that the same applies within Europe, of course. If we do not ensure the implementation of animal protection standards in production, distortions of competition will occur within Europe, too. Consequently, we must consider including animal protection in cross-compliance, so that there are disincentives for businesses to violate animal protection standards in the form of not only certain penalties, but also financial losses – for example, deductions from premiums.

Kartika Tamara Liotard, *on behalf of the GUE/NGL Group*. – (NL) Mr President, first of all, let me say that I warmly welcome the animal welfare action plan. What I very much regret, though, is that this sort of thing should be needed in the first place. The way in which people treat animals often reveals their true nature, an image that is still not always that agreeable. It is still too often the case that animals are treated as commodities, with economic gain being more important than their well-being. I think that this report can at least put an end to a number of diabolical practices to which animals are subjected. The report includes something for which I have campaigned for a very long time, namely a ban on the practice of castrating piglets without any anaesthetic, which is not satisfactory for piglets or farmers. The fact that more active support is being demanded for research to replace animal tests by alternative test methods is a great improvement for many animals. Needless to say, I have many other ideas about animal protection that are more far-reaching, for example many more free-range cattle, the prevention of bull fighting, stopping the stuffing of geese with food to enlarge their livers, the banning of battery cages and far shorter transport times for animals, and I could go on for a while. It is unfortunate that a number of sound amendments tabled by the Committee on the Environment, Public Health and Food Safety have been voted out by the Committee on Agriculture and Rural Development. I should like to point out that animal welfare is certainly not just about agricultural animals; pets and wild animals should also fall within the scope of the action plan. I would call on everyone to let their compassionate hearts speak tomorrow in respect of our fellow creatures and give their full backing to more far-reaching amendments in favour of animals. We should demonstrate that we in this House do not behave like animals ourselves, but vote with their interests in mind.

Janusz Wojciechowski, *on behalf of the UEN Group*. – (PL) Mr President, the protection and welfare of animals is a challenge to human culture and civilisation in the 21st century. I am very pleased that my amendment expressing this idea was adopted for the draft resolution.

Mahatma Gandhi once said that civilisation in a society can be gauged by the way it treats its animals. In 21st century Europe there is no place for cruelty to animals. It degrades our humanity, and there is no place for that. It is just a small step from cruelty to animals to cruelty to humans. The protection of animals should not be expressed in monetary terms, because our civilisation cannot be expressed in monetary terms. Animals should be protected from cruelty regardless of cost, but under one condition: that we apply the conditions of the European Union to all those who export their animal products to the European market.

Andrzej Tomasz Zapalowski, *on behalf of the IND/DEM Group*. – (PL) Mr President, the question of maintaining adequate standards of protection for animals in the EU Member States, and the resulting production of suitable food for consumers, is of great importance. For this reason everything must be done to ensure that only food of a high standard enters the common market. Strict measures must be taken to limit the import of products if there is any suspicion that European livestock farming standards have not been applied to them. Simply increasing taxes on unfair exporters will not bring any results.

I would like to point out that to date it has not been possible for the Community to enforce respect for human rights, let alone animal rights. A large amount of food is exported into the European market from such countries. I would also like to say that small and family farms have traditionally treated their animals humanely, and it is large factory farms that diverge from these standards. Distortions have also arisen in relation to the issue of guidelines on the slaughter of animals. It is a serious mistake to prohibit the slaughter of animals for own consumption on family farms. This is a tradition which goes back centuries, and the farmers make sure that the animals are slaughtered in appropriate conditions.

Andreas Mölzer (NI). – (DE) Mr President, as we know, a fair amount has happened since animal protection as a concept was born as a result of increasingly mechanised animal breeding in the 19th century. The Action Plan now under discussion is certainly a further important step in the right direction.

As we know, the EU expressed its concern about dog, bull and cock fighting back in 2003 – and I am pleased to note that this is also reflected in the present document. Strangely, however, fox-hunting has been overlooked. Action is also needed, in my view, in the field of wild birds, as the EU still permits hunting of species whose populations have been declining for centuries.

In my view, it is also particularly important to change our system of farming subsidies at long last so that, instead of benefiting mainly large landowners, they reward the practice of keeping animals in conditions appropriate to their species, one in which the countless smallholders set an example.

Finally, the abolition of export subsidies for animal transport would not only show more compassion for animals, but also protect the environment and help the people who suffer as a result of transit traffic.

María del Pilar Ayuso González (PPE-DE). – (ES) Mr President, Commissioner, I must congratulate the Commission on this proposal, and in particular I must congratulate Mrs Jeggler on this wonderful report and the great work that she has done.

I simply wished to draw attention to paragraph 71. This paragraph calls for an end to dog, bull and cock fighting. When it talks about fighting by bulls, it is clearly talking about bullfights. To treat bullfights in the same way as dogfights and cockfights makes no sense whatsoever. Firstly, because bulls do not fight each other; it is not an animal fighting another animal; it is a very noble fight by a man against a bull, and sometimes it is the man who dies, or is often wounded. Furthermore, it is a tradition and a culture in our country. Maybe some people do not understand this, but the bull and bullfighting are very important for us, the Spanish. I would ask that people have as much respect for the traditions of my country as I have for those of other countries. Thank you very much.

The bull contributes to the maintenance of pastures, it contributes to the protection of the environment and it contributes to rural development. Furthermore, of the bovine animals, it is the bull that has the best life; since we are talking about animal welfare, it should be pointed out that bulls are very well fed, they live in the open air, they run around in the way that animals like to do, and in the end they die

fighting using their own defences. The bullfight is much nobler than hunting, where at the end of the day the animal dies without being able to defend itself.

I would like to thank Mrs Jeggle and the whole of my political group, which has understood this and is going to ask that that word be removed from that paragraph.

Rosa Miguélez Ramos (PSE). – (ES) Mr President, animal welfare, which has been included in the CAP since the last reform, is already an achievement for European agriculture, though, according to the results of the special Eurobarometer carried out in 2005 on this issue, Europeans are unaware of the efforts being made by our producers and do not therefore appreciate them, despite the fact that we have the most protective legislation. The European Commission has already accepted that consumers need to be better informed on this issue if we want the efforts made by our farmers to be appreciated.

This high level of protection has a high economic price, however, which may reduce the competitiveness of our agri-food industry. We need systematic impact studies that analyse the social and economic consequences of any new legislation and reliable scientific analyses that reflect the diversity of situations within the European Union and provide objective indicators of animal welfare and coherence with the Union's other policies and, in particular, with the Lisbon Strategy and with competitiveness and employment.

There are therefore five fundamental aspects: improving communication with society, rigorous socio-economic analysis, solid scientific foundations, greater coherence with other common policies and the promotion of European standards in international fora.

With regard to paragraph 71, I would like to say that my group is of course going to vote against that paragraph, amongst other things, and in particular because it contains a series of technical errors and involves a debate that is completely out of place here, a debate that is tarnishing the most important aspects of this report and, above all – I must say – the excellent work of the rapporteur, Mrs Jeggle, who has been efficient and conscientious and has adopted a very balanced approach.

Mojca Drčar Murko (ALDE). – Mr President, I welcome the action plan and wish to thank Mrs Jeggle for her work.

The awareness that many animals in the European Union are treated badly and that more has to be done is of great importance, not only out of charity but also because, as a developing market-based approach, the humane treatment of animals is an opportunity for European producers, if properly developed. Animal protection through law is regarded positively by a growing number of Europeans, and the labelling of food products from humanely-treated animals could eventually bring economic profits to producers and become a part of the European social model. On the other hand, global competition tends to push producers for profit at the lowest possible animal protection level.

That is why the action plan is also a strong political message to the world. By defining our intentions for establishing minimum mandatory standards against the worst abuses, we underpin the need for discussion at a global level, at the level of the WTO. By setting priorities for better treatment of farm animals, by avoiding unnecessary suffering caused by tests that could be replaced and by banning the import of cruelty products, improving the treatment of animals during transport etc., we are pushing for global solutions.

We would like to do more, as the amendments show, but the plan is, nevertheless, a solid beginning of a comprehensive EU policy in this area.

David Hammerstein Mintz, (Verts/ALE). – (ES) Mr President, cruelty is not culture; causing suffering cannot be seen as entertainment. Mass industrial suffering is not a legitimate business. The demand for justice in our relations with animals calls into question our prevailing human morality and extends its scope. If we are to be successful in terms of animal welfare, we must reassess our traditional approach to moral responsibility and grant protection and rights also to individual non-human animals, which have sensory, emotional and intellectual capacities.

If we are to recognise and extend the rights of animals we must stop causing them unnecessary suffering and refrain from cruelty. That is the purpose of this report.

We Greens will support the proposal, with a series of amendments, and we will demand that the Council cease ignoring the majority of Europeans, who are in favour of stricter animal protection measures. It cannot continue to ignore them.

We believe that we must act in an ethical and altruistic manner, but that we must also respond to people's needs and interests. We are in favour of improving animal welfare because only in that way can we improve human health, the environment and social justice.

Jeffrey Titford (IND/DEM). – Mr President, so vast is the range of the initiatives proposed in this document that it should keep the EU bureaucrats happily beavering away for the next 20 years.

However, let us examine one of the high points of the EU's record on animal welfare. In 2001, during the infamous foot-and-mouth outbreak, seven million animals were destroyed in Britain under the EU's direction; most of them were healthy. I well remember the huge funeral pyres of burning animals. The EU stubbornly refused to allow vaccination, which would have been in the best interests of the welfare of both the animals and British agriculture. It preferred instead the legally questionable and morally unjustifiable scorched-earth approach. Therefore, I do not believe that the EU is in any position to claim the moral high ground on animal welfare and to lecture the Member States about it, never mind the rest of the world, as this lofty document claims it will.

We have everything in this report, including the setting-up of an animal protection information forum. Doubtless, this will be another highly expensive quango. Who is going to pay for it? The taxpayers. Who is going to have to do all the paperwork? The farmers, who can barely cope with the current red tape.

This document is obsessed with standardisation and uniformity. It appears to take no account of the widely differing farming cultures and climates to be found in countries as diverse as Portugal and Sweden. It takes no account of the already high standards of animal welfare in Britain. It is predicated around the central thesis that the EU can do it better, but that is not so.

Albert Jan Maat (PPE-DE). – *(NL)* Mr President, before I give my reaction, I should like to extend warm thanks to the rapporteur for her excellent report and the good balance she has struck between what is and is not possible and what we want for animal welfare in Europe; I should also like to respond to Mr Titford's remark to the effect that European bureaucracy is responsible for the slaughter of 7 million animals in Great Britain during the foot-and-mouth crisis. I should like to put him right on that score: When Great Britain joined the European Union, Europe was forced to change its legislation. We were no longer allowed to vaccinate as a preventive measure. We were no longer allowed to vaccinate for foot-and-mouth disease. We owe this to the British Government at the time, so please do not try to tell me that Europe is to blame for the slaughter of 7 million cows in Great Britain, for it has everything to do with the British position at the time. I just wanted to get that off my chest. I am also saying this, because Mrs Jeggle's report states quite clearly that vaccination should be a valid instrument for improved animal welfare in the European Union. In view of the outbreaks of infectious animal diseases, it is good we are making some headway and are in any event using scientific techniques in order to fight them. That is the best form of animal welfare in Europe.

A second point I wanted to raise concerns animal transport. We in this House have asked for a reduction in the duration of transport that involves animals intended for slaughter. Unfortunately, the Council has not taken this on board, but the position of Parliament is clear. In that sense, I should like to urge Mr Titford, if he really wishes to protect animal welfare in his own country too, to vote in favour of the Jeggle report. That is essential, for then you will really do the citizens of Great Britain and those of Europe a good turn.

The third reason why I welcome this report is that it draws particular attention to the import of products from outside of the European Union. After all, we may have fine rules and regulations, but if we cannot carry out any monitoring on Europe's external borders, then they will remain immaterial; it is essential that this House should use the Jeggle report to put this back on the agenda.

Wiesław Stefan Kuc (PSE). – *(PL)* Mr President, if animals could speak I am sure they would thank the rapporteur Mrs Jeggle for standing up for them. In her, they have an ardent spokesperson and guardian. The report deserves considerable recognition. It addresses all the most important issues including protection of both animals on farms and those living in the wild. The rapporteur has also addressed transportation, production economics, international aspects, product labelling, the use of

animals for research, humanitarian slaughter and so on. I believe that, with all our help, the aims stated in the report, of which there are many, are achievable. We should, however, pay particular attention to making society more sensitive to the issue, to continued involvement of international organisations, and spreading awareness which will allow us to achieve the same results as with seal hunting. There is nothing that needs to be added to the report. I offer the rapporteur my warmest congratulations, and so do all the animals.

Carl Schlyter (Verts/ALE). – *(SV)* Mr President, a civilised society can never compete on the basis of lowest prices, with animals reared under conditions resembling torture. Only by means of stringent demands in terms of animal protection will animal husbandry in the EU survive. The future lies in local production and short distances for animal transport, as well as in consumer protection, with animals reared in natural conditions. We have an agricultural policy that causes suffering to broilers, forces animals to be transported over long distances, causes pigs to be castrated and provides more medicines to animals than to people. It is not pigs, but an agricultural policy like this that should be castrated.

A maximum time limit of eight hours for the transport of animals is a reasonable demand. Minimum standards of animal protection – as per Amendment 11 – are necessary. We have become as many as four times richer over the last 40 years. If we cannot afford to sacrifice a percentage of this wealth in order to protect defenceless animals, we cannot call ourselves civilised.

To my Spanish friends I would say the following: a noble fight would be an unarmed matador against an unarmed bull that is untreated, does not have its back broken, is not drugged and is not tortured. That is what would constitute a noble fight. The way such fights look at present, however, they are about cruelty to animals, something that must not be subsidised.

IN THE CHAIR: MR MARIO MAURO

Vice-President

Neil Parish (PPE-DE). – Thank you, Mr President, thank you, Commissioner, and thank you, Mrs Jeggle, for a very good report, because it is essential that we look after animals in Europe.

Actually, we have a very good record here because we have high production standards, but we need to be very much consumer-driven. I agree with one of the previous speakers who said that the consumer must have the choice and must be able to see the labels and be absolutely sure of that production. If you go into a supermarket and look at a free-range chicken or an organic chicken or an intensively-farmed broiler chicken, you can actually see no difference between them. You have to be absolutely confident that the label is right. Not only does it have to be right for the production that we have here in Europe, but it also has to be right for the production that comes in from outside Europe as well. So consumers have to be very confident of the labelling.

We also have to see a reduction in animals used for testing, and that is where we have to be very careful with European legislation as well, because, if we are not careful, REACH may actually increase the number of animals tested unnecessarily.

Can I refer to Mr Titford and put him right on one or two things? First of all, he sees European bureaucrats under every bed, I think, but, as far as foot-and-mouth is concerned, it was the UK Government that was absolutely determined to slaughter. It was the UK Government that was so worried that a general election was being delayed that they had what was called the ‘contiguous cull’, which slaughtered millions of animals unnecessarily. In the Netherlands, they actually carried out vaccinations to try and stop the mass funeral pyres. So, Mr Titford, it was not the European Union that had a problem with foot-and-mouth disease: it was the UK Government.

Ioannis Gklavakis (PPE-DE). – *(EL)* Mr President, I should like to congratulate the rapporteur on her report. Mrs Jeggle is a sensitive, capable and excellent Member of the European Parliament.

The great Indian leader, Ghandi, said that when man treats animals well he demonstrates his humanity and his higher feelings. As such, I agree with the rapporteur, Mrs Jeggle, without any doubts. However, I would like to highlight a delicate and important point which has to do with livestock farming, which has to do with man. I do not refer to domestic animals, to cockfights or to dogfights, on which I agree with the rapporteur; I refer to reared animals. If the measures in the report, which – I repeat – I endorse and support, are applied, then our livestock farmers will have higher production costs, meaning that

either we shall have to support them financially or we shall have to find ways of controlling the living conditions of animals reared in third countries whose meat is imported into the European Union. Otherwise, we shall achieve nothing. European livestock farming will shrink due to unfair competition and we shall demonstrate that we are hypocrites rather than animal lovers and that we have no sense of proper solidarity with livestock farmers.

Apart from that, I should like to highlight another issue. I should like stricter controls on wild animal hunting. Many of our mountains and forests no longer have any wild animals because there is uncontrolled, predatory murder of the animals and this does not only have to do with the animals. It disrupts the entire ecosystem in the mountains and forests of Europe and the rest of the world.

Esther Herranz García (PPE-DE). – *(ES)* Mr President, I would like to thank the rapporteur, Mrs Jeggle, for her work. This initiative responds to a social concern, one that I believe it is crucial for us to confront, not just in the European Union, but throughout the world.

Animal welfare is important, and it is important that we have a single European standard and that it be respected by all of the countries of the European Union. We have been worldwide pioneers in relation to these standards, and they must be respected, because there are few States in the world that can say that they conform to standards like those we apply in the European Union.

We have recently talked, for example, about the rearing of chicken for meat and the transport of animals; and in this report by Mrs Jeggle we are not just talking about production farms, but also, for example, about exhibiting animals, about zoos, about circuses and about research and development - areas in which animals are also used. We must also talk about domestic animals that we keep as pets in our homes and that also require our attention. We must not, of course, be tolerant with people who abandon them, allow them to die of hunger or abuse them.

We must apply serious and scientific criteria that ensure that the animals that we keep as pets in our daily lives in the European Union are happy. To this end, I would like to point out that we have held hearings in this Parliament in which we have heard international experts, such as Dr Gonsálvez, from Spain, who have told us that we must prevent epizootic diseases and invest in their prevention, that we must invest in complying with standards governing densities of animals in farms and that we must educate children to respect animals.

We must also, of course, prevent cases such as paragraph 71, introduced as a result of the ignorance and lack of knowledge of certain members of the Socialist Group in the European Parliament, who have mixed up two entirely different issues by failing to respect the art, the traditions and the culture of other people who do not think in the same way as them and who are exemplary in terms of freedom and respect for diversity.

We will therefore vote against that paragraph 71, though we fully respect the views of those who do not think in the same way as us.

Christa Klaß (PPE-DE). – *(DE)* Mr President, Commissioner, ladies and gentlemen, everything that humans do to animals comes back to them: Pythagoras realised this as much as two-and-a-half-thousand years ago.

Looking at the interaction between animal protection, animal health, sustainability, and environmental and food safety, I can see that this is still true today. Thankfully, animal protection now plays a major part in our society. The public's desire for ethically and socially sound products is increasing, and recently we have been increasingly dealing with sensitive issues such as animal protection relating to breeding, transport and slaughter.

I welcome the Action Plan for the Protection and Welfare of Animals, and I congratulate Mrs Jeggle on her report, in which she specifies unequivocally what is needed. We need measures to keep the public better informed about modern animal-protection methods and applied animal protection. We must improve marketing, and also labelling and communication strategies, to inform consumers and thus assist them in their purchasing decisions.

A simple, precise 'EU label' for animal protection could help us harmonise the currently diverging systems of animal-protection labelling and lay down minimum standards for animal protection applicable throughout the EU – and, I hope, beyond our borders, too, in the near future. We must not forget to involve animal breeders and keepers and also public opinion in this animal-protection policy, however.

Why is it that Community animal-protection policy has been restricted to farmed animals up to now? Are cats and dogs not worth protecting just because we do not eat them? This appears to be a legitimate question, as does the one as to whether pets are always kept in conditions appropriate to their species. We hear of all sorts of things taking place, for example birds being kept in cages, and snakes and other reptiles in urban flats. That is why this view has a rightful place in the report.

We have been advocating a reduction in the use of animals in research, science and product approval. Animal testing should be carried out only in the absence of any alternatives.

Neelie Kroes, Member of the Commission. Mr President, thank you for what has been, overall, a very interesting and supportive debate. I shall inform my colleague, Mr Kyprianou, of your comments.

I should like to touch upon just a couple of your comments. Mr Holm emphasised trade issues and suggested that competition is incompatible with animal welfare; I disagree. It will be very difficult for EU producers to compete in the global market on the basis of price alone. This is clear if you look at the competitive advantage of certain third countries in terms of lower land, labour or infrastructure costs. Instead, I think high animal welfare standards should be promoted as one of our competitive advantages. We should also remember that, as Mr Tarabella said, there needs to be real choice for consumers.

Recent surveys and research projects have demonstrated consumers' active interest in the welfare of farm animals. It is clear that consumers believe that they can improve animal welfare through their purchasing power and that a large proportion would be prepared to pay a premium price for such products. Ms Resetarits also emphasised this point.

The Commission thinks that labelling will eventually make these products more competitive, to the benefit of the industry, and in particular to those who produce in a welfare-friendly manner. We believe that Europe's high animal welfare standards need to be seen as a marketing opportunity and a competitive advantage, rather than as a burden or liability. The policy of using vaccination to prevent the spread of animal diseases has been carefully considered by the Commission and is now integrated into the specific Community legislation on foot-and-mouth disease prevention. The same principles are today in the avian influenza measures just adopted.

I have to remind Mrs Ayuso González that the Treaty does not allow the Community to act in respect of the use of animals in cultural and traditional events, such as bullfighting. Therefore, the action plan does not foresee any measures in this regard.

President. The debate is closed.

The vote will take place tomorrow at 11 a.m.

Written statements (Rule 142)

David Martin (PSE). – I welcome this debate. The EU has slowly but surely improved the welfare of animals through a number of measures relating to the housing and transportation of animals. We now have to build on this and develop quantifiable animal welfare indicators and create a formal framework for animal welfare impact assessments for future EU policies. We should also look at the introduction of an EU labelling scheme to identify products produced from higher welfare standard systems to enable consumers to make informed choices. Finally, as a member of the Committee on International Trade, I would place particular emphasis on establishing internationally recognised animal welfare standards for trade.

Hélène Goudin (IND/DEM). – *(SV)* Proper animal protection is a necessity in a modern society.

There are big differences between the EU Member States when it comes to animal protection. It may therefore be appropriate to have certain common rules, for example where the transport of animals is concerned.

The June List sees the EU as a union of values, where ethical issues in relation to animals are important. We are, however, doubtful about and, indeed, opposed to having an animal protection authority under the auspices of the EU. The existing structures in the EU Member States should be sufficient. If there were Community legislation, the Member States would be forced to apply it. If they did not do so, the Commission, in the first place, and ultimately the European Court of Justice would have to take measures against the state or states that did not comply with the legislation.

As so often, it is very difficult to strike a balance between decision-making at EU level and decision-making at national, regional or local levels. There are, however, certain values that must be protected at any cost, such as human rights and basic animal protection. This should preferably be done at international level.

20. Follow-up to the report on competition in professional services (debate)

President. The next item is the report (A6-0272/2006) by Mr Ehler, on behalf of the Committee on Economic and Monetary Affairs, on follow-up to the report on competition in professional services (2006/2137(INI)).

Jan Christian Ehler (PPE-DE), rapporteur. – (DE) Mr President, Commissioner, ladies and gentlemen, by presenting a report in September of last year on professional services under the heading ‘Scope for more reform’, the Commission has actually expanded on the report it had already drawn up back in 2004 on the topic of competition in professional services. Parliament expressed its views on this on the basis of the reports from 2001 and 2003. In March of this year, the Committee on Legal Affairs and this House again positioned themselves in relation to the special sector of legal professions.

What links all public discussions, between economists, as well as between Parliament and the Commission, is a significant phenomenon: all participants have extremely forthright opinions but are weak when it comes to figures. The figures which form the basis of the mainly sector-specific or national investigations largely date from the early 90s. The most recent investigation dates from the start of 2001. What unites all of the investigations, however, is the fact that they are either limited to specific sectors or nationally or that they are founded precisely on an empirical basis which basically goes so far back that it is barely suitable for generalisation purposes.

Viewed rationally, the economic importance of the services cannot be overestimated. 8% of European GDP is made up of business services, of which at least one third can be attributed to professional services. In this respect, and I believe that Parliament also welcomes this in the context of the Lisbon agenda, it is entirely justified asking what contribution this sector may make to growth and employment in Europe. It seemed important to us to not just approve the Lisbon agenda using nice speeches but to also get involved in this specific instance in the question as to what contribution liberalisation can make to growth.

The Commission should be commended in bringing some sort of order to a discussion which hitherto, I should say, has run wild. Basically, the Commission has made the following economic consideration: First of all, it has looked at six professions: lawyers, notaries, engineers, architects, pharmacists and accountants. It has defined five restrictions on competition (fixed prices, recommended prices, rules of competition, advertising rules and the entire gamete of entry restrictions, business structures and merger practices). The Commission has put forward four large categories of consumer for comparison purposes – public authorities, large enterprises, small- and medium-sized enterprises and private consumers – and then acknowledged that certain special regulations apply here given the presence of asymmetries – in the sphere of market transparency, as far as externalities are concerned, or on the issue as to what extent a public good is furnished here.

This rationalisation is welcomed. It enables discussions to proceed and makes it logical for Parliament to position itself in relation to this discussion at this time. For our part, we have tried, on the one hand, to lend a degree of support, but also, on the other, to contribute to differentiation as regards this discussion. First of all, it needs to be emphasised that there is a large amount of agreement on the theme of subsidiarity. The difficult task of achieving coordination between Member States on this subject will fall to the European Community. We have requested, on the other hand, and I consider this to be extremely important, also as a result of the discussion on the Services Directive, that the objectives of liberalisation are clearly named and empirical evidence produced too. What level of growth is expected from which liberalisations? What is the desired impact on employment? This also really needs to be stated in terms of figures, otherwise there will not be sufficient acceptance in the Member States. We have emphasised that we see self-administration having equal status vis-à-vis state regulation. We have said we believe that we must differentiate between this system. By way of example, we must distinguish between public authorities because there is a difference between whether a small community invites tenders or whether a nation state invites tenders for professional services. We have stated that whilst we recognise the geographical and traditional conditions, we view them as special regulations which do not obviate the

necessity of continual analysis in these sectors as to what opportunities for liberalisation and growth exist there. We have stated in no uncertain terms that we consider special regulations regarding mergers and advertising to be dubious. We have stated that we want to differentiate clearly between certain restrictions on competition according to categories of consumers and finally, we have stated that in the very area of voluntariness, the voluntary Code of Conduct for professional services is very welcome indeed.

The crux of the matter is that we want to go back to the Commission saying that we welcome these observations. It must also be stated categorically, however, that rationalisation, further differentiation in these areas, is required. Only then will the necessary acceptance be achieved in the nation states.

Neelie Kroes, *Member of the Commission*. Mr President, I would like to thank Dr Ehler and the Committee on Economic and Monetary Affairs for this report. The Commission welcomes your support for the work that needs to be done in the sector. Your assessment of the importance of professional services to the EU economy is welcome and pertinent. Reform by Member States in this sector must be an integral part of delivering the Lisbon and Better Regulation agendas.

The Commission fully supports your call for us all to work together constructively. We agree, too, that it is important to learn from the experience of Member States which have already taken steps to modernise. We think you are right to insist that Member States eliminate special advertising and business structure restrictions and ensure fair and equal access to the professions, including eliminating geographic and demographic rules on entry.

Your call for more economic evidence is a fair one, but let us not forget that we are not proposing harmonisation of regulation in the professions. Member States remain free to determine regulatory solutions based on national needs and circumstances. So our experience is that the best way to add value is through historical and international comparisons. And that is why we have commissioned another piece of external comparative research to look at the EU property services market – selling and buying property. That study will evaluate the impact of professional regulation on consumer choice, price, quality and other important indicators and, where feasible, the effect on jobs and growth.

National authorities can also play an important role in evaluating the impact of reforms already undertaken. They, along with key stakeholders, such as professional bodies, are likewise well placed to evaluate the current state of regulation of the professions in their countries, explore what can be modernised and evaluate the impact of possible reforms on growth and jobs.

Donata Gottardi, *on behalf of the PSE Group*. – (IT) Mr President, ladies and gentlemen, the professions make up one of the areas of excellence in the provision of services. In the majority of European countries, although not in all of them, basic regulation dates back to the codification of civil law on contracts. Obviously this is primarily in civil law countries. Over time, the professions have become the jewel in the crown of civil society, but often also a conservative and closed field, risking the loss of their outstanding quality in order to keep their privileges. In this way, in some countries and in some sectors a closed caste has been created, often inaccessible on the basis of merit, but increasingly and all too often based solely on the hereditary line.

The European Parliament has been asked to reflect on the issue of services in the internal market, and will vote tomorrow on the report on competition in professional services. This year as never before, therefore, it is laying the foundations for finding a balance between, on the one hand, opening up to competition and therefore liberalising access, with particular attention to young people at the end of their training, and, on the other hand, safeguarding the quality of service, not least to protect European citizens. It is also laying the foundations for defining a reference legal framework, identifying critical points to be removed, principles to be respected and procedures to be followed for reference checks; a legal framework within which Member States will be free to make decisions, fully in accordance with the principle of subsidiarity, which has also been mentioned earlier. The text is the result of constructive work by the various political groups. I would like to thank the rapporteur for his willingness in practice to discuss and accept the majority of the amendments, many of which were submitted by the Socialist Group in the European Parliament.

Parliament is adopting a clear stand with regard to the services sector: it wants to gradually remove regulatory barriers and obstacles, not because it has an uncritical, sceptical attitude that cannot tolerate red tape and wants to dismantle the existing system, but rather so that it can encourage that positive competition and openness to transparency and innovation that is a fundamental part of sustainable

economic growth and consumer protection. Regulation and self-regulation in the professional services sector must be in line with the Lisbon Strategy, in particular with the protection of the general interest, and must not result in discrimination, particularly discrimination on grounds of race, ethnic origin, nationality or gender.

The proposals contained in the report are a move in that direction, and include: the promotion of codes of conduct, with a decisive role assigned to all stakeholders, not least through representative organisations; importance given to removing bans on advertising, which is seen as a genuine information service for consumers, in particular regarding the nature and cost of services; support for establishing inter-professional and multidisciplinary services to encourage innovation and competitiveness in an ever more complex world; and focus on creating conditions to ease the transition from university education to professional practice.

I hope that there will be support for the amendment we are submitting to Parliament asking Member States to abolish the system of fixed or minimum fees and the ban on negotiating payment linked to the outcome achieved, where they act as obstacles to the quality of services and to competition. I believe that there is still a long way to go, and that the Member States must look within themselves to find the best possible combination of respect for tradition and innovative development of professional services, a key factor in developing the productive system and the social market economy that characterises Europe in a globalised world.

Alfonso Andria, *on behalf of the ALDE Group*. – (IT) Mr President, Commissioner, ladies and gentlemen, the desirability of reforming the professions in Europe has been discussed since time immemorial. There are contrasting opinions on this. Some people, including the former Commissioner for competition, Mario Monti, have always come out in favour of what they describe as necessary liberalisation, within a general framework of reform geared towards revitalising the European economy. Others, however, maintain that the current system guarantees citizens a certain level of quality of service and should therefore be retained.

I personally recognise the importance of professional services as drivers of European economic growth, and I agree with the rapporteur on the need to begin a process of reform of the sector, aimed at liberalising professional services. Excessive regulation, rigid fees, few professional organisations, and even fewer multidisciplinary organisations, as well as advertising restrictions, act as an obstacle to revitalising competitiveness in Europe and often do not allow a high level of quality of services to be ensured.

All of that must also be seen from the point of view of paying greater attention to protecting citizens. It is citizens that we as MEPs are called on to represent, and citizens that benefit from professional services. In many regions, the interest of users is often sacrificed to the rewards of position. Situations of oligopoly, where sometimes it would not be strictly true to speak of monopoly, result in higher prices for professional services and cause an added cost that is invariably passed on to consumers. Furthermore, I agree with the rapporteur that it is appropriate to dispense with special regulations in the field of advertising, in order to allow professionals to inform users of the services offered and the relevant prices. On the other hand, I do of course believe that a regulatory effort is needed to strengthen the bans on misleading advertising and to provide instruments for the practical protection of consumers/users.

In conclusion, from the point of view of reconciling the need for greater competitiveness in professional services, through liberalisation, with consumer protection, I support the rapporteur's worthwhile proposal on the adoption of codes of conduct and self-regulation. I would therefore like to congratulate Mr Ehler once again on his excellent work.

Johannes Blokland, *on behalf of the IND/DEM Group*. – (NL) Mr President, it is not self-evident that competition in the liberal professions should be unlimited, and that is once again demonstrated by the Ehler report, and also by practical experience. In the Netherlands, for example, fixed prices for notarial services have been abolished, while many other rules have remained intact. Those rules are needed to guarantee quality. I was approached very recently, for example, with the question by a remedial educationalist who wanted to establish himself freely without going through the usual registration procedure with the Ministry of Public Health. The government was right to prescribe additional requirements in terms of training for registration and compensation, something that is, of course, vitally important for public health services.

The registration requirements for different professional groups still form an obstacle to establishing oneself in a liberal profession, and there are, to some extent, good reasons for this. The guarantee for

professional services cannot be made if people can set up in a liberal profession without any restrictions. The rapporteur's amendment aimed at drawing this subtle distinction in the report is therefore necessary.

Andreas Mölzer (NI). – *(DE)* Mr President, it is certainly to be welcomed if partly antiquated professional codes of conduct are reviewed in terms of their necessity in the case of independent professions. In my opinion, however, it is not a question of deregulating all the sectors affected in the same way, irrespective of their different nature. It is known that independent professions provide high-quality services which are in the public interest. In my view, we should not undertake any experiments in this area. The fact that in Argentina and France, for instance, second thoughts are being given to the reintroduction of statutory tariffs for notaries shows that deregulation is not perfect. A sharp increase in the number of lawyers with a simultaneous relaxation in the Fees Ordinance has led to a situation in Germany, for instance, whereby highly qualified legal advice is only offered at staggeringly high hourly rates while at the lower end of the market, a great many lawyers work for rock bottom prices. It is paradoxical if the Commission intends, on the one hand, to limit occupational rights but, on the other, is calling for codes of conduct to be drawn up and the introduction of new quality controls following the abolition of regulatory measures.

Neelie Kroes, Member of the Commission. Thank you, Mr President, for a stimulating debate. I would like to respond to a couple of the most important issues that have been raised.

Mr Ehler called for better economic analysis of the impact of changes on jobs and growth – and rightly so. On assessing the economic impact of reforms: as I mentioned, the fact there are no plans to harmonise professional regulation across the EU means it would be very difficult to predict impact accurately.

We favour comparative assessment of what differences real changes have actually made on the ground in the Member States that have already introduced them. That is why we see a strong role for the national authorities, which are well placed when they undertake these analyses, but we will also further reflect on what more we might do to facilitate the building of the economic evidence base at EU level.

Talking about liberal professions, such as lawyer, requires tough ethical rules and qualities. The Commission fully accepts that genuine ethical rules are essential to ensure good governance and practice in professions such as lawyer. In this respect, one standard should apply no matter to whom the services are provided: fixing prices or banning advertising do not deliver high ethical standards and good quality services. Quality and observance of ethical standards are better ensured and controlled by adequate training requirements and by effective supervision by the States and/or by professional bodies, including effective complaints procedures for clients. Codes of conduct, as mentioned here, also represent a positive step.

The Commission supports the removal of fixed and minimum prices and the use of result-based fees. There is no evidence to suggest that in the Member States where fixed and minimum prices have been removed there has been a deterioration in the quality or ethical standards of legal services. Though quality has a price, a fixed price does not in itself guarantee quality. Price competition with the possibility of undercutting fixed minimum fees and the use of success fees will, rather, enhance access to justice.

President. The debate is closed.

The vote will take place tomorrow at 11 a.m.

21. EU economic and trade relations with Mercosur (debate)

President. The next item is the debate on the report (A6-0302/2006) by Mr Varela Suanzes-Carpegna, on behalf of the Committee on International Trade, on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement (2006/2035(INI)).

Daniel Varela Suanzes-Carpegna (PPE-DE), rapporteur. – *(ES)* Mr President, Commissioner, ladies and gentlemen, I would like to begin by informing you that Commissioner Mandelson has contacted me to explain why he is not attending this debate, and I am grateful to him for that. The reason is the Summit on India in Finland; this led to an interesting conversation with the Commissioner on the agreement with Mercosur, in which I explained to him that, as well as India or China, Brazil and the Mercosur group are also emerging powers, a view that the Commissioner certainly, and fortunately, shares.

Let us hope that, when the bleak scenes of the Doha Round have faded away, when the elections in Brazil have taken place and when the political, economic and commercial foundations for the European Union's relations with Mercosur have been laid, which is this Parliament's intention in the report we are presenting today, we will take the definitive steps to guide the final phase of the negotiation of an ambitious European Union-Mercosur Association Agreement.

That is the intention of our report: to restore a political, economic and commercial priority, to establish a collection of principles, rules and guidelines that give form to a strategic political priority, and to strengthen the framework for relations between two trading blocs. If we can bring them together by means of an Association Agreement which, together with the political aspects of cooperation, involves an agreement on the creation of a free trade area, we will have taken the historic step of creating the world's largest such free trade area. At a time when new powers are emerging in the East, this would be a way to enhance the mutual interests of two blocs that are united by history and culture, with all the benefits that that would bring to our citizens on both continents.

We are talking about a combined population of more than 700 million inhabitants. Our report therefore calls for a full, ambitious and balanced agreement based on three pillars: a political and institutional chapter reinforcing democratic dialogue and political cooperation; a cooperation chapter promoting sustainable economic and social development; and a trade chapter establishing an advanced free-trade area with a broad agenda including, as well as reciprocal liberalisation of trade in goods and services, investment, public procurement, the protection of intellectual property rights, cooperation regarding competition and trade protection instruments, trade facilitation, and a binding dispute settlement mechanism.

Mexico and Chile are good examples of how our relations can be intensified by means of an association instrument. With Mercosur representing 45% of the population of Latin America and the region's largest market, as well as 45% of its GDP, the great potential for growth on both sides is clear. Furthermore, unlike what is happening in Latin America as a whole, where US imports are three times higher than those from the EU, in Mercosur the EU quota is about 25% compared with 20% from the United States.

According to the Institute of Political Studies in Paris, the costs of not reaching an agreement are estimated to be some EUR 3.7 billion per annum in trade and goods, rising to over EUR 5 billion if one includes investment and services. The trade agreement must be wide-ranging and cover all sectors, though the specific sensitivity of certain products must of course be taken into account, as the report indicates.

We did not wish to look into the details of the agreement's impact on the different sub-sectors, but rather we thought it appropriate to analyse the issue as a whole, to analyse the mutual interests at stake in the negotiation altogether. Our report therefore refers both to the EU's interests in Mercosur and to Mercosur's interests in the EU, and specific sections are dedicated to such important aspects as agriculture, with references to subsidies, geographical designations, bioethanol, etc.; NAMAs, where we include a special reference to fisheries and the sensitivity of certain processed products, such as canned tuna; services, where it is essential to achieve real improvements and clear and stable regulatory frameworks; investments, which are fundamental for sustainable economic development and generating employment and prosperity; public procurement and intellectual property, as well as the clear identification of possible barriers to trade and the approximation of rules on certification, accreditation, standardisation, etc., to promote fair trade and competition; and the establishment of an agreed dispute settlement instrument.

As well as the strictly technical and commercial aspects, the report also covers the mechanisms necessary for the industrial, employment and social cooperation of small and medium-sized businesses and aspects relating to technology, science, environmental measures, energy and communication, as well as European Union aid and solidarity mechanisms.

Finally, we include the necessary inter-parliamentary cooperation between the European Parliament and the Mercosur Parliament in order to make the agreement more democratically representative and bring the sometimes excessively technical aspects of the agreement more into line with the feelings of the citizens we represent, thereby giving the agreement a greater popular dimension.

We believe that, by means of this report, the European Parliament is making clear its support for a far-reaching and ambitious Association Agreement between the old continent and a large part of the new continent, which we want to be integrated, and we call upon the Commission to speed up the

negotiations so that the agreement can become a reality as soon as possible, for the benefit of the citizens of both continents.

I would like to end, Mr President, by thanking all of the parliamentary groups for their invaluable understanding and support. I have received much understanding and support and I needed as much of it as possible in order to achieve the broad consensus that we wanted.

Neelie Kroes, *Member of the Commission*. Mr President, on behalf of my colleague Peter Mandelson, I would like to congratulate the rapporteur and the Committee on International Trade on the report on economic and trade relations between the EU and Mercosur with a view to the conclusion of an Interregional Association Agreement.

This report gives a very comprehensive picture of the current relations between the EU and Mercosur in the economic as well as the political field, and the European Commission shares most of the analysis presented in this report.

The European Commission very much concurs with the Committee on International Trade in its view that a conclusion of an ambitious and balanced Association Agreement between the EU and Mercosur is a strategic objective.

The Commission remains firmly committed to concluding the Agreement with Mercosur as soon as it is technically and politically feasible. Such an agreement would be the platform for promoting the relationship between the two regions and for promoting the common values and objectives that unite us.

An EU-Mercosur agreement would establish the first ever region-to-region association and the largest free-trade area in the world, covering almost 700 million people. As the INTA report points out, such an Association Agreement would enable both regions to respond more effectively to the challenges of globalisation. It would enhance the competitiveness of our economies, increase growth and thereby contribute to economic and social cohesion. Creating the world's largest market place would give an enormous boost to job creation, economic reform and productivity levels. A free-trade agreement with Mercosur is a very good example of how EU trade policy can contribute to the EU's wider approach to economic reform and competitiveness.

A region-to-region agreement with Mercosur would also serve as an instrument to support an integration effort within Mercosur and Latin America. The accession of Venezuela to Mercosur this year implies an enlargement of the region and the European Commission also hopes that the process of broadening and deepening regional integration will continue. We know from our own European experience that the reforms and adjustments necessary for integration are not easy. But we also know that the rewards make the effort worthwhile.

An Agreement would also create a more transparent and stable business environment for the EU and Mercosur companies. This would contribute to attracting more investment flows. Investment – and future investment – could possibly have the biggest impact on the shape of our future economic partnership with Mercosur. Although foreign direct investment to Mercosur increased in 2004 and 2005, the relative share of the region in relation to global EU investments has been sliding ever since the 1990s. This is a source of concern, as investment means transfer of know-how, of industrialisation and jobs. This relative downward trend of the Mercosur region in relation to the rest of the world, especially Asia, is one of the challenges of the future agreement and, possibly, its main potential economic benefit.

Let me just say a few words on the timing. In the report by the International Trade Committee, you request the establishment of a negotiating calendar which would allow us to conclude the EU-Mercosur negotiations as soon as possible. The European Commission is fully committed to concluding these negotiations as soon as is technically and politically feasible, but we have always been of the opinion that substance prevails over timing. What we want to achieve is an ambitious, comprehensive and balanced agreement which goes beyond our WTO commitments. As the INTA report points out, there is a cost to not having an Agreement. But there is also a long-term cost in missed opportunities from having a bad agreement.

Related to the issue of timing is the link between these biregional negotiations, the progress of the WTO Doha Development Agenda and the sequence of the two negotiations. In this respect, the European Commission fully agrees with the analysis of the report by INTA; both these processes can realise substantial synergies. They are not mutually exclusive; they are complementary.

To conclude, let me convey to you the following message, which I am sure that you share with me: for strategic and political reasons, the European Commission remains committed to negotiating and concluding an ambitious and balanced agreement with Mercosur.

Trade is an important element of this agreement but not the only one. Beyond the trade negotiations, we should not lose sight of the strategic, political and economic rationale of this agreement. Let us not forget the strategic dimension of a future Association Agreement, which is to promote a relationship between regional blocs which enhances peace, stability, prosperity, social progress and democracy.

Filip Kaczmarek (PPE-DE), *draftsman of the opinion of the Committee on Development*. – (PL) Mr President, I would like to extend my heartfelt congratulations to the rapporteur, Mr Varela, for his extremely successful report on economic and trade relations between the European Union and Mercosur with a view to the conclusion of an interregional association agreement. The report is an important one, and it has come out at an appropriate moment.

As we know, negotiations regarding the EU-Mercosur Association Agreement have a long and rather troubled history. In the current situation – the failure of the Doha talks – we need to put out a strong and clear signal that an association agreement is necessary and favourable both to Mercosur members and to European Union members. There is also a need for greater political involvement in and support for the final success of the EU-Mercosur negotiations. I believe that the rapporteur has been very successful here. The report sends out a positive signal and can play an important and positive role in mapping out the next stages of the negotiations.

I would also like to thank the rapporteur for taking into account many submissions and comments from the report of the Committee on Development, which I represented as a draftsman. I would like to thank you for emphasising the importance of maintaining balance between trade and development in the final text of the agreement so that the sections relating to trade do not conflict with the sections on development, and for underlining the need to establish guarantees that the provisions on cooperation are effective in combating poverty and are in accordance with the EU's negotiating policy.

The Committee on Development drew attention to various aspects of development cooperation. It is clear that better economic and trade conditions can contribute towards resolving some of the social problems that exist in the Mercosur countries. The Committee on Development underlines the need to increase support for social development, education, reducing social inequalities, more equal distribution of income, and reduction of poverty. We also believe that we should support small and medium-sized enterprises and balance farming, tourism and infrastructure investment with protection for the natural environment. An important advantage of this report is that it provides institutional reinforcement of Mercosur. One of the ways it proposes to do this is by strengthening cooperation at parliamentary level, which would have a very positive effect.

José Ignacio Salafranca Sánchez-Neyra, *on behalf of the PPE-DE Group*. – (ES) Mr President, Commissioner, ladies and gentlemen, I would like to begin by congratulating the rapporteur, Mr Varela Suanzes-Carpegna, on the excellent work that he has done on behalf of the Committee on International Trade.

I would also like to express my regret at the absence of the Commissioner responsible, Mr Mandelson, although at least he has had the courtesy to call the rapporteur to explain, which does not happen very often in these cases.

In my capacity as draftsman of the opinion of the Committee on Foreign Affairs, Mr President, I would like to say that I would have liked to have obtained a firmer commitment from the Commission with regard to the timetable called for by the rapporteur in his report because ten years is a long time to be negotiating an agreement which, as the rapporteur and the Commissioner have pointed out, is an agreement on political association, economic coordination and cooperation.

It is clear that the European Union has not shown any lack of will; I believe that one of the Member States of Mercosur has shown clear and decisive support for the multilateral round, and the Chilean and Mexican experiences — Mr Varela Suanzes-Carpegna reminded us of this — demonstrate clearly that it is possible to go much further than the expectations established by the multilateral round.

I therefore believe, Mr President, that where there is a will there is a way. Although this kind of agreement is characterised by commercial aspects, when it comes to third-generation agreements, which have

contained the democratic clause, it is clear that following the Vienna Summit, following the failure of the multilateral round, we must go the whole hog.

I believe that the European Commission must give its clear and decisive support to these association agreements, since Latin America does not need hand-outs, but opportunities, and this European Union-Mercosur Association Agreement offers an excellent opportunity for all of us to pursue our shared objectives of greater democracy, greater integration and, of course, more fluid and efficient trade, which mean peace, progress and prosperity for everybody.

Javier Moreno Sánchez, *on behalf of the PSE Group.* – (ES) Mr President, ladies and gentlemen, Commissioner, I would like to begin by congratulating the rapporteur, Mr Varela Suanzes-Carpegna, on his excellent report and, as shadow rapporteur for the Socialist Group in the European Parliament, to thank him for cooperating so closely since the initial exchange of views in the Committee on International Trade. That cooperation has helped to produce a balanced report containing the clear message that this House wants to address to the Commission: Commissioner, we want an association agreement to be reached between the European Union and Mercosur as soon as possible for several reasons.

Firstly, this agreement will be much more than merely a trade instrument: it will be an instrument at the service of peace, multilateralism and dialogue that will enable both blocs to adopt policies that promote shared economic, social and geopolitical values and interests.

It will enshrine the first North-South intercontinental association, offering an alternative to other attempts at integration, such as the FTAA, which had more to do with a desire for trade domination.

Furthermore, the European Union-Mercosur association will lead to the largest region of shared prosperity in the world, benefiting more than 700 million citizens, as previous speakers have said. Strengthening cooperation will make it possible to implement policies aimed at economic and social cohesion with a view to promoting development, as well as the equality and prosperity of citizens in both regions.

For the final report, the Socialist Group in the European Parliament considers it necessary to involve social actors more in the process of integration and to have a genuine interparliamentary dimension between the European Union and Mercosur. We hope that the other groups will support our amendments to this effect.

Commissioner, although efforts that come to nothing may be dispiriting, the Commission must do everything it possibly can to enable the agreement to be concluded and to put an end to the sense of stagnation and pessimism recently surrounding the multilateral and bilateral trade negotiations.

I shall end with a question, Commissioner: could you provide us with any information regarding Venezuela's process of accession to Mercosur and tell us what effect this process is having on the negotiations underway?

Helmuth Markov, *on behalf of the GUE/NGL Group.* – (DE) Mr President, Commissioner, I consider it right that the European Union is striving for beneficial and close relations with the most diverse regions of the globe and, of course, with Mercosur as well. However, it is wrong in my view if the Commission, by means of such agreements, tries to implement through the back door that which was rejected by the majority of countries during the WTO negotiations, namely, the liberalisation of international trade between partner countries with very different economic and social conditions, without taking the different situations in these countries into account. The EU - Latin America summit which took place in Vienna, as well as the alternative 'Enlazando alternativas' summit of last May afforded the opportunity of being better able to understand the wishes of the new voices in Latin America and of shaping relations in the interests of the populations of both regions in a more balanced manner, and not just for the benefit of industry and commerce.

A few days ago, the Commission published a communication on its trade policy strategy which focussed more strongly on economic liberalisation than had previously been the case. In yesterday's debate, Commissioner Mandelson again emphasised that he shares the same fundamental position. I would not like to advocate such a fundamental position. The report contains references which I deem to be extremely important, such as emphasising the principles of 'less than full reciprocity' and 'special and differential treatment depending on the levels of development'.

All in all, however, the report puts forward the known liberalisation demands and even goes beyond them by approving, for instance, the area of investment as the subject of a chapter in the EU-Mercosur agreement. As a result of international protests, however, this has been deleted in its entirety from the Doha development round negotiations.

My group supports a fair association agreement but not the route taken to a free trade area between the European Union and Mercosur.

Kader Arif (PSE). – *(FR)* Mr President, ladies and gentlemen, Mr Varela's report quite rightly reminds us, and he is to be congratulated for it, that Europe and Mercosur would be well advised to strengthen their cooperation. In recent months negotiations with Mercosur have rather come to a standstill, with most of the controversial questions waiting to be sorted out at the WTO. With the recent suspension of the Doha Round, we must henceforth show an unwavering political will to relaunch these discussions.

Bilateral negotiations between regions assume a high level of economic and political integration from the two partners. Mercosur, however, seems weakened by the asymmetry of its members and by their sometimes divergent interests. Its institutions, therefore, need to be consolidated, in particular by setting up a regional parliament and a binding instrument for settling disputes. Furthermore, consideration needs to be given in view of Venezuela's membership which will give, without any doubt, a more political nature to the bloc and will alter the economic balance of power.

Since it is very much in the interest of the European Union to negotiate with a strong partner, it has to support politically and financially the emergence of Mercosur as an integrated regional bloc. This area has the authority to reinforce alongside us the multilateral structure and the economic and social model that we hope and pray for.

Antolín Sánchez Presedo (PSE). – *(ES)* Commissioner, ladies and gentlemen, I would like to begin by congratulating my fellow countryman, Mr Varela Suanzes-Carpegna, on his report and on his open and positive approach, which I hope will lead to a significant consensus in this House.

Mercosur has more than 230 million inhabitants, it is one of the five largest economic areas in the world and it is the largest in terms of food production.

Relations between the European Union and Mercosur have deep historical roots and shared cultural foundations. The association agreement is therefore the best formula for extending our links and stimulating exchanges between us.

I am pleased that our amendments have been incorporated into the report, stressing the democratic component of our relations, based on shared values, the parliamentary dimension and the active participation of civil society, aspects in connection with which I still believe we should be making additional efforts, as Mr Moreno Sánchez has pointed out.

I am also pleased with the inclusion of our proposals on extending fisheries and tourism relations, creating appropriate regulatory frameworks, intensifying exchanges and increasing investments - with accounting and auditing standards duly harmonised - and dealing with the obstacles to rationalisation in the public sector.

Finally, I would call upon the Commission to treat this Agreement as an objective of the highest political priority.

Neelie Kroes, Member of the Commission. Mr President, I should like to thank the House for its comments. I have taken careful note of them and I will convey them to my colleague, Commissioner Mandelson, for his consideration.

For strategic and political reasons, the European Commission is totally committed to negotiating and concluding an ambitious and balanced agreement with Mercosur. Therefore, such an agreement remains a priority. Engaging in negotiations with other partners does not mean, by the way, that we are giving less priority to an agreement with Mercosur. The Treaty on Venezuela's accession has been signed by the Mercosur members. However, in order for Venezuela to be a full member, that Treaty has to be ratified by the parliaments. We, the Commission, do not foresee any major obstacles to the negotiation process as a result of the accession of Venezuela.

A lot has been said here about development. The EU is by far the biggest donor. We plan to pay out about EUR 50 million for the period between 2007 and 2013.

I believe that, for economic, cultural and political reasons, both the European Parliament and the Commission share the same view in respect of concluding an ambitious and balanced association agreement between the EU and Mercosur. It is a strategic objective.

President. The debate is closed.

The vote will take place tomorrow at 11 a.m.

22. Sector of berries and cherries intended for processing (debate)

President. The next item is the oral question by Mr Daul and Mr Janusz Wojciechowski, on behalf of the Committee on Agriculture and Rural Development, to the Commission, on the situation of the sector of soft fruits and cherries intended for processing (O-0085/2006 – B6-0435/2006).

Czesław Adam Siekierski (PPE-DE), author. – (PL) Mr President, we can see the growing importance of the market for fruit and vegetables. This is partly a result of increasing consumption, and of the interest farmers have in growing such products to improve their income. During the accession talks, despite the good examples of solutions for the markets for tomatoes, peaches or citrus fruit, there was lack of will on the part of the EU to positively resolve the problem of the berries market. 2004 was a difficult year for berry growers in Poland. I sent my first letter about this to the former Commissioner for Agriculture, Mr Fischler, in July 2004. At the same time, the European Commission started work on simplifying the common market in fruit and vegetables in the EU, on which it reported in August 2004. In March 2005 the European Parliament adopted a position on this matter.

As a result of numerous interventions and speeches by Polish MEPs to the Committee on Agriculture, we succeeded in convincing our chairman Joseph Daul to speak on this matter. As a result, in April and July 2005 Poland received experts' visits by representatives of the European Commission who looked into the issue of the berry and cherry market in Poland and drew up a report. In 2005 Polish berry growers had to deal with negative returns on produce in that market. In 2006 the Agricultural Commission of the European Parliament included in its programme a session in Poland, enabling MEPs to see for themselves the hardships that their Polish colleagues had been talking about. The Commissioner, who is not present here today, was probably already well acquainted with the problem. By the way, I am curious to know whether anyone in the Commission has counted how many speeches Members have made in this matter.

During the visit to Poland, the European Commission for the first time presented a report on the situation in the berry, cherry and cherries for processing sector. The report is incomplete as it does not take into account the lack of horizontal integration, that is to say relations between the farmer and the processor. Also, it does not mention that growers are absent from the ownership structure of this industry, and that foreign capital is dominant. Nor does it present scenarios for the likely development of the situation on the berries market in the future. It is stated that all the problems of this particular Polish market have to resolve themselves. 2006, like the two previous years, has again proved extremely difficult for soft fruit growers, and has been a crisis year. The Committee on Agriculture has therefore requested that action on this be speeded up and intensified, the result being today's debate and the resolution which this House will adopt in tomorrow's vote. We now have the final version, so let us go through it.

MEPs appeal to the European Commission firstly to take action to improve the competitiveness of berries in the EU. Secondly, it should take immediate action to limit the excessive import of berries from third countries at dumping prices. As we know, the Anti-Dumping Committee yesterday decided to impose immediate duties on frozen strawberries exported by Chinese firms. The additional duties will be 0%, 12.6% or 32.4% depending on the situation. Thirdly, a support mechanism for grower groups should be introduced, which would give growers greater encouragement to form groups, for example, by doubling the rate of aid for groups that are formed and then recognised. Fourthly, other instruments should be introduced, such as a special safeguard clause, entry price mechanisms or inclusion of berries on the list of sensitive products. A fifth recommendation is to implement a system to support the processing of berries such as strawberries or raspberries similar to that currently used for tomatoes, peaches or citrus fruits, to stabilise the market.

As regards the final point, I know that Commissioner Fischer-Boel, who is not present today, was rather sceptical about this, which is why it may be worth considering the introduction of a regional system of payments for growing berries for processing. This would be in addition to the current subsidies within the SAPS system. A similar solution is proposed for reforming the banana market, where there is a change in the rules for granting subsidies for products expressed in tonnes in favour of subsidies calculated by land area. In order to increase the competitiveness of the sector, these payments must be tied in with an obligation to join producer groups or organisations, and an obligation to sell produce within a contracting framework. The resolution also contains a number of other interesting measures and proposals.

Berry growers have lost three years, and at the rate things are going with the reform of the market, it seems they will lose two more. It is only in April 2007 that legislative proposals for solutions in the fruit and vegetable sectors are planned to be tabled.

Neelie Kroes, *Member of the Commission*. Thank you for your question. As far as I understood, it contains six points, and I will address them one by one.

Point one: yesterday, the Commission services presented to the Member States at the Anti-Dumping Committee a draft regulation to impose provisional additional duties on imports of frozen strawberries from China. The written procedure for adoption by the Commission is under way.

Regarding the second point, the issue of the low level of organisation in new Member States will be considered in the framework of preparations for the proposal on reforming the common market organisation for fruit and vegetables.

On point three, the Commission proposed recently to simplify state aid rules so as to facilitate crisis support. In particular, it is proposed that, under certain conditions, aid to compensate for bad weather would be exempted from prior authorisation by the Commission.

Point four concerns crisis management. The issue of crisis management will be considered in Commission reform proposals for fruit and vegetables.

Concerning point five, the Commission is not in favour of setting up EU subsidised grubbing-up programmes. However, Member States have the possibility to implement national programmes provided that they meet state aid rules.

Finally, point six: promotion is indeed an important aspect. EU funds are available for promotion of programmes, and let me remind you that most of the above-mentioned aspects are being examined in the preparation process for the common market organisation reform proposals that the Commission will table in the near future.

Csaba Sándor Tabajdi, *on behalf of the PSE Group*. – (HU) The action plan prepared by the European Commission is a good foundation, and the anti-dumping decision regarding Chinese strawberries is positive, although this is not a lasting solution. The only reassuring, long-term solution would be for these types of produce – cherries, sour cherries, berries, mushrooms and corn – to be included among the produce intended for processing, and therefore among those that benefit from processing subsidies within the framework of the reform of the fruit and vegetable sector.

This would be very important especially for the new Member States, particularly since this year the producers in the new Member States are receiving only 35% of the direct payments. If produce in this sector is not included among those intended for processing, there will be no significant help for the new Member States. I have fought for this over a year and a half and will continue to do so.

Janusz Wojciechowski, *on behalf of the UEN Group* – (PL) Mr President, although we have been discussing soft fruit, we have had hard-fought battles over them since the beginning of this term. I am very pleased that the difficult situation of soft fruit growers has met with the understanding of this House. As a Polish MEP I would like to thank all my colleagues for this. I thank you for your sympathetic approach to the issue, which above all affects farmers in my country. I thank you for your solidarity, particularly our colleague from the Agriculture Commission who personally came to Poland to meet farmers and see their situation on the ground.

The draft resolution contains actions that will satisfy our farmers and bring about stabilisation of the soft fruit market, which is very important for the future of this important sector. Protection against

excessive imports, inclusion of soft fruits on the list of sensitive items, increased aid to groups of producers and compensation for fruit not sold during the crisis are all solutions that are badly needed.

I believe that the statements in this resolution will not remain on paper only, and that the European Commission will promptly put forward specific draft legislation. As co-author of the draft resolution, I ask you to vote in support of it.

Zdzisław Zbigniew Podkański (UEN). – (PL) Mr President, today's debate on the situation in the berries and cherries for processing sector is the culmination of over two years of discussions of this key issue for European growers and processors. The lack of protection for the internal market, dumping, natural disasters, low prices, and greed and unfairness among many buyers have resulted in huge losses for fruit farmers, particularly in new Member States such as Poland, which accounts for two-thirds of the output of such produce in the EU.

The difficult situation on the berry market has had the biggest impact on farmers in the poorest region in Europe, Lubelszczyzna, which produces one sixth of total output. In my parliamentary activities I have frequently raised this issue in various forms. I am therefore happy that today our debate will end with a concrete resolution which will allow us to repair the negotiating errors we made in Copenhagen and provide a basis for the decision which thousands of farmers are waiting for.

I therefore thank all the Members for their cooperation and look forward to their positive support for the resolution in the vote.

Zbigniew Krzysztof Kuźmiuk, (UEN) – (PL) Mr President, we are debating the soft fruit sector in a situation where the European Commission has, after nearly two years of efforts on the part of many Members, decided to impose anti-dumping duties on frozen strawberries imported from China. This is a long-awaited decision which, one hopes, will limit the threat of growing exports of frozen strawberries from China at dumping prices. I would like to express the hope that the European Commission will soon also put into effect other proposals contained in the draft resolutions prepared by Mr Daul and Mr Wojciechowski such as protective clauses, entry prices, compensation for losses due to unfavourable weather conditions or a crisis on the market, and a strong support mechanism for producer groups and organisations.

Neelie Kroes, Member of the Commission. Thank you for your contributions to this debate. I will inform my colleague, Commissioner Fischer Boel, about the concerns you have raised.

All these points are being considered and discussed at length in the framework of the preparation of the forthcoming fruit and vegetables reform that is just around the corner. I shall do my utmost to respond to some of the issues you raised.

Mr Tabajdi's question centred around the idea that the Commission should introduce support for producer organisations that sell soft fruit to the processing industry. Another point he made concerned support for producer organisations that sell soft fruit to the processing industry at a time when existing schemes are being reviewed in the context of the reform of the sector. The Commission considers that the introduction of such a support scheme would be inadequate from a technical point of view. It would also be untimely and would not be in line with the principles behind CAP reform.

'The Commission should devise and implement measures restricting excessive imports of soft fruit, in particular those which apply dumping prices'. It is true that some of the difficulties faced in the sector of strawberries for processing originate from low-priced imports of frozen strawberries from third countries. Yesterday, the Commission presented to the Member States and the Anti-Dumping and Anti-Subsidy Committee a proposal to impose provisional anti-dumping measures on imports of frozen strawberries from China. The procedure for adoption by the Commission is under way. In the other subsectors, imports from third countries either play a marginal role – for example as regards blackcurrants and sour cherries – or have decreased in the last years – as is the case with raspberries, for example. In the case of frozen raspberries, Poland has increased its market share in the last few years, at the expense of imports from third countries.

Mr Sikierski, you were asking about support schemes for grouping producers: these exist both in the common organisation of the market in fruit and vegetables and in rural development legislation. In its report on the situation in the sector of soft fruits and cherries, the Commission has indicated that, in the framework of the reform of the common organisation of the market in fruit and vegetables, the

Commission may propose specific additional support for Member States with low levels of organisation, and this is being looked at in the context of the preparation of the reform.

Mr Siekierski, Mr Wojciechowski and others want to include soft fruits on the list of sensitive goods and bring them under the special safeguards clause and the entry price system. The special safeguards clause was introduced in the Uruguay Round for products that had tariffs. In the case of fruit and vegetables, this concerned products under the reference price system. It is no longer possible to increase the list of products covered by the special safeguards. Similarly, the entry price system applies to products that were previously covered by the reference price system. There is no possibility of including soft fruits under the entry price system.

President. Thank you, Commissioner, for your information. Cherries are my favourite fruit also, so I can sleep more easily. I hope that that goes for other Members also.

I have received a motion for a resolution (B6-0525/2006⁽²⁾) tabled in accordance with Rule 108(5) of the Rules of Procedure.

The debate is closed.

The vote will take place tomorrow at 11 a.m.

23. Agenda for next sitting: see Minutes

24. Closure of sitting

(The sitting was closed at 11.55 p.m.)

⁽²⁾ See Minutes