

TUESDAY, 13 FEBRUARY 2007

IN THE CHAIR: MR POETTERING

President

1. Opening of the sitting

(The sitting was opened at 10.05 a.m.)

2. Debates on cases of breaches of human rights, democracy and the rule of law (announcement of motions for resolutions tabled): see Minutes

3. Inaugural address by the President of the European Parliament

President. Former Presidents of the European Parliament, Madam Federal Chancellor Angela Merkel, President of the European Council, Mr Barroso, President of the Commission, Mr van der Linden, President of the Assembly of the Council of Europe, Presidents and representatives of the European institutions, honoured guests, and, above all, ladies and gentlemen, Members of the European Parliament, electing a new President every two and a half years – a short time by historical standards – has been the tradition of the European Parliament since its first direct elections in June 1979, but let us not forget that one President of the European Parliament lives through five European Council Presidencies – in this case Germany, followed by Portugal, Slovenia, France and the Czech Republic – and so the responsibility borne by our Parliament is self-evident, particularly at this time when the task of uniting Europe has come a long way, but is not yet complete and indeed, given the current failure of the constitutional process in France and the Netherlands, is still in danger. Being aware of this responsibility, the European Parliament cannot allow itself to be outdone by anybody when it comes to completing this task of unifying our continent.

(Applause)

We all live within a continuum including those who went before us and those who will come after, and so I would like to thank my predecessor, Mr Josep Borrell Fontelles, most warmly and sincerely on behalf of the whole European Parliament and, in particular, also on a personal level, for his great commitment and indefatigable work as our President over the past two and a half years!

(Applause)

I also extend warm and sincere thanks to the former Presidents who are with us today:

Mr Emilio Colombo, President of Parliament in the days before it was directly elected, and then his post-1979 successors Mrs Simone Veil, Lord Plumb, also known as Henry Plumb, Mr Enrique Barón Crespo, who is still with us here, Mr Egon Klepsch, Mr Klaus Hänsch, who is still an MEP, Mr José-María Gil-Robles, Mrs Nicole Fontaine and Mr Pat Cox.

(Vigorous applause)

I extend a very warm welcome to all of you. It is a cause of great joy to us that you have all accepted the invitation to be here. Mr Pierre Pflimlin and Mr Piet Dankert are no longer with us. We remember them with gratitude.

I share with Mr Klaus Hänsch, Mr Ingo Friedrich, Mr Karl von Wogau, Mr Francis Wurtz and Mr Jens-Peter Bonde the privilege of having been a Member of the European Parliament since its first elections in 1979. Since then we have lived through highs and lows in European politics.

The greatest success has been overcoming the division of Europe. Our shared values have prevailed. The accession to the European Union of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia – and of Cyprus and Malta – on 1 May 2004, and of Bulgaria and Romania on 1 January this year, together with the reunification of Germany on 3 October 1990, remain for me the miracle of this generation. We all have reason to be extremely happy about this, now as always.

(Applause)

We all, however, still have to learn from each other and to strengthen our respect and understanding for each other. We should stop talking about the 'old' and the 'new' Member States. All of us, together, constitute the European Parliament, and the nations that we represent are the community of the European Union.

(Applause)

In the 1980s, there was talk of 'Eurosclerosis'. Then, however, along came the single market and the single European currency. We in this House fought to secure our rights, and will continue to do so. Today this Parliament is influential and self-confident. Experience, then, teaches us that we can win successes for Europe when we want them ourselves, when our will to achieve unity for our continent while maintaining its diversity remains strong and determined. I would like, today, to ask you all to continue in this determination.

We shall only succeed in this, though, if the citizens of the European Union – alongside their attachment to home and their own country – understand and are aware, as Europeans, of what binds them to one another. A sense of community and a sense of being 'us' are necessary conditions for our shared future. European unification is not simply a desire dictated by our minds; European unification is also an affair of the heart. Making this clear to people is perhaps the greatest challenge that we must meet together.

What we have to do is to serve the citizens of the European Union. Europeans should be proud of what they have achieved by their labours over the centuries in terms of values, freedom, law and democracy. It has been a long haul. We know that our European roots lie in Greek philosophy, Roman law, the Judeo-Christian heritage, the Enlightenment – in other words, in our shared European culture. Together with those, though, there have also been tragic European civil wars, and in the 20th century the totalitarian ideologies, with their contempt for humanity, and then, in 1945, the courage of the founding fathers in following the path of forgiveness and reconciliation, in building a new, better, more peaceful, shared Europe. We should still remember this today, and rediscover the things that are common to us all. The great French European Jacques Delors followed Robert Schuman in speaking of the 'European soul'. The great Polish European Władysław Bartoszewski once said: 'Europe means above all else freedom of the individual and human rights – both political and economic'. They were both right.

I would like to talk about European values. They are, in essence, founded upon the idea of human dignity. It is in the dignity of the individual that we respect the other, place ourselves under obligations, and thus build a system based on responsibility and solidarity. In our practical political activities we should always serve the cause of human dignity, and I would like to encourage all of us to defend that, and human rights throughout the world.

That is not an abstract plea. We are not the world's teachers, but our humanitarian image and our values become more convincing to others if we live our own lives with credibility. This has very concrete implications for our policies:

we want partnership with a Russia that is democratic and capable of action, and so we expect the Russian authorities to make visible efforts to ensure that the murderers of Ana Politkovskaya, who did so much for press freedom in her country, are punished appropriately.

(Applause)

We shall never forget that without the United States of America neither National Socialism nor Soviet communism could have been vanquished, but we also have to say to our American friends that Guantánamo is incompatible with any legal order founded upon our European principles.

(Applause)

We protect human life. If anyone – as, for example the President of a nation with a great history of civilisation has done – denies the Holocaust, we will firmly repudiate such assertions in order to ensure that the horror of a new holocaust is not visited upon us.

(Applause)

It is our conviction that the people of Israel and Palestine are linked by their common human dignity. We therefore support equally the right of Israel to exist and the right of the Palestinian people to live in a State of their own.

(Applause)

We stand alongside those who are fighting peacefully for freedom and democracy, and that explains our solidarity with the Sakharov Prize winner Alexander Milinkevich and his fellow fighters for a democratic Belarus free from fear and oppression. We stand in the same solidarity with our other Sakharov Prize winners, 'Las Damas de Blanco' (The Ladies in White) in Cuba and Aung San Suu Kyi in Burma/Myanmar.

We defend human dignity and human rights. We, in the European Parliament, are utterly convinced that the death penalty is irreconcilable with these. I urge us all, the institutions of the European Union and the Member States, to stand up, the United Nations, for the abolition of the death penalty.

If we want to achieve our goals, we must continue to work on building a European Union that is capable of action. We must endow ourselves with a constitution that ensures that we can represent our values and interests in Europe and as a respected partner in the world.

The great speech given by Louise Weiss on 17 July 1979, here in Strasbourg, in her capacity as Oldest Member of the first directly elected European Parliament still rings in my ears. She said: 'In any event, let us never forget that we are heirs and executors at one and the same time: the heirs of an intellectual world and its executors for the benefit of coming generations'

I cannot put it better myself. Our feelings today are scarcely any different from those expressed in 1979 and yet at the same time we live in a world of new challenges that are peculiarly our own.

The idea of uniting Europe has for the most part been carried through successfully since the signing of the Treaty of Rome 50 years ago. It has become the outward expression of one of the happiest periods in our long European history. To begin with, after the Second World War, the idea of Europe drew its strength from the desire for peace and freedom. Then strengthening prosperity and achieving social equality became the tasks and motivations for European union. In both ideas Europe remained true to itself, as the unifying of our continent afforded a unique opportunity for the two halves of the continent, which had been divided for far too long, to grow together in freedom.

Today, Europe is motivated by its citizens' desire for security, and is respected by them on that account. This is our very serious concern, thrust upon us, unasked for but unavoidable, by the need to combat terrorism. For this we need answers to the questions that weigh heavily on the minds of our citizens.

The need for security also includes the task of providing employment and social protection in a rapidly changing world. We cannot make ourselves safe from globalisation. We must construct a cushion by strengthening our competitiveness while retaining the European social model.

It includes not just talking about the dramatic change in climate, but taking the necessary measures – together with our partners in the world – and enforcing them with determination, before it is too late.

Security involves such things as a shared supply of energy and a common immigration policy that takes as much account of human rights as of the need for integration in our society. We must not allow people to go on dying in the waters of the Mediterranean.

We cannot find the security we seek in a world that is going up in flames, in which people live in poverty and subject to social pressure, a world in which disorder prevails and in which the natural environment continues to be destroyed.

If we in Europe wish to live in security, we must commit ourselves as a partner to every aspect of the world's security, and we must be aware of the fact that, without European solutions, most of the challenges faced by this continent and the world can no longer be met. Paradoxical though it may seem at first sight, Europe's unity has always been strengthened by crises. I am not saying that we need crises because we are incapable of extracting good results from good circumstances. The European Union needs a new departure, a renewal. The road is a hard one; that is true, but I am firmly convinced that our continent is better equipped today for its future in the world of the 21st century than it was 15 or 20 years ago.

We ourselves shall be judged on how well we set the newly achieved European unity on a lastingly good and safe path. Politicians, such as ourselves, are expected to exercise leadership; we must give better reasons than we have so far for why Europe is good for us all, what added value European union brings and what the aims of our efforts are. We must overcome the impression that European policies only have a technical function, with no long-term goal or enduring meaning. We must persuade by what we do, and if we are to do that, we must concentrate on essentials.

It is our common task to prepare for the future in such a sustainable way that it is as safe as humans can make it for our children and our grandchildren. For this we need to make a new start, for a better Europe, a stronger Europe, a Europe that looks to the future. Above all, though, we need a Europe that believes in itself, that draws its strength from its values and that wants to, and can, be a good partner in the world.

Without the media we cannot convey Europe to the public. I would like specifically to thank the correspondents and journalists here in Strasbourg for their fair and objective reporting, but I appeal to the national media, particularly the television channels, whether private or public, to play their part in relations with the European public. It is no longer appropriate to the times to portray European union only from a national perspective. I ask the national broadcasting corporations to open their studios to European themes and to invite Members of the European Parliament there as guests to talk about them.

(Applause)

We need a new pact between the citizens of Europe and their political institutions in the European Union. The 'Citizens' Europe' and the credibility of the European institutions depend upon each other. The 'Better Lawmaking' programme can make a contribution to this if it achieves more democratic oversight, transparency in the Council, reliable transposition into national law, social, environmental, economic and administrative impact assessment, and simplification of the legal texts. When planning a piece of European legislation, we should always ask ourselves: Does it serve people and the environment? Is it necessary in the light of the subsidiarity principle? Does it make us more competitive? Does it reduce red tape and costs? Only if these questions can be answered in the affirmative should we, the legislators in the European Parliament, go into action.

We, the European Parliament, should not only be at pains to represent citizens' interests. We should also show our respect for the dedication of European citizens who by their work are raising Europe's profile – in Europe and in the world. We should introduce a European Parliament award for that. Why, too, for that matter, should we not also pay particular honour to commitment on the part of young people to the European idea? High-ranking European awards have had such a good effect on public awareness, why do we not create awards for the younger generation, for young Europeans who are showing exemplary dedication to the European ideal?

In national museums, European history is nearly always represented in purely national terms. I would like to suggest a locus for history and for the future, where the concept of the European idea can continue to grow. I would like to suggest the founding of a 'House of European History'. It should not be a dry, boring museum, but a place where our memory of European history and the work of European unification is jointly cultivated, and which at the same time is available as a locus for the European identity to go on being shaped by present and future citizens of the European Union. A 'House of European History' such as this should be established in the seat of the European institutions and should network with comparable foundations in the Member States. The 'Declaration on the Future of Europe', to be adopted jointly by the European Council, the European Parliament and the European Commission on 25 March 2007 in Berlin – an event over which you, Mrs Merkel, will preside – could create the conditions for this.

The European Union is the largest grouping of nations in the world, consisting of 27 nations with almost 500 million citizens. Europe is a complex continent, one that presents us with enormous challenges, and the European Union can no longer be governed by the instruments of current Treaty law, which have become inadequate. If our community of values is to endure, it needs fundamental reform. The Constitutional Treaty strengthens both the European Parliament and the national parliaments, strengthening both parliamentary life and democracy. Communal self-administration as the basis of our European democratic order is recognised for the first time. The distribution of powers defines European competencies. I will be quite frank in saying that I say to you quite openly that I do not understand people who on the one hand criticise 'Brussels' – and sometimes that is just as justified as it is to criticise national politics – but at the same time reject the Constitutional Treaty, which is the very instrument we need to help eradicate and rectify the perceived deficiencies.

(Applause)

This House stands by the Constitutional Treaty – about that we must not allow there to be any doubt. We want to help make the principles and substance of the Constitutional Treaty, including its values, a legal and therefore political reality. The consensus arrived at here in the European Parliament on the services directive and on the limits of the European Union's ability to enlarge is a constructive response to people's concerns. The 'Declaration on the Future of Europe' scheduled for 25 March 2007 in Berlin could be another important milestone on this road. At its heart should be commitment to our values and to the necessary reforms; an undertaking to rise jointly to the challenges of the future of which I spoke earlier; a commitment to solidarity among the nations of Europe and to the supremacy of law as the basis for our actions. No country, no nation of the European Union is to be left alone with its fundamental problems. That also, however, rules out national selfishness. Anyone who serves only the interests of his own country will ultimately squander these as well, because he will destroy the solidarity that is needed if they are to be defended.

(Applause)

We intend to help to ensure that under the German Council Presidency a road map and a mandate are agreed at the summit in Brussels on 21 and 22 June, as the outcome of which full implementation of the substantive core of the European Constitution will be in place by the next European Parliament elections in 2009. I would like to remind you that the Constitutional Treaty was signed by all 27 governments and has already been adopted by 18 countries. Of course, we have to respect the results of the referenda.

Quite apart from that, though, if a change of government in a country calls into question that which has been agreed by the European Union, not only is society split in that nation, but our continent, which is already quite complicated enough, is increasingly incapacitated. We must commit to our European legal principles: *pacta sunt servanda* – treaties are to be honoured.

Our will to implement these necessary reforms must be strong and determined, and we must drive forward these reforms in such a way that the nations of the European Union are brought together rather than driven apart. We insist that the European Parliament must be appropriately involved in the work.

We in this House must also be prepared to reform ourselves. In the first instance that will make great demands on every one of us, for example in terms of being present for votes and important debates. As we are all aware, a lot remains to be done in this respect. I wish the House were always as full as it is this morning, although there is still room for a few more, and so, on Thursday, the day after tomorrow, I shall be submitting a proposal to the group chairmen for a comprehensive reform of the way this House works. The Conference of Presidents, in other words the group chairmen – and they are important people – have already set up a working party on how to improve the way we work. I can see smiles on the faces of the Group Chairmen, who are pleased to hear that confirmed. I ask you, fellow-Members, to start work and to present us with its results as soon as you possibly can.

This House is efficiently run, and I should like to thank Secretary-General Julian Priestley, who will be leaving office on 1 March after ten years, most warmly and sincerely for the great dedication he has shown!

(Applause)

Ladies and gentlemen, there is no doubt about the fact that, from time to time, and perhaps more frequently than that, there is cause to criticise the administration; we positively welcome such criticism. Those, though, who have worked closely with Mr Priestley and his staff come to recognise just how aware of their responsibilities they are and how great their commitment is, and I have never known any of them to act contrary to the President's intentions. I do of course hope that things will go on like that throughout my term of office, and, in order that we may all go in the same direction, I shall maintain close contact. My warm thanks, then, go to Mr Julian Priestley, and let me say that the only yardstick by which the administration should be judged is the way that it serves our European convictions – without party political bias, fairly and objectively.

I can tell this House that Europe's future is largely dependent on successful coexistence between the cultures and religions within the European Union and between the European Union and our neighbours, first and foremost in the Arab and Islamic world.

We must therefore do our part to ensure that dialogue among cultures and religions is the hallmark of Europe. We live in the continent of the three great cultures and religions – the Christian, the Jewish and the Islamic, and we have fellow citizens who come from one of the world's other great cultures and who are adherents of the world's other religions. We, in this European Parliament, must encourage and support examples of European civil society that are dedicated to dialogue between cultures. In Seville I made the acquaintance of the work of the 'Tres Culturas' organisation, and I say to you – not only to honour my Spanish predecessor, Mr Josep Borrell – that we must actively support every example of coexistence in Europe of Christians, Muslims and Jews – and also, of course, of those who do not belong to any of these religions. This is a crucial investment in our intellectual development. At the same time, it is the best contribution we can make to encouraging dialogue between cultures across the Mediterranean and beyond, to the Middle East and North Africa. We do not want the 'clash of civilisations', we want peace in freedom and justice among all nations and beliefs. This means building an intellectual and cultural bridge across the Mediterranean.

This dialogue must be grounded in tolerance and truth. Tolerance does not mean accepting anything and everything. Tolerance means peaceful coexistence through respecting the convictions of the other while maintaining one's own. On one of my many visits to Arab countries, I was asked by a senior Islamic dignitary how Muslims live in Europe. My answer was that they are often not sufficiently integrated, but that they can live out their own beliefs and have their own mosques and places of prayer. I went on to ask him if it was true that in his country a Muslim man or woman could be put to death for converting to Christianity. The fact that I received no answer was an answer in itself.

Ladies and gentlemen, I am firmly convinced that the Dialogue of Cultures can only succeed if it is based on truth and mutual tolerance.

(Applause)

It is my intention to visit the European Union's neighbouring Arab states and, when visiting European Union countries, to try to have talks with ethnic minorities, particularly their younger members. We have an important parliamentary institution for dialogue with the Middle East, including Israel and the Arab world, in the shape of the Euro-Mediterranean Assembly. We must use this institution effectively for peace, partnership and, if possible, friendship. Last weekend, the four presidents who govern the Europe-Mediterranean Assembly, namely the presidents of the parliaments of Egypt, Tunisia – which is currently presiding – of Greece, and I myself, met in Tunis and agreed that the dialogue between cultures and the problem of unemployment in the countries around the Mediterranean would be the theme of the forthcoming dialogue in March, and that we wanted, in June, to give particular attention to the Middle East and to the peace process there, which we hoped would actually be up and running at the time.

As soon as circumstances permit, I shall visit Israel, Palestine and Lebanon. I am grateful for the invitation I have received to address the Israeli Parliament, the Knesset. When inviting speakers to address the European Parliament, we should place the emphasis on the Dialogue of Cultures.

Ladies and gentlemen, it is the task of us all to strengthen democracy and the European parliamentary system, and so we intend to collaborate with the national parliaments in constructive partnership for the good of our nations and of the whole European Union.

Helmut Kohl, honorary citizen of the European Union, once said, 'We do not have much time. The world we live in is not prepared to wait for us to solve our internal problems'. He was right. To this I would add that failure to act, indifference, would be the greatest wrong we could commit.

At the end of my term of office a new European Parliament will be elected. If we do convincing work and if good things are said about Europe in the national capitals as well, then the turnout for the European Parliament elections will go up again. It should be our ambition to achieve this.

Our work is often unglamorous, it can be stressful and not particularly spectacular, but our goals are great, and so much is expected of us. We seek to live up to that. In this task I would like to represent you all in such a way that the dignity of the European Parliament, the unity of our continent of Europe and the effectiveness of the European Union are strengthened. I ask you for your help, thank you for your confidence and hope that together we can achieve our goals.

(Sustained applause)

Angela Merkel, *President-in-Office of the Council*. (DE) Mr President, Mr Poettering, former Presidents and present Members of the European Parliament, Mr Barroso, President of the Commission, you, Mr President, are one of the Members of your House who witnessed its first hours; it could, I think, be said that you have helped shape this House in its remarkable growth from its earliest infancy to becoming what is now a very emancipated parliament with confident Members, clear party structures and parliamentary groups, and hence a demanding partner in European debate, and one we cannot imagine ourselves having to do without.

The development of this Parliament is one of the European Union's success stories, and we now know that without the work of the European Parliament, much of what we have achieved for Europe's citizens would have taken another form. I would like to call to mind, from recent history, the work on the chemicals legislation REACH, the elaboration of the services directive and the debates on the financial perspective, in which we constantly strove to set forward-looking priorities and managed to push them through, in tough negotiations with the Council and the Commission in some cases.

In your speech today, you drew our attention to the next European Parliament elections in 2009. We will face the citizens of Europe together – we as representatives of the nation states and you as representatives of the European Parliament – and will have to give an account to almost 500 million people of what concerns us, in what way this Europe of ours benefits them and why it matters. It has to do with peacekeeping, with solidarity within the European Union and with prosperity and social security in a global world in which competition has become much tougher for all of us. It is for this reason that we must not lose sight of the whole picture in the midst of all the specific routine parliamentary work. With your work programme you have emphasised the role which you envisage for the European Parliament as well as for the European Union in the world.

We agree that the issue of the constitutional treaty will be the crucial issue for the 2009 elections – both in connection with our self-perception and our relationship to our citizens, and, secondly, also in terms of a 27-member European Union's capacity for action. It is for that reason that the German EU Presidency, together with the Commission, Parliament and the Member States, will do everything in its power to set a timetable for completing this project so that people in 2009 know what kind of Europe they are voting for and how this Europe will be able to act in future.

(Applause)

My plea is that we should continue our discussion on how we can further clarify the structure of the respective relations between the Commission, Parliament and the Council, even though it still sparks controversy in some areas. For that reason too, as I mentioned in my opening speech, I have put the issue of discontinuity on the agenda, because I believe this topic will be important in the longer term. How does a newly elected Parliament – or, for that matter, a newly-elected Commission – perceive itself? What has to be achieved, and how? Even the Constitutional Treaty does not fully answer these questions, and that is why I believe the debate must go on.

(Muted applause)

Turning to the problems of substance, it is clear that the subject of energy will play a quite central role at the Spring Council on 8 and 9 March. I would like, today, to tell you about our efforts to organise this Council meeting, but not before expressing my sincere thanks to the Commission, which has given us ambitious packages of directives and findings on energy and climate protection for the agenda. In the upcoming councils to prepare for the Spring Council – the Competition Council and the Environment Council – we now have to establish the decisive conditions for a fruitful debate within the Council. I support the goal of the Commission to reduce CO₂ emissions by 30% by 2020 as long as we find international partners. I believe that our international travels give us all encouragement to draw attention to the fact that Europe generates 15% of CO₂ emissions, while 85% are generated outside the European Union. Europe must be a pioneer – a goal to which I think we should commit ourselves – but Europe must also make clear that no problem illustrates more visibly than this one how this world interacts and that the action of one continent is not sufficient to dispel the threat posed to the whole of humanity.

(Applause)

We will have to hold discussions on developing a competitive internal market; we can already sense that these will be very difficult, but that will come as no surprise to anyone who has studied the subject. We will not shy away from these debates, for a functioning internal market within the energy market

is essential. We intend to put the issue of energy efficiency on the agenda, and we will talk about renewable energies. The German EU Presidency will appeal for the adoption of specific figures and reduction approaches which are binding. I want to make it absolutely clear that no Member State can evade this responsibility. For this reason the Federal Republic of Germany, if I may say so as Chancellor, has already had to make compromises with the Commission, and we did not find that easy. We did this quite deliberately because I believe that each Member State must do its part. It would be foolish to believe that climate protection works without anyone noticing, and that is why that erroneous belief must be abandoned.

(Applause)

We will have to give our attention to the topic of external energy policy, particularly in the negotiations on a cooperation agreement with Russia. Here, too, I have to say that we hope and are working to ensure that these negotiations can commence. We have not, alas, got that far yet, but I am optimistic that we will have taken a positive step forward by the time we meet for the EU-Russia Summit in May, and we will put the issue of 'better regulation' on the European Council agenda; here, too, I would ask for your House's support in order to ensure that we do not become bogged down in vague assurances, but that we commit ourselves to quantitative reduction objectives.

I am aware of the concerns and the fears that less regulation may also entail less protection. That is not what we want, but there is room for improvement in the way in which we organise bureaucracy today, and I would add that, from the perspective of Europe's citizens, improvements are needed on that front. That does not mean that a regulation is not valid if we do not use the most complicated form to verify it.

(Applause)

Mr President, our consultations in connection with the declaration on the Europe of the future on 24 and 25 March are going well. We intend that they should continue to do so. In your comments you emphasised very clearly what people expect from the European Union with regard to its external relations and its security and defence policy, and I share your commitment to human rights, of which your House has a great tradition, and I am pleased to note your desire to make dialogue between cultures one of your priorities. During my recent trip to the Middle East I was made aware of the great expectations which people have placed in the European Union and all its institutions. One can, in the Middle East, almost physically feel the yearning for peace and the concern about Iran's nuclear programme. In this area we have a great responsibility to do everything we can – with the players in the region as well as the United States of America and Russia, of course – to set in motion the peace process which people await with such longing.

I have said before, and will say again, that the end of the Cold War brought something unexpected into the lives of Europeans such as ourselves. We have seen that today, now with twenty-seven Member States, we can again work and contend for peace and freedom in a democratic process with almost all European countries, even though it is not always easy. This, the wonder of our age, should encourage us to strive for miracles and opportunities in other regions of the world.

That which Palestinians and Israelis have not experienced for decades – a life in peace, a life in two neighbouring countries which are not at war, a life with the prospect of prosperity – must also be our goal, because we have simply seen firsthand that peace and friendship can emerge from seemingly insurmountable differences. This experience brings with it an obligation for us as Europeans to become involved in this process. That is why I am very grateful that you, together with all your colleagues in the European Parliament, have set this as one of your priorities.

Mr President, you quoted Mr Helmut Kohl and said that we must hurry and cannot afford to constantly focus on ourselves. For people in the European Union expect us to continue to shape this successful continent successfully in the age of globalisation in the interests of its citizens. Millions, indeed billions, of people in the world expect the European Union, with its experience and prosperity, to do its part in enabling the world to enjoy more peace and more freedom. Let us work together to that end. Thank you for your speech; I look forward to good cooperation with your House.

(Applause)

President. My warm thanks to you, too, Chancellor Merkel, for that encouraging speech. We will do everything in our power to ensure that the Council, the Commission and this House work together successfully for our continent, for the European Union.

José Manuel Barroso, *President of the Commission.* Mr President, Chancellor Merkel, former Presidents of the European Parliament, Presidents of the European institutions, honourable Members, this year we celebrate what the European Union has achieved over the last 50 years: a history which has seen the European Parliament increasingly come to embody European democracy.

I salute the presence here today of the former Presidents of the European Parliament. On my own behalf and on behalf of the Commission, I thank you all for your individual contributions to Europe.

I want to congratulate you, Mr President, for this initiative. It is indeed important. Some politicians believe the world did not exist before they were born. I think that it is important that we who are serving our citizens through institutions keep this institutional memory. A decent and civilised society pays homage to its history and respects the institutions. I want to thank you for your speech, which had both vision and substance. I share the views and commend the commitment.

Honourable Members, you have elected a President whose experience and commitment to our common European project is second to none.

Our European values underline the essence of the Europe we want and treasure: a Europe of peace, freedom, democracy, prosperity and justice. The enlargement and integration of Europe to include 27 countries, free of war and free of totalitarianism, underlines the strength of these values and the lessons we have drawn from history: only through a shared undertaking are we able to provide the answers to our citizens in the global world of the 21st century.

Cultural and religious pluralism is a strong European value. In this sense, I particularly welcome the emphasis by President Poettering on intercultural and religious dialogue. The European Union is well placed to promote this dialogue. We are steeped in diversity: diversity of traditions, of cultures, of language, of nations. It is one of our precious gifts as Europeans. We are to some extent a success in globalisation. We, better than anyone, can shape this globalised world.

Dialogue is the way to ensure that diversity, far from causing division, enriches our unity. I strongly believe that cultural diversity is a source of Europe's strength and of its ability to promote its values and interests in the world. This dialogue has to be nurtured properly. We intend to make next year's Year of Intercultural Dialogue the platform for this dialogue. The Commission has long pursued a dialogue with religions, churches and communities of conviction, including those who do not have a religion. I would like to take this forward in partnership with the European Parliament, as a visible demonstration of how European institutions, working together, take European integration forward.

To signal the importance of this dimension, last year I invited the President of the European Council to participate in a meeting with religious and church leaders. I welcome the agreement to hold a summit in May this year, with the three Presidents of the European political institutions and leaders of the main religions and churches, which I will be honoured to host.

On 25 March, we have the opportunity to celebrate both our achievements and our values. I am delighted that the European Parliament and the European Commission are playing a full part in the preparations for the Declaration on the future of Europe, following my proposal last May. This Declaration, to be signed in Berlin, represents a real common point of reference – a confirmation of what the European Union is for and a mission statement for what we want to achieve in the 21st century.

Last month, in this House, I made proposals I would like to see in the Berlin Declaration. I did not do it for the sake of making proposals. They correspond to results that European citizens want us to achieve. And I believe that it is by focusing on the goals of our common project that we will be able to reach a strong and enlarged consensus, including a consensus for an institutional settlement.

I am convinced that if Europeans see the European Union addressing globalisation, promoting economic growth and jobs, showing social solidarity, tackling climate change, increasing democratic legitimacy, bringing security to its citizens, defending our values and interests worldwide, then they will trust the European Union to reform itself to meet tomorrow's challenges and to deliver practical results.

We are all here to serve European citizens. If we are to enjoy public consent, we need to target our activities on citizens' priorities and we need to work in a way that justifies their confidence, particularly respecting the principles of subsidiarity and transparency. We set out exactly this approach in our Citizens' Agenda Communication of last May.

In order to achieve results, we need to preserve and develop institutional partnership; a partnership founded on the separation of competences, but also on the idea of institutional interdependence. While respecting the autonomy of each institution, we need to stress the commonality of our European principles. Despite some natural political and ideological differences, those who are committed to these principles should build a truly European partnership.

I believe that cooperation between Parliament, the Council and the Commission is working well. It has proved itself against some stern tests. Over the past year we have seen difficult dossiers resolved on services, chemicals, REACH and the financial perspectives, to name but a few. This was a result of the three institutions working together with this spirit of partnership. I am committed to working closely with you, Mr President, as well as with Chancellor Merkel and her successors at the helm of the Council. I am convinced this is the best way to deliver the results our citizens demand.

The resolution of the debate on the future of Europe is not a sideshow: a more efficient and democratic European Union goes to the heart of our ability to deliver policies and results. We all know this is what the constitutional treaty would have achieved, and there are limits to what we can achieve without it. As I often say, we cannot build tomorrow's Europe with yesterday's tools. The Nice Treaty is not enough.

(Applause)

I know that the European Parliament shares the commitment of the European Commission to give full support to the work of the German Presidency to find the right way forward. The energy and commitment of Chancellor Merkel gives us real hope that we can find a consensus and make a compelling case for reform and progress to European citizens. But the Presidency of the Council can only achieve results if it is supported by all the Member States. Today, where all the European institutions are here reunited, I wish to repeat my call on Member States to find a solution as regards the constitutional treaty. I know, after the 'no' votes in two Member States, that it is difficult, if not impossible, to ratify exactly the same text. But let us not forget that all the governments signed the treaty. This has at least a double implication. First, Member States recognised that the Union needed to solve common problems and common challenges. And we have not solved them yet. Second, the act of signing a Treaty also implies a responsibility towards the other Member States, towards European institutions and towards European citizens. It is the duty of all European governments to be constructive and active in the search to find a common solution. And I would like to stress the word 'common'. At a historical moment like this, when we celebrate the peaceful unity of Europe, we do not have the right to divide it again.

Regarding their positions about Europe, sometimes some politicians remind me of James Mill, the father of John Stuart Mill. John Stuart Mill once said that his father loved mankind in general, but hated each person in particular.

(Laughter)

We also see many politicians in Europe that profess their love for Europe in general, but then resist European solutions to energy, climate change, immigration and, of course, the institutional settlement. Let us be frank: we do not need declarations of intent; what we need is commitment.

(Applause)

And we face decisive tests in the near future, starting with the energy and climate change package in the European Council in March. I very much welcome the statement Chancellor Merkel made just now. Let us be honest with ourselves. Coherence is a requisite for credibility. We are not credible when we say that we want to speak with one voice to the outside world on energy and we keep speaking among ourselves with 27 voices and 27 markets. We are not credible when we set the fight against climate change as one of the most important priorities for Europe and afterwards we are not able to agree on specific goals for our policies. So, we need to be coherent and credible.

Mr President, Madam Chancellor, honourable Members, I have high hopes for the period between now and the end of this parliamentary term. I believe we have established the right priorities, and the right

foundation of partnership to make them work. I look forward to working closely with President Poettering and with this Parliament, and with colleagues in the European Council, to deliver real reform in Europe and real change for Europe's citizens to the end of this decade.

I believe we can build a Europe that will be able to shape the future of our world around the values of freedom and justice that are so important for us.

(Applause)

President. President Barroso, I should like to thank you for your statement and especially for your commitment to partnership with the European Parliament, which is most welcome. I should like to thank you on my own behalf as well. We look forward to the continuation of our good cooperation.

Joseph Daul, on behalf of the PPE-DE Group. – (FR) Mr President, Madam President-in-Office of the Council, Mr Barroso, ladies and gentlemen, I should like to offer my wholehearted congratulations to you, my dear Hans-Gert, on your brilliant speech on how Europe needs to regroup and once again join forces.

Addressing, on the one hand, the speakers from high office who took the floor before you and whom I take this opportunity to greet, and, on the other, representatives of all Europe's institutions, you expressed your vision of the future of the EU. It is a vision of a united, integrated Europe, but also a Europe that is open to the world and aware of its international responsibilities, a Europe with which the citizens will more readily identify and to which they will feel closer.

It is a vision that the Group of the European People's Party (Christian Democrats) and European Democrats shares deeply. I appreciate the proactive, positive and constructive tone of your proposals. The time has come to stop talking negatively about Europe and to stop asking what we will become. Rather, we must channel our efforts into doing what we have to do.

The European Project is a success. Not only has it led to the development and prosperity of our countries, it has also guaranteed peace on our continent.

We have changed the course of history thanks to this project and those who feel that this is not enough should take a look around them in their daily lives, and they will see that the benefits of Europe are to be found everywhere. It would be churlish not to acknowledge this, but it is certainly true that we need to state more strongly the convictions that we have in our deeds and must learn to accord them their due worth. This applies to the euro, which has been a success, and also, on a broader level, to our work as lawmakers.

Mr President, ladies and gentlemen, we have every reason to be confident in our future within the EU. We will face the challenges ahead as a united and determined Europe, and certainly not as a morose, inward-looking Europe obsessed with its past.

Mr President, our group shares your priorities, which we believe address both the major challenges posed by the modern world, and our citizens' day-to-day concerns. The two are interlinked. What do European citizens want? They want more freedom – true in particular of young people – and more security and protection against the threats we face. They want to be able to work and to enjoy the fruits of their work. They also want Europe to defend and promote the values of our civilisation and our culture.

They are in favour of environmental protection and the fight against climate deterioration at European level. They are in favour of a common energy policy guaranteeing safe, affordable supplies, and do not rule out any energy source that may guarantee our independence. They want a fair agriculture and food policy offering prospects for the countryside and guaranteeing food safety, whilst remaining at the forefront of technological developments. They also want a research and development policy that places Europe at the cutting edge of innovation on the world stage, as we proposed in the Lisbon objectives.

Personally, I wish to emphasise today the importance of being close to the citizens and of the need to marry this objective with that of dialogue between cultures and religions, which is the positive side of the fight against racism and intolerance and against exclusion and xenophobia. It is not enough to speak out against these wrongs or to fight against these scourges. What we need to do is to demonstrate, in a positive way, the advantages of exchanging knowledge, the benefits of social mixing, the nobleness of hospitality, the greatness of tolerance and the mutual enrichment of the meeting of cultures.

At the same time, the EU must be very clear about its geographical limits, about its borders and about a common immigration policy. The EU must also define its strategy on globalisation. This strategy must not be based on the survival of the fittest, but on a mix of competitiveness, high employment levels and social protection. What we need is controlled globalisation.

I should once again like to commend the German Presidency, and in particular Mrs Merkel, on pursuing all these issues with such determination. These challenges are not only for the next six months, but for the next ten or 20 years.

The 25 March Declaration, on the occasion of the Union's 50th anniversary could be an opportunity to propose the rebirth of political ambition for Europe. In accordance with the long-term project of the founding fathers, that ambition involves a relaunch of the institutions.

I am aware, Mr President, Madam President-in-Office of the Council, Mr Barroso, the extent to which you set great store by this objective. We trust the Commission and its President, Mr Barroso, to be up to the task of addressing the issue of the institutions. The Commission is both Guardian of the Treaties and guardian of the Community's general interests. We will always stand foursquare behind the Commission as it carries out this dual role responsibly. It is by joining forces and sharing our convictions that we will be able to pull the EU out of its rut.

To finish, I could have quoted Mr Pierre Pflimlin, former President of the European Parliament, whose hundredth birthday would have been this year, who dearly wanted to see a Europe of the values of the spirit. I shall instead turn to that most Europhile of our 20th century writers, Stefan Zweig, who in his superb biography of Erasmus, handed a key to the builders of the Europe of the past and the future: 'There will always be a need for those who show people what unites them over what divides them, and who renew in the hearts of men the belief in a higher form of humanity.'

(Applause)

Martin Schulz, *on behalf of the PSE Group*. – (DE) Mr President, former Presidents of this honourable House, ladies and gentlemen, it is in order to avoid the impression that we are at a European People's Party congress that I, a social democrat, have now taken the floor, and what I am now putting myself through is a difficult exercise. You will be aware that I take the view that the speech of this House's President must do justice to everyone in it – or at least approximate to doing so – and that it should not become the subject of partisan political debate, for that is the sort of speech to be delivered, not by the one who convenes all, but by one who puts forward an individual's view for the purposes of debate.

I want to acknowledge, Mr President, that you have delivered a speech behind which the whole House can unite, one in which you have described the essential tasks that lie ahead of us, and that your term of office falls in a decisive period for European politics. There is no way of putting it other than to say that the reforms will either succeed or fail, and if they fail, if the Constitution does not come to pass, if we are thrown back onto the incomplete Treaty of Nice, then – as you brought out very well in your speech – it will be not only a Treaty that will have been brought low, but also an ideal.

In your speech, you gave a description of what the European ideal is, explaining that it is in cooperation between cultures that we find solutions, that religious intolerance is to be overcome by dialogue between religions, that it is on economic and social integration that peace and peaceful coexistence are founded, and that the surrendering of territorial claims can be accomplished through territorial integration. If we set this ideal against the challenges we face, then the nature of those challenges becomes clear; they are hatred between races and peoples, which we find everywhere throughout the world, religious intolerance, which is everywhere on the other side of our borders, and, alas indeed, renewed claims to power over territory. If you want peace throughout the world, with peace established within Europe and between it and its neighbours, you need more than ever the ideal of Europe to counteract such cause of warfare as hatred, intolerance, exclusion and oppression. To these things we respond with integration – both social and cultural – with solutions arrived at between religions and across ethnic divides, and these you described well; my group can do no other than give them its full support.

At the same time, though, we face the challenge – as you so rightly said – of dealing with day-to-day conflicts. People want more than just formal sittings, although I congratulate you on this one, for which we have all been preparing for a long time, and, however sceptical I might be, I will concede that it has gone well. It is not every day, though, that we assemble in formal session. The public want us to come up with solutions to day-to-day conflicts. When the echo of what is said in formal session has died away,

everyday life wastes no time in catching us up. There are three things that people want from us: First, they want us to say what is what; secondly, they want us to come up with suggested solutions to it; and, thirdly, they want us to be decisive and to act – together in so far as that is possible, but, if it is not, to do so by a majority decision of the kind that is customary in a democracy. That, too, must be possible, and – by the way – in the Council as well.

Turning to you, Madam Federal Chancellor, before you tell us more about discontinuity, I have no objection to us discussing that, but the greatest generator of discontinuity is the Council over which you preside. That is the problem!

(Applause)

We are, of course, caught out by our own problems, the ones that we all have to address – us here in this House, you in the Council and the Commission with its own. On New Year's Day this year, Mrs Merkel, the magazine 'Cicero' published a marvellous interview with you, which I read with a great deal of attention. One tremendous thing you said in it was this: 'Another thing I aim to do in 2007 is to make more progress on dealing with climate change. [...] With that in mind, I will be giving particular attention, within the international context, to environment issues'. And quite right too! You said the same thing today. Let me now quote what you said elsewhere, something that – if I remember correctly – you said in the German *Bundestag*, to the effect that you would be vigorous in preventing a single threshold value for the emission of CO₂ from new cars with effect from 2012. *Voilà* – the grim reality of everyday life has caught up with us again.

(Interruption by Mr Cohn-Bendit: 'Discontinuity!')

That, too, is indeed, discontinuity. We must ...

(Interruption by Mr Ferber)

Mr President, you can see that what I feared is coming to pass; this formal sitting could become a lively debate, but Mr Ferber's CSU has so much of its own stuff to deal with that we will allow him an interruption.

Mrs Merkel, Mr Poettering, we must try to meet both demands. We must not only organise formal sittings characterised by high-flying rhetoric, but must also make things happen from day to day. That is what we are calling for. In every speech I have heard today, I have heard reference to the social Europe being the core and basis that holds our society together. Two and a half years ago, when I said that in my first speech as chairman of my group, what I got for it was mocking laughter from certain quarters in this House. Our having made that sort of progress in two and a half years, with all of us now agreed on it, gives me the hope that we will, by the end of your two and a half years in office – and that is how long you have said you will stay there – have moved on even further.

I should like to make just two brief closing comments. I do not, Mr President, share your view that it was the United States of America that defeated Communism or helped to overcome it in Eastern Europe; it was not the United States that did that, but the courageous men and women in Poland; it was they, the Hungarians, and the people in the Baltic States, who defeated Communism, not the Americans, and that, more than ever, needs to be said in this House, with gratitude to the Members from those countries, who represent the new democracies.

(Applause)

My last comment I shall address to you, Mr President, for, since you have turned your attention to the issues of our future, and delivered a speech that is, to my mind, one of the best in this House for many years, it is to you that I will say that I also have the confidence that you will put that into practice. As President of this institution, you will have a weighty task, particularly as regards the Constitutional Treaty, and if you can help to find common ground between the highly divergent views of the Heads of State or Government, in the same way as you managed, as chairman of the Group of the European People's Party (Christian Democrats) and European Democrats) to hold the conflicting interests of that group together, then I am confident that your Presidency will be a good one.

(Applause)

President. Mr Schulz, It is not for me to judge your speech, but I would like to say that, for one who did not actually want to speak, you managed to do so with a great deal of conviction. Thank you very much for doing so.

Graham Watson, on behalf of the ALDE Group. – Mr President, your experience in this House since direct elections in 1979 has qualified you well and has given you a rare sense of perspective for the post you occupy. I congratulate you on your speech this morning.

You have seen the European Union grow from 9 countries in the 1970s to 12 in the 1980s, 15 in the 1990s, 25 and then 27 in this decade, with a queue of countries waiting to join. You have seen the Treaty of Rome supplemented by the Single European Act, the Treaties of Maastricht, Amsterdam and Nice, and now the draft constitutional treaty, as the common market has been enhanced with a single market, a single currency and policies in justice and home affairs, foreign and security arrangements and now energy.

You have also seen – as have some others of us of more recent vintage – a profound change in what the European Union is all about. It is no longer a Union to guarantee peace and security of food supply, but a Union which has to be capable of meeting the three big challenges we face: rapid world population growth and migration, energy resources and climate change, and internationally organised crime linked to terrorism.

Hitherto, the drive for the building of this Union has come from within. Increasingly, it comes from beyond our borders and the response of our institutions has been uncertain. There is a malaise affecting our Union which has led to squabbling between the Member States, who, in the name of preserving national sovereignty, are too often giving free rein to global anarchy; and squabbling between our institutions, which turns our citizens cold, like different denominations of the church, arguing about substantiation rather than asking why nobody comes to church any more.

Mr Poettering, you have the opportunity to lead this House at a time when it is increasingly becoming the dynamo of European integration. It is increasingly to the European Parliament that Europeans must look: a House resurgent and outspoken, holding the Council and the Member States to account when their action against terrorism rides roughshod over the rights we cherish; forging consensus – which escapes the Commission – on the single market in services or on consumer protection measures; working with national parliaments to scrutinise the executive, ensuring the law is respected.

In short, this House is coming of age. Ideology has surpassed nationality as the main determinant of voting behaviour. It is true that this House does not yet possess a right of initiative or the right to propose the President of the Commission, but neither is now unthinkable and increasingly people believe that both would enhance our Union's culture of democracy.

Therefore, Mr Poettering, I hope that you will use your two and a half years to grasp the need for reform of this House; to give us a Parliament better equipped to provide such leadership; a House that meets in full session every week; a House that concentrates on profound political choices rather than voting on hundreds of amendments to move semi-colons; a House that uses its new powers of scrutiny to the full to recall and re-examine our laws.

When you were first elected, this Parliament was a consultative assembly, designed to give a pro forma cover to decisions taken by bureaucrats and diplomats. Now it is a cornerstone of our European home. In 13 years of codecision, that one function has developed the organs of this body, and transparency has given oxygen to our bloodstreams.

I should like to say to Chancellor Merkel that codecision is now needed in all areas of policy-making if the checks and balances of democracy are to work at European level. The fact is that the Union makes decisions that are binding on Member States without proper democratic or judicial control, exposing us to censure by the Court of Human Rights or the constitutional courts. We had a close shave when the German Constitutional Court examined the framework decision on the European arrest warrant and came very close to contesting its legitimacy. If the German Government, which blocked the use of the *passerelle* clause in Article 42 just a few months ago, really wants to promote democracy in Europe, you will recognise the imperative of qualified majority voting in the Council and codecision with the European Parliament as a basis for all law-making, otherwise in your time at the helm you risk looking like the mime artist, Marcel Marceau, appearing to climb a wall but actually going nowhere.

Mr President, the years 1914 to 1989 on our continent were a 75-year rage of self-mutilation. This year, with Bulgaria and Romania in our Union, we can put to rest the ghosts of that period. However, the roots of freedom lie in courage. I believe there is a German word ‘*Zivilcourage*’: you, Chancellor Merkel and President Barroso need to muster the collective courage to take our Union forward as a true democracy, to create what Winston Churchill called in 1945 ‘a wider patriotism’ and a common citizenship for the distraught people of this turbulent and powerful continent.

(Applause)

President. Thank you, Mr Watson. When you spoke about the vast numbers of amendments I saw smiles on the faces of many of the former Presidents! I think this is a problem which the former Presidents also faced. The worst, however, was when it started in 1979 – as President Simone Veil will remember – when in some cases we had more than a thousand amendments, but we did not have the electronic machinery in place to deal with them.

Brian Crowley, *thar ceann Ghrúpa UEN.* – A Uachtaráin, tá tú i do bhall den teach seo le fada anois agus tá tú ar dhuine de na baill is mó a bhfuil taithí aige ar obair an tí seo. Thug tú riamh, agus tabharfaidh, tacaíocht láidir d'Institiúid na Parlaiminte ag leibhéal na hEorpa agus ar an stáitse idirnáisiúnta. Chuir tú polasaí polaitiúil uailmhianach don dá bhliain go leith atá romhainn amach os ár gcomhair anseo inniu. Tá tacaíocht iomlán tugtha ag mo ghrúpa polaitíochta don iarracht pholaitiúil riamh agus is mar sin a bheidh amach anseo.

Mr President, today is a day that we should reflect on where we have come from, but also give a vision for the future. I think that in your speech to us today, you presented not only a report card of the past, but also a clear pathway to the future.

You raised a number of points in your speech that so far none of my colleagues has touched on. The first, which is in one sense the most impressive of all, is the fact that the President of the Council, Chancellor Merkel, and the President of the Commission, President Barroso, have shown you and this House the respect to be here today to share in this occasion. It reflects well on you obviously as a German to have your leader here, but reflects still more so on this House that Angela Merkel has taken the time to be here with us, despite all the work and efforts that she is soon to take on as President of the Council.

I think it behoves us to respond to that, not just because of the presence of the office holders, but most importantly of all because of the responsibility which the voters of the European Union have placed on us as their advocates and their voices. Sometimes that brings us into conflict with the ideals of the technicians of the establishment of a new European Union. Sometimes it brings us into conflict with the demands of Member State governments. But our one sacred duty as a Parliament is to be that voice, to be the voice of reason, to be the voice of peace, to be the voice of vision, but most importantly of all, to be the voice for the voices. We must remember those who have been lost or forgotten by our societies and ensure that they can be brought forward towards that new future and given that new opportunity.

In your speech today, Mr President, the one thing I thought was fantastic – and it is the first time that I have heard it from anybody in this House with such real sincerity – was what you said about the role of young people within Europe: your idea of having a new programme for young people, a prize for young people, to allow the new generation to appreciate and understand what we already can understand from our own history.

As my colleagues rightly said, we speak about America’s defeat of communism and Nazism. They played a role. Let us not deny that Europe would have died without American assistance in the 1940s. Let us not forget that Europe would have died without American assistance in 1918. Let us not forget that, without the assistance of the US in the 1960s and 70s, we would have been under constant and immediate threat from further war and violence. But, let us not also forget that those men and women of vision – whether it was in Solidarity in Poland, the Hungarian uprising, the Spring Revolution, the Velvet Revolution or Pope John-Paul II – all brought a belief in the dignity of human beings, the dignity of difference and the right for people to speak up and to be free in all walks of life. That not only defeats totalitarianism, it defeats all ills which face humankind today and that is why your idea of a cultural dialogue, of an understanding of different faiths and traditions is so important for the future development of Europe. If you read about us, Europe does not present a threat to anybody, of any faith or of none. Indeed, in a lot of ways we tend to become so liberal that we forget about pluralism. We forget about understanding some people who have strongly-held beliefs of a non-violent nature and tend to hound

them out of office or out of positions, but at the same time, we can show accommodation to those that have a fairly radical viewpoint in life and give them a space for themselves.

The last two points I would like to make are in relation to the comments made by some colleagues and by the Presidents of both the Commission and the Council in relation to the development of European policy in the future. Maybe I am misinterpreting what the people are saying, but European citizens are fed up with the nitty-gritty talk about institutional change and reforms. What European citizens want to see is action; what European citizens want to see is a positive response to the problems that face us.

We have had some progress towards tackling climate change, social policy and other issues of importance in the single market, but citizens want to see action being taken on a real level that affects their lives in real ways, rather than mere reaction to problems when they arise. Too often in this Parliament we look back and say 'that was done wrong in 1979' or 'this was done wrong in 1992' or something else was done wrong in 1997 or 'we missed an opportunity'. Let us not forget that politics is an art, whereas economics is a science and you get the right result every time if you use the right formula. Politics is an art because it must respond to the needs of society, to the wants and desires of people and, more importantly of all, to the volatility of society as a whole.

Lastly, the most pressing task that we have before us in creating a fairer area of peace and understanding is in the Middle East. I applaud your desire to visit Lebanon, Palestine and Israel and to start to build that process. Europe must be re-involved at a central level in finding the solution to peace in the Middle East.

I would just like to say to you, Mr President, for the next two and a half years, despite the travails that we have brought against you and even though rough winds will blow on your face, you should always realise that you have the support of this House at your back.

(Applause)

President. Thank you Mr Crowley. You spoke for longer than the time allotted to you. I would not say that you got more time because you said many nice things, but subsequent speakers will have to stick to the time allotted to them even if they do not always share your position.

Monica Frassoni, on behalf of the Verts/ALE Group. – *(IT)* Mr President, ladies and gentlemen, we certainly recognise and respect the seriousness and depth of your European commitment, and your speech, today, sets out some priorities with which – even though they remain a little vague – the Group of the Greens/European Free Alliance is substantially in agreement.

You rightly recalled this Parliament's history, and I am very grateful to you for having brought into the Chamber today past presidents of our Parliament. I was able to meet some of them when I arrived in Parliament, as a young and enthusiastic federalist, and to collaborate with many of them on their work: I am therefore truly happy to see them here today.

Despite this, Mr President, we await concrete evidence, and this evidence confronts us with very specific choices, which cannot remain vague. Our Parliament will have to decide whether to remain silent and disciplined or whether to be the forum where action is taken in the name of European interests and values, today almost lost behind diplomatic manoeuvring and national interests. This is our institution's responsibility: to be a platform for European debate and for proposals for a democratic Europe. In this context, Mr President, the contribution of our institution to resolving the constitutional deadlock must not simply be – as you said, repeating word for word, and surely not by coincidence, what Mrs Merkel said to us – 'saving the substance of the Constitution'. We cannot be content to 'save the substance of the Constitution' in a purely rhetorical fashion.

As a matter of urgency, we must do two things which in the past, under the presidency of the Group of the European People's Party (Christian Democrats) and European Democrats and under the presidency of Mr Schulz, this Parliament has not been able to achieve – no, I refer to the two presidents of the majority groups – and that is, firstly, to find a consensus on what to do exactly, as Parliament, in a fully autonomous way, with regard to the Constitution and, secondly – more importantly – to fight for the European Parliament to retain the constitutional role won for it by the Convention. If there is to be debate on a timetable or on a proposal, we wish to act, Mrs Merkel, Mr Poettering, as codecision-makers and not observers. Mr Poettering, I want to see you fight for this right of Parliament's.

(Applause)

Mr President, you spoke of values and cited specific cases relating to the defence of human rights, which is a subject of the utmost importance for our institution. You also spoke of tolerance, a word of which you are very fond. I must tell you, speaking personally, that sometimes this word worries me, because behind the word 'tolerance' crimes are committed and individuals' rights are infringed – crimes and infringements that are, precisely, 'tolerated' – and this is something that we absolutely must not forget. This is why we prefer to speak of 'rights common to all men and all women', which are equal for everybody and must remain so.

To speak of relations with Russia means bringing up the subject of Chechnya and, responsibly, opening a debate on decreasing energy dependency, which involves strong criticism of those countries – and there are many of them – that are running in a disorganised fashion to the court of 'Czar' Putin. In our dialogue with the United States we must not forget the death penalty in force in that country, CIA flights, the issue of passenger data, and pre-emptive war. Finally, with regard to the defence of human rights we must not forget, by means of small emergency resolutions, to defend those individuals who by themselves, forgotten in some prison or some forest, are defending those rights. Merely speaking of security, Mr President – and you spoke at length of it, in the name of our Parliament – cannot make the resolutions that have been adopted in favour of disarmament and a code of conduct on arms progress to the second stage.

Mr President, we will be very active in the work on internal reform. There are two subjects that you did not mention and that seem to me to be fundamental: the first is the debate on Parliament's seat. I hope that you, personally, and the parliamentary groups will have the courage to hold a debate in this Chamber on the European Parliament's seat. Perhaps the home of European history may best be located here, in this very beautiful building. Who knows? I think, however, that it is important for you to truly take the initiative in tackling the problem of where Parliament should meet.

The second subject – and I know very well that I will have to work hard here to convince you – is making this institution greener, not from a political point of view but in terms of its environmental sustainability. I will succeed in convincing you, I am absolutely certain of it, since every day the resources wasted even by this Assembly in terms of water, light and official cars is something that, if we want to be true to our commitments on climate change, we cannot tolerate.

In conclusion, I would briefly like to address Mrs Merkel. Your proposals on bureaucracy, on discontinuity and on better regulation leave us rather cold and concerned. The problem of bureaucracy is national rather than European: how many people are there in the delegation accompanying you today? It is certainly more substantial than that accompanying President Barroso, and those complaining of excessive regulations are the multinationals, not the citizens, who say – going by successive Eurobarometer surveys – that they want more laws to protect them, not fewer! Finally, the proposal on discontinuity in fact brings in an opportunity for your institution to boycott and delay all the laws that you do not like.

Mr President, I wish you success in your work and I believe that we will have fun over the next two years.

(Applause)

President. Thank you very much, Mrs Frassoni. With regard to human rights, we have always agreed with each other.

As for the issue of where Parliament should sit, I have indeed given thought to whether I should talk about that, but came to the conclusion that I should not.

Francis Wurtz, on behalf of the GUE/NGL Group. – *(FR)* Mr President, ladies and gentlemen, former Presidents who remind me of many times spent together, President-in-Office of the Council, President of the Commission, it is not often that we have a chance to take a step back and enjoy the opportunity that is given us today, however briefly, to exchange views on the entire period between now and the next European elections.

True, it is no secret that my group does not share the political options of the majority of this Parliament. I will nevertheless deliberately use some of the key points of your speech to make several specific proposals. They are limited measures with nothing revolutionary about them, and I sincerely think you do not necessarily have to sympathise with the European United Left/Nordic Green Left to identify with

them. If the President of the European Parliament simply took them into account that would send a positive signal to important sections of our public opinion; it would say that you have heard them.

Thus, referring to the aspirations of Europe's citizens, Mr President, you stressed and I quote: 'we must preserve the European social model' and, more importantly, you went on to say 'our acts must be convincing'. That is in fact essential if we are to dispel a deep malaise that is being fed by the idea that instead of protecting the citizens from the effects of today's globalisation the European Union is too often helping to make everyone's existence increasingly insecure.

A significant act to begin to dispel this feeling of inevitability would be welcome. I suggest, Mr President, that you call on the Council, Commission and Parliament to abandon a proposal for a directive that affects the entire population of the European Union and that seems so dogmatic, so unjustified and so devastating for the future of public services that it is likely to provoke a new Bolkestein effect if nothing changes in the next few months; I am speaking of the proposal to liberalise postal services on 1 January 2009, six months before the next elections.

More generally, you stressed another idea which I consider very right and very important. You say we need 'a new pact between the citizens and the institutions of the European Union', then, about the future European treaty, you say: 'we need a thoroughgoing reform of the European Union'. Everyone agrees this is necessary, but opinions on the substance of the future European basic law differ.

Mr Barroso has just addressed the Netherlands, saying to them: please help us, everyone has to move. I am suggesting to you a method that will allow everyone to move, to help relaunch Europe. Let the process which is starting be an opportunity for a real public debate across the Union, a candid debate, as close to the citizens as possible, on the meaning of Europe 50 years after the Treaty of Rome, on the purpose of our common policies, on the commitments we are prepared to assume together in the future. If the President of Parliament sets himself the task of bringing such an initiative to fruition, he will instantly have fulfilled his mandate.

Finally, Mr President, you made some apt remarks about intercultural dialogue and more particularly the Middle East, where you hope to go as soon as possible, you said. That does not surprise me, and I thank you for it. With this in mind, of all the initiatives I would like the President of Parliament to take, the most symbolic in my view, following the almost un hoped-for Mecca agreement, in which the whole of Hamas promises to comply with the international resolutions and the agreements signed between the PLO and Israel, would be to solemnly call on the European Union to lift the blockade on the Palestinian Government and to give a new chance to the hope for a just peace in a region that has been bruised by occupation and war for several generations.

I know that none of these initiatives will be easy to take, Mr President, but if you do, they are such that history will remember them.

President. – Thank you, Mr Wurtz. I am grateful for the respect that we have always shown each other.

Jens-Peter Bonde, on behalf of the IND/DEM Group. – (DA) Mr President, Chancellor Merkel, Mr Barroso, esteemed former Presidents of this Chamber, whom I remember with pleasure from the Conference of the Presidents, we now have Mr Poettering as President, and he is eager for a bigger dose of the EU, even though he also cleverly talks about subsidiarity. He should allow himself a referendum in which he might convince his fellow Germans that they too should vote in favour of a Constitution with more laws and regulations made in Brussels. Three thousand regulations are not enough. It is not enough that 86% of the laws ratified in the German *Bundestag* are now enacted in Brussels. Listen to the warning from the former German President, Roman Herzog, who headed our Charter Convention. Note the results of the referendums in France and the Netherlands. The French and the Dutch had a chance to vote in favour of the Constitution, and they threw it away. The lesson now drawn from this is that we should never again have a referendum. The former President of the *Bundestag*'s Europe Committee, Jürgen Meier, also stated in the Constitutional Convention that a voluntary referendum could be agreed in the *Bundestag*, with an ordinary majority sought. Why not allow the Germans to express their opinion on the Constitution that the President and the German Presidency of the Council are so keen to see adopted?

Officials in Brussels and the judges in Luxembourg have a pathological attachment to supersizing and have a fear of democracy. They have not understood the modern trend towards slimmed-down organisations, decentralised accountability and outsourcing. What is good enough for businesses is not

good enough for the EU. Nothing is to be farmed out from Brussels to the Member States or to the citizens. Laws are much better for having been drawn up by 3 000 secret working parties in the Commission and adopted by 300 secret working parties in the Council of Ministers, as well as by 15 000 professional lobbyists. Long live technocracy in a corporate EU! Mrs Mussolini can spare a friendly thought for her grandfather's dedication to corporatism. The voters can be allowed to go to the polls every five years and vote in favour of someone who can neither propose nor adopt laws. Elected representatives can only advise the Commission by tabling amendments. That is what it all comes down to at present, and a similar mindset is also at the heart of the Constitution – only in many more areas.

If something cannot be adopted by Council ministers and officials, there is always the possibility of going to the Court of Justice in Luxembourg with proposals that neither the electorate, national parliaments nor governments will know anything about. Unanimously adopted penalties in connection with environmental issues are deemed unlawful because the judges want to see such penalties adopted by majority decision-making and well within their own control. Enshrined as it is in treaties and draft constitutions alike, property law is clearly a matter for the Member States. However, the obligation incumbent on farmers to reside on their own farms is judged to be unlawful, despite the unanimous verdict of the Danish Parliament to the contrary. Voters and their parliaments are regarded as incapable, and family holdings are seen as being out of date. Let us, rather, have a bunch of jumped-up Prussian-style Junkers running agriculture everywhere in the EU. Farmers are not good enough, and nor are employees' and employers' collective agreements, penal legislation, national judges or the voters. The EU grandees know far better.

We have won many small victories for openness, and the *Bundestag* in Berlin has introduced the best rules yet for scrutinising the EU. The time has now come when the threefold division of power into openness, proximity and democracy needs to govern the whole of the EU. There must be no more laws that cannot be amended by elected representatives. There must be no more laws that cannot be amended by the voters at the next election. There must be no more treaties and constitutions that have not been adopted by the voters in referendums held throughout the EU, and preferably on the same day.

The President mentioned our electronic voting equipment. I fondly recall the time when the new system from Olivetti was introduced. It is a system I should like to have back again, for then my proposals could actually be adopted.

President. Ladies and gentlemen, those who are less familiar with the details – particularly our guests in the galleries – may perhaps not be aware that elections in Denmark are held on Thursdays rather than on Sundays, and Mr Bonde always takes that to mean that he has been a Member of this House for longer, even though that is wrong in legal terms, since he and I both became Members of it on 17 July 1979.

His constant insistence on this does, however, give me hope that he cannot be that lacking in affection for the European Union and for this House if he so readily asserts that he – as he understands it – has been in this House for longer than anyone else.

Bruno Gollnisch, on behalf of the ITS Group. – (FR) Mr President, former Presidents, Mrs Merkel, Mr Barroso, the President of Parliament has just done a skilful job of describing the kind of political programme that one might perhaps have expected to hear from a President of the European Council or, indeed, of the Commission than from a President of Parliament in his role as arbiter.

In view of the group dynamics that often prevail in institutions, your speech, Mr President, concerning the will of the peoples no doubt reflects the opinion of the majority of this House. You will allow me, however, to express what lawyers in the English-speaking world call a dissenting opinion.

You spoke of the 'temporary' hitch – the word 'temporary' was yours – involving the draft European Constitution as it was received in France and the Netherlands. The impression you gave was that this was merely a hiccup limited to two Member States. However, everyone knows, or ought to know, that if this project had been submitted directly to the people of the Member States and not merely to members of the national parliaments, the document concerned would, in all probability, have been rejected much more widely.

We need, then, to know once and for all why, when nations express themselves freely in opposition to the dominant way of thinking, they go on being presented with the same menu that they have rejected. When, however, they come out in agreement with the dominant trend, it is emphasised that their

commitment is apparently definitive, irrevocable and perpetual and that they will not be entitled to backtrack.

In your speech, you mentioned several important features of our European tradition, and four in particular: Greek philosophy, Roman law, Judaeo-Christian spirituality and the Enlightenment. That, however, is a crucial element of the problem: how faithful is the European Union to these components of its intellectual, moral and spiritual heritage?

Is the European Union now inspired by Christian values or by a general hedonism that is out to destroy these same values in the name of a human rights ideology that brooks no resistance but of which variable geometry is always a feature?

Are the structure and operation of the EU governed by Greek philosophy's demand for clarity and simplicity and by the Greek political tradition of citizens' direct participation in the affairs of the city state; or are we instead seeing the implementation of a heavy, centralised and shortly to be outmoded structure that is ostensibly designed for governing almost 500 million Europeans but that, in practice, disregards their differences?

Is European legislation inspired by the precision and concision of Roman law or is it a concoction of thousands of obscure and wordy texts involving detailed restrictions? Are we genuinely respectful of the tradition of public debate handed down to us by the Greeks and Romans? As for the Enlightenment, I would not conceal from you the concern we felt last month on hearing Chancellor Merkel quote freely from Voltaire in this House but then say to us – not literally, admittedly, but in essence – that there should be no tolerance for the enemies of tolerance – a statement that recalls the words of the French revolutionary Saint-Just, spoken before the revolutionary court that instigated the Terror: 'no liberty for the enemies of liberty'.

To conclude, Europe is the only region in the history of humanity to have invented the liberty and equality of nations. It is the region in which the people have always risen up against putative dictatorships – a fact that explains their current distrust of the wayward direction taken by the EU. We do not need a Eurocratic superstate to guarantee the mutual security of our nations and borders, to launch detailed industrial, cultural and research cooperation projects and to protect us properly against migratory flows or against imports of products that have been manufactured for next to nothing and that are ruining our industries. The instruments of international law are more than adequate to this task. We have to rediscover the true genius of Europe and the law appropriate to Europeans.

Irena Belohorská (NI). – (SK) Mr President, may I begin by offering my sincere congratulations on your election to the position of president of the European Parliament, which is the most democratic and, at the same time, one of the most important of European institutions. You have become the first president of the European Parliament after the adoption and implementation of the Treaty of Nice. Currently, the European Union comprises 27 Member States. I have not referred to this fact by chance, as political experience demonstrates that the implementation of one treaty is followed by preparations for another. Two years of wavering and marking time with regard to the Constitutional Treaty have harmed the idea of a united Europe. You are assuming office at a time when Germany, one of the founding Member States, holds the presidency of the European Union, and I therefore expect you to decide on what needs to be done next concerning the Constitutional Treaty. Most Member States have opted for supporting the Constitutional Treaty and are willing to carry on implementing the vision of a united Europe, and their wishes cannot be overlooked because of the negative stance adopted by two of the Member States.

I would appreciate it if, following the election of its president, the European Parliament would now give some thought to introducing new rules or revising the existing Rules of Procedure. I have respected the 'gentleman's agreement' made in the past by the two big political groups with regard to the election of the president of the European Parliament. However, a democratic system should also allow a candidate from a smaller political group to be elected. I am quite sure that in this House there are many distinguished and capable people in smaller political groups as well.

Mr President, I sincerely hope that during your term in office you will advocate greater involvement by the twelve new Member States in the shaping of European policies. Looking at how the new Member States are currently represented on the committees of the European Parliament, I cannot help feeling dejected. Similar discrimination against the new Member States can be seen from the number of their nationals employed by the European Parliament. What is important here is not only the mere numbers but the positions these people fill. There are nationals from our countries who often have two university

degrees, foreign work experience and a good command of three of the EU 15 languages, and yet are in secretarial positions and therefore assisting superiors whose academic and language skills may be significantly inferior to their own. By way of an example, let me refer to the procedure known as internal tendering to fill secretarial positions, which was carried out last year and served as the basis for assigning about 50 employees from the new Member States to secretarial jobs. All of these people are university graduates and are currently performing at grade B and A levels but collecting secretarial pay. The European Union is generating savings, as skilled work is carried out for low pay, but I am wondering whether this represents fairness and non-discrimination. Non-discrimination also includes gender equality, a topic so often debated here. We even have a dedicated committee to deal with this issue, but we are lagging behind in enforcement.

In conclusion, Mr President, I would like to wish you every success in your role as president of the European Parliament. I have great esteem for you personally as well as for your rich track record and experience in European politics, and I believe that you will make a good and just administrator of public affairs.

President. I should like to thank Mrs Belohorská very much for her very kind personal remarks.

That brings to a close the part of the sitting including the President's inaugural address.

Written statements (Rule 142)

Katalin Lévai (PSE), in writing. – (HU) I greatly welcome the remarks of both President Poettering and Chancellor Merkel.

Quoting Robert Schuman, we can say: 'the story of European integration is fundamentally a success story'. A failure of the constitutional process would put at risk the continuation of this success story. If we do not succeed in creating a more efficient and more democratic Union, one that is closer to the citizens, this would seriously affect the success of the Lisbon Strategy, the creation of a more competitive Europe that nonetheless preserves its social values. I consider an important element of this to be the creation of a more transparent, more unified legislation, which can promote the development of small and medium-sized enterprises at the European level, and thereby help create jobs as well.

Increasing competitiveness is also indispensable in order for Europe not to be forced to play the role of 'economic giant – political dwarf' in world politics. Today it may be more important than ever for European values, human rights, democracy, the rule of law and equal opportunities to be represented globally. This is especially true in the year of equal opportunities, when both at European and at national levels we must make efforts to help those who suffer disadvantages.

While welcoming the importance given to the integration of migrants, I would like to add with regard to their situation: we should not forget the largest and perhaps more disadvantaged minority in Europe, the Roma. In this regard as well, we need to tear down the imaginary economic and social Berlin Wall. I would note especially the protection of women and children, who are the most vulnerable and suffer from a dual discrimination.

With regard to the rule of law, I wish to recall that the Union is fundamentally based on legal principles, and its functioning presupposes that every citizen respects its laws. Members of the European Parliament must lead the way in respecting our laws – otherwise we shall set a bad example to all of Europe's citizens.

(The sitting was suspended at 12.05 a.m. and resumed for voting time at 12.10 a.m.)

IN THE CHAIR: MR COCILOVO*Vice-President***4. Voting time****4.1. Classification of wood (vote)****4.2. Public works contracts (vote)***before the vote*

Arlene McCarthy (PSE), rapporteur. – Mr President, I should just like to bring to the attention of the House a technical amendment that we should make pursuant to Rule 155. In the Commission's proposal there was a technical omission under Article 2, dealing with the transposition of the proposal. The exact date for the transposition in the Member States is missing. Therefore I propose under Rule 155 to add '[18 months after the date of publication]' as the date for transposition. This should be specified. I should like to propose that to Members as a technical amendment.

4.3. Community action programme to promote activities in the field of the protection of the Community's financial interests (Hercule II programme) (vote)*After the vote*

Herbert Bösch (PSE), rapporteur. – (DE) Mr President, it is not much use me speaking once the vote has happened, so all I want to say is that you need to keep more of an eye out in future. I would like to thank both the German Presidency and its Finnish predecessor. We have wrapped up this topic in just one reading, and we will be spending some EUR 100 million on fighting fraud over the coming years. That is what I wanted to tell the House.

4.4. Rules for the implementation of the Financial Regulation (vote)*Before the vote*

Ingeborg Gräble (PPE-DE), rapporteur. – (DE) Mr President, ladies and gentlemen, the reason why I have asked for the floor is that I have to make the House aware of an alarming situation in the negotiations between the Council and the Commission. What you have before you is one of the last chances for the Barroso Commission to make headway towards an unreservedly positive statement of assurance.

We have made so bold as to pick up the Commission's own proposals and include them in this report. The Commission now seeks to reject it without proposing anything else to put in its place. If, today, by doing nothing, you prevent simplification, improved recovery of wrongly disbursed funds and more efficient monitoring, you are ensuring that the Commission's management will have a black mark against it in April 2009. We will then, in the discharge procedure, have an especially fault-ridden budget for 2007 to deal with – the first of the new Financial Perspective and only two months before the European elections. If our proposals are not accepted, the Commission and the Council will be putting the brakes on and throwing the Euro-sceptics a juicy issue for 2009.

It is regrettably the case that the Council has been on a collision course particularly since the German Presidency began; instead of organising on a joint basis the publication of grants in aid and their recipients – which has already been agreed to – the Council has surprised everyone by saying, bluntly and without explanation, 'no', both to it and to research and development subsidies, that is to say, to the direct international joint administration as a whole. In so doing, it is sowing dissent in Europe, for, without standardisation, everyone can do or fail to do whatever they please, and we are stuck with a loss of trust on the part of the European taxpayer.

The Council is robbing this Commission of transparency, which was its most visible success in the Budget sphere, and is of no value if it is not given tangible form. I appeal to the Commission and the

Presidency of the Council, as a matter of urgency, to face up to their responsibility for this legal draft, and to join us in making things simpler and cutting back bureaucracy. The proposals are on the table before you, and I ask – I beg – you to give your assent to them.

(Applause)

4.5. Infrastructure for Spatial Information in the European Community (INSPIRE) (vote)

4.6. Waste (vote)

– *Before the vote on Amendment 183*

Bairbre de Brún (GUE/NGL). – A Uachtaráin, ar an drochuair bhí meancóg cló ag 183 nuair a chuireamar isteach é agus ní fhacamar é go dtí an bomaite deireanach. In ionad na dátaí 2012 - 2015 ba chóir go mbeadh na dátaí 2009 - 2012, in (a) agus (b). Tá mé buartha faoin mheancóg.

I am sorry, there was a tabling error here. The Tabling Office is aware of it. Instead of the dates ‘2012 – 2015’ there should have been the dates ‘2009 – 2012’ in (a) and (b).

Mar sin de ba mhaith liom leasú béil a mholadh faoin mheancóg cló a leasú in 183.

– *The oral amendment was accepted.*

4.7. Waste recycling (vote)

4.8. Women in Turkey (vote)

President. That concludes the vote.

5. Explanations of vote

- Report: McCarthy (A6-0017/2007)

Ilda Figueiredo (GUE/NGL), in writing. (PT) Our aim is not to issue an opinion on the validity or otherwise of this decision to repeal Directive 68/89/EEC, although, as a rule, we have our reservations as regards the Commission’s harmonising tendencies. Our view is indeed shared by most businesses and Member States in stating that they do not apply this Directive. It is important, on the other hand, to issue an opinion on the process of which this forms part, namely the ‘better lawmaking’ initiative, which, under the guise of simplification, is in practice a policy of market deregulation at national and Community level.

The Commission’s justification leaves no room for doubt: ‘better lawmaking is vital to improving the competitiveness of European businesses and to achieving the objectives of the Lisbon Agenda’. The objective, for the Commission, is to cut ‘unnecessary costs and obstacles that block adaptation and innovation’ and to put into ‘practice the right incentives and the basic market conditions for businesses to develop.’ In other words, the purpose of ‘better lawmaking’ is to benefit business rather than to protect the consumer’s labour, social and environmental rights. This is what we object to. We do not want this process to lead to the repeal of any legislation that undermines the notion that competition and the profits of business are of prime importance, above all other considerations.

- Report: Bösch (A6-0002/2007)

Bogusław Liberadzki (PSE), in writing. (PL) I am voting in favour of the report on Decision No 804/2004/EC of the European Parliament and of the Council of 21 April 2004 establishing a Community action programme to promote activities in the field of the protection of the Community’s financial interests (Hercule II programme).

Mr Bösch has tabled a good report. The changes in the preamble are a better reflection of the criteria and purpose of this regulation. The proposed change provides improved tools for implementing the action programme and strengthens supervision of its correct implementation. Allocating an additional EUR 67 million to the Hercule II programme annually will have a significant effect on combating smuggling and fraud.

David Martin (PSE), in writing. I support the Hercule II programme and the work it is carrying out for the prevention, detection and combating of activities damaging the Community's financial interests. The type of fraud combated under the programme must be tackled in order to retain the tax base of Member States.

- Report: Gräßle (A6-0007/2007)

Bogusław Liberadzki (PSE), in writing. (PL) I am voting for the report on the proposal on the Commission Regulation (EC, Euratom) amending Regulation (EC, Euratom) No 2342/2002 laying down detailed rules for the implementation of Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

Mrs Gräßle and Mr Pahor, the rapporteurs, have compiled an excellent report which includes a number of amendments. Implementing the regulation will provide greater flexibility and transparency in the Financial Regulation applicable to the general budget of the European Communities. It will better secure the Community's financial interests, while at the same time giving the Committee on Budgetary Control more transparent opportunities to assess the proper implementation of the Community budget in the relevant section.

David Martin (PSE), in writing. I support the amendments put forward by this report as the European Parliament's budgetary function is vital to maintaining democratic scrutiny at the European level. I especially support the amendments aimed at improving the comparison between the political will expressed in Parliament's remarks on the budget and the actual implementation.

- Report: Brepoels (A6-0021/2007)

Richard Seeber (PPE-DE). – (DE) Mr President, the INSPIRE data system is a considerable gain for us in Europe, since, for every policy, particularly in the environmental sphere, we need mutually comparable data on space, and so I would like to thank Mrs Brepoels, the rapporteur, for negotiating an outstandingly good compromise, which is the only way in which we can enable the public to inform themselves on the environmental hazards in store for them and to participate in the systems that we are setting up in Europe. INSPIRE is making an essential contribution to this.

David Martin (PSE), in writing. I voted in favour of this report as it will create a waste management policy that will help us meet our objective of reducing waste and protecting our environment. We need to protect the environment at an EU level and this report represents an attempt to do this. The report meets the priorities I feel we should have for our environment of reducing the production of non-reusable or non-recyclable waste, making producers and importers responsible for waste, avoiding the reclassification of energy recovery incinerators for waste disposal and introducing a requirement to develop national waste prevention programmes.

- Report: Jackson (A6-0466/2006)

Richard Seeber (PPE-DE). – (DE) Mr President, two things were of particular importance to us Austrians when it came to the revision of this framework directive on waste. One was the special rule for organic waste, since both we and Germany have systems for dealing with this, which work very well and need to be maintained. At the same time, though, we urge the Commission to keep working on this in order to establish a Europe-wide system for it. The second thing we were concerned about was catering waste and waste from guesthouses, which can, after appropriate treatment, be reused in the husbandry of pigs. That is quite essential if those and similar food flows are to be properly reprocessed.

Andreas Mölzer (ITS). – (DE) Mr President, slowly, but surely, society is rethinking its approach to waste, but, since more and more countries want to reprocess old waste and the owners of plant want to spare them overload, the consequence is that waste is transported from one end of Europe to the other. Even if we are now paying attention to the environment, we become aware from time to time of black sheep quietly or blatantly disposing of waste in an illegal manner or claiming money for costly reprocessing that they have not actually carried out.

Not only does that do harm to the living space we all share, but it also costs the state and municipalities a lot of money, and we need to be more vigorous in dealing with this. We also need to do more work on informing people, since some members of the public, out of ignorance, dispose of such things as medicines in the wrong way. It also goes without saying that we have to do more about recycling, and that the EU and its Member States need to set us a good example in this respect. Over and above that, too, we must not forget that the issue of the storage of nuclear waste has still not yet been resolved, and that is yet another reason to refrain from building more nuclear power stations.

Liam Aylward, Brian Crowley, Seán Ó Neachtain and Eoin Ryan (UEN), in writing. We and the Fianna Fail Delegation in the EP have voted in favour of a stronger Commission proposal on waste favouring the five-stage hierarchy with the essential emphasis on Prevention and Reduction of waste, followed by reuse, recycling, recovery and then the safe and environmentally sound disposal of waste in this order of priority.

We have voted in favour of calling for binding targets for Member States to stabilise waste production at anticipated 2008 levels by 2012 and support the EP call for greater reuse and recycling to reduce pressure on landfill sites, for Member States to take the necessary measures to ensure that, where practicable, all waste undergoes recovery operations, to take measures to promote recycling and to set up collection schemes of different streams, to move towards a Recycling Society by 2020 where 50 % of our municipal solid waste should be recycled in addition to biowaste and industrial waste.

The issue of the distinction between Recovery and Disposal is a very important one. We have voted in favour of amendments that clearly distinguish between recovery and disposal and have voted against amendments that would reclassify units from disposal to recovery.

Bernadette Bourzai (PSE), in writing. – (FR) I should like to congratulate the rapporteur and Parliament's Committee on the Environment, Public Health and Food Safety on the excellent work that they have done.

We do indeed need to take action, as waste management policies do not always advance the cause of recycling and composting. Unfortunately, dumping and incineration are still the most widespread ways of dealing with waste.

I am in favour of the five-level hierarchy applicable to waste management (prevention, re-use, recycling, recovery and dumping) as, in my view, the objective of reducing waste must be given priority, and precedence must therefore be given to a policy of waste prevention. I am in favour, for example, of introducing product labelling designed to develop eco-consumption.

I am pleased that, for purposes of simplification, excavated land has been excluded from the list of forms of waste. However, I think it necessary to make a clear distinction between recycling and recovery, and to manage incineration practices, with a view to creating genuine energy recovery, which must not constitute a risk to human health and the environment.

I support the proposal whereby, in accordance with the 'polluter pays' principle, those who produce waste would, as a matter of general practice, be held responsible for it.

Ilda Figueiredo (GUE/NGL), in writing. (PT) This report raises a number of points that are, in some cases, inconsistent. The report proposes priorities regarding, on the one hand, waste management, with the emphasis on prevention, reuse, recycling and other recovery operations, and, on the other, regarding waste disposal. This is something we welcome, and we hope that the final text will eventually reflect this proposal.

Unfortunately, however, some of the positive amendments that were tabled – aimed at removing incineration from classification as a recovery process, and at ensuring that using this method would automatically be null and void – were not adopted, whereas others, much more limited in scope, were adopted. Therein lie some of the inconsistencies.

Consequently, at the forthcoming negotiation stage, all our attention must be focused on the process, in order to monitor the development of the definitions and the content thereof.

Hence at this first reading we have prioritised the aspects that improved on the Commission's original proposal. The final vote at second reading, however, will depend on clarification of the existing inconsistencies.

Glyn Ford (PSE), in writing. I will be voting in favour of the Jackson report on waste. It is important that we avoid burying ourselves under the proliferation of packaging consumer society imposes on us. I am in favour of recycling to the maximum practical level, but that is not enough. We must limit the amount of waste generated before recycling. However much we try, there will be material requiring disposal. Provided that it is kept to the minimum practical level, I have no problem if some of that material is burnt. I have visited in Germany CHP schemes based on waste incineration which are to be commended. We will help our planet and our future by utilising a variety of measures and not by making one scheme fit all.

Mary Lou McDonald (GUE/NGL), in writing. I supported the Jackson report today because it encompassed the thrust of the Environment Committee's progressive stance on waste prevention and management. I am particularly satisfied that the European Parliament has rejected the Commission's proposal to re-brand municipal waste incinerators based on certain criteria. Sinn Féin supports those communities in Ireland fighting against the imposition of dangerous incinerators onto their communities.

The Jackson report sends out a clear signal that the European Parliament supports the principles of a recycling society – Member States should do so too. The inclusion of the five-step waste hierarchy plan and the insistence on obliging Member States to provide waste prevention plans are also welcome. I regret that clearer and more ambitious targets were not included, however.

Luís Queiró (PPE-DE), in writing. (PT) The issue of waste treatment is extremely important. The debate should focus on the idea that the excesses of those championing the environment will result in unrealistic, unworkable legislation. Such legislative inadequacy will in turn lead to environmental negligence and to an avoidable legacy for future generations.

One must, on the other hand, be mindful of the fact that, for all our good intentions on reducing pollution, the truth is that the ongoing increase in standards of living in the EU, and indeed throughout the world, will always lead to higher consumption and inevitably to more waste. We must therefore be realistic and, more importantly, seek to obtain a positive return, as suggested here, on waste treatment, in terms of energy.

Frédérique Ries (ALDE), in writing. – (FR) Prevention is better than cure. This adage, which ringingly endorses the desire to tackle the root causes of problems, applies perfectly to European waste policy.

What, then, are the facts? Between 1995 and 2003, global waste production has increased by 19% an average of 3.5 tonnes per person per year.

If we add to this the fact that less than 20% of waste is recycled, that – in 50% of cases end-of-life materials are not recycled and end up scattered throughout the countryside and that, moreover, allowing incinerators and waste that is dangerous to the environment and to public health to proliferate is not a tenable policy, what we have is a whole waste management philosophy that needs to be re-thought, and to be re-thought along three main axes: eco-design as a priority of waste prevention policy, given that 80% of the environmental impact occurs at the time that a product is manufactured and processed; the implementation of green taxation, which is intended to have a deterrent effect and which discourages excess packaging and energy-guzzling products; and the closure of Europe's 10 000 illicit rubbish dumps or the modification of these dumps to bring them into line with the 2001 EU Landfill Directive.

Catherine Stihler (PSE), in writing. I welcome this report in tackling the EU waste problem. I am pleased that a legally binding stabilisation target has been introduced for waste prevention. I am also pleased that there has been no weakening of the principle of the five-stage 'hierarchy of waste': prevention and reduction of waste, re-use of waste, recycling of waste (less than a third of waste is recycled today), other recovery operations and, finally, the safe and environmentally sound disposal of waste.

- Report: Blokland (A6-0438/2006)

Ilda Figueiredo (GUE/NGL), in writing. (PT) As we know, one of the problems of modern society is waste production. We therefore endorse the adoption of this document, which places the accent on the primary objective of waste management, namely the protection of the environment and human health.

We would also highlight the adoption of what is referred to as the 'waste hierarchy', that is to say, the establishment of the following action priorities, in order: prevention, reuse, recycling, other recovery

operations such as energy recovery and lastly disposal. With the higher importance attached to the issue of prevention, the intention is to reduce as far as possible the waste created.

Let us not forget, however, that given the enormous amount of waste currently produced, measures aimed at reuse, recycling and disposal that could be implemented remain inadequate and incapable of meeting our needs.

Waste reduction is therefore a crucial issue. To achieve this, however, entails a change in standards of production and consumption. It also involves clarifying the problem and raising awareness among the entire population. Consequently, it must be clarified how waste management is to be paid for, and guarantees must be put in place to ensure that it is not the 'weakest link in the chain', namely the consumers, who have to carry the can. We therefore feel that reference to the application of the 'polluter pays' principle is dangerous.

Diamanto Manolakou (GUE/NGL), in writing. – (EL) In Greece, there are now 3 500 uncontrolled dumps. About half incinerate, with serious repercussions on the environment and public health. The volume of waste is increasing and most of it is dumped in landfills. On the other hand, the re-use and recycling of waste are still at excessively low levels and illegal cross-border transportation of waste is increasing. All this applies to most of the Member States and is rightly pointed out in the report entitled 'Thematic Strategy on the recycling of waste'".

Unfortunately, instead of finding solutions to these social problems, the Commission is using confusing targets and phoney definitions and a lack of qualitative and quantitative targets to promote the interests of the manufacturers and operators of incineration plants, which are major economic interests, at a time when we know that incineration produces gaseous pollution, dangerous solids and toxic liquid waste which contribute to the greenhouse effect. At the same time, incineration acts as a counterincentive to recycling.

This confirms that the capitalist EU cannot by its very nature apply a waste management policy based on the criterion of environmental protection and public health, because this is incompatible with unhampered action by capital to generate profits.

We also express our disagreement with the principle of 'the polluter pays' and the principle of the 'waste generator's responsibility', as they are tools for shifting blame from the polluter, who can basically pollute with impunity and just pay a financial price.

David Martin (PSE), in writing. I voted in favour of this report as I believe we should create a waste management policy that will reduce waste and protect our environment. I believe the basis of the EU waste policy should be the protection of the environment and not to facilitate the trade of waste. The 'polluter pays' principle, the principle of producer responsibility in the EU waste legislation as well as the implementation of concrete targets for prevention are important aspects of this report that I favour.

Catherine Stihler (PSE), in writing. The proposal for a separate directive on sewage sludge, a revision of the waste incinerator directive and proposals on waste prevention should be welcomed.

- Report: Bozkurt (A6-0003/2007)

Philip Claeys (ITS). – (NL) Mr President, I voted against the Bozkurt report. Whilst a number of necessary conclusions have been drawn, we in this House are passing up an opportunity to bring real pressure to bear on the Turkish Government. The accession negotiations with Turkey could be used as a lever to make progress in the area of human rights, in this case women's rights, but it would appear that we have made a conscious decision not to do this. In this House, there is a majority that assumes that Turkey must be able to join the European Union at all costs. The official line is, of course, that negotiations with Turkey can be suspended at any time if it transpires that that country is clearly flouting the human rights conditions. It has, though, become evident to us, time and time again, that the negotiations will never be suspended. It is a stipulation that serves one purpose and one purpose only: to pacify the majority of the voting public in Europe who are opposed to Turkey joining.

Françoise Castex (PSE), in writing. – (FR) I voted in favour of the own-initiative report by Mrs Bozkurt on women's role in social, economic and political life in Turkey.

Although the legal framework for women's rights appears to be generally satisfactory, its actual implementation is still deficient, in my opinion: violence against women - and, in particular, honour crimes and forced marriages - must be systematically condemned.

I welcome the proposal in the report inviting Turkish institutions to build alliances with all groupings - civil and social - in society so as to initiate campaigns to spread awareness of violence committed against women and children.

I am also delighted by the adoption of the recommendation addressed to the Turkish political parties to include more female candidates on election lists as from the next elections in 2007.

Finally, I am very pleased about the request to the Turkish Government to make it mandatory for girls prevented by their families from attending school to have access to knowledge.

Edite Estrela (PSE), in writing. (PT) I voted in favour of the report by Mrs Bozkurt because it reinforces the idea that the Turkish Government must adopt measures enabling women to play a more prominent role in Turkey's social, economic and political life, despite progress that has already been made.

This report illustrates that there is a long way to go when it comes to protecting Turkish women against domestic violence and honour crimes. It also calls on the Turkish Government to build more shelters for women who are victims of violence.

Ilda Figueiredo (GUE/NGL), in writing. (PT) By voting for this report we only wanted to endorse protection of the rights of all Turkish women, including in accession negotiations between Turkey and the EU, high on the agenda of which is the crucial issue of respect for human rights, including women's rights. Yet we do not consider this to be the only issue to take into account in the negotiations with Turkey. Our opposition to accession negotiations while Turkey continues its unacceptable occupation of Northern Cyprus is well known. We therefore object to a number of points in the report before us.

As the adopted report says, although the new Criminal Code, which entered into force in June 2005, has substantially improved the fundamental rights of Turkish women, the European Directives on gender equality have yet to be transposed in full. We also deplore the fact that, in some parts of South-East Turkey, girls are not registered when they are born, which hampers the fight against forced marriages and honour crimes, as the victims have no official identity. We also join in calling on the Turkish Government to guarantee women from the Kurdish minority equal involvement in women's rights programmes.

Hélène Goudin and Nils Lundgren (IND/DEM), in writing. (SV) We fully share the view that Turkey, like other candidate countries, must establish a democratic constitutional state with full human rights and gender equality.

However, we are critical of quite a few individual points in the report. For example, it is absurd for the European Parliament to propose that a mandatory quota system be adopted, ensuring fair representation of women on election lists (paragraph 41), that the Turkish political parties adopt internal rules guaranteeing the presence of women in their management bodies at all levels (paragraph 43) and that the political parties in Turkey include more female candidates on election lists (paragraph 44). The EU does not impose this type of requirement on other candidate countries or on existing Member States. It is self-evidently absurd for a candidate country to be treated differently through the formulation of special requirements. Moreover, it is, in the end, for individual countries to decide what type of measures are to be taken to strengthen the role of women in society.

On the basis of the above reasoning, we have each chosen to abstain in the final vote.

Timothy Kirkhope (PPE-DE), in writing. I and my British Conservative colleagues support the accession of Turkey to the European Union. We also believe it is important that Turkey, as with all other candidate countries, must fulfil the Copenhagen criteria.

However, this report seems to set the barrier of membership of Turkey at a higher level than other states. We cannot support treating Turkey differently and less favourably than other candidate states. Of course, Turkey must also ensure it will abide by the Copenhagen criteria with regard to the rights of women and girls.

We have decided to abstain on this report as we are concerned that the long list of demands in it will be used politically by those opposed to Turkey's membership of the EU. By the same token, we want to make clear that we are supportive of genuine attempts to improve the position of women in Turkey.

Rodi Kratsa-Tsagaropoulou (PPE-DE), in writing. – (EL) We MEPs of the New Democracy party voted in favour of the Bozkurt report, which refers not only to the problematic situation of women in Turkey in all sectors, but also to the measures that need to be taken in order for the *acquis communautaire* to be adopted and applied in the candidate country.

Constant, multilateral efforts by Turkey must continue in order to defend women's human rights, by eliminating violence, crimes of honour and polygamy, and in order to eliminate discrimination in the family, in economic and social life and in general.

We abstained from Amendment 15. We believe that this amendment gives no added value to the resolution.

It is a fact that the dimension of equality forms part of the *acquis communautaire*, which must be adopted and applied by the candidate country. Thus, freezing negotiations, as called for in the amendment in question, would delay the application of equality between the two sexes. We should not forget that there is already leverage in this direction at the current stage of negotiations. We would remind the House that opening negotiations on Chapter 19 on social policy and employment, which relates directly to discrimination against women, requires compulsory developments in and compliance by Turkey, with specific targets to promote equality.

David Martin (PSE), in writing. I have voted in favour of this report as it seeks to evaluate and suggest measures to evolve women's rights in Turkey. Cooperation with Turkish authorities and civil society is needed in order to improve women's rights and the report suggests this. In particular, in light of the country's candidacy for EU membership, respecting human rights, including women's rights must be made a priority. There are persistent problems with women's rights such as: Violence against women, including honour crimes; lack of education for women and girls; the decrease in women's participation in the labour market. I am pleased to support a report which recognises the need to address these issues and gives concrete suggestions for how we can achieve this.

Frédérique Ries (ALDE), in writing. – (FR) Forced marriages, domestic violence, honour crimes, illiteracy, etc: the situation of women in Turkey is not a bed of roses. According to Unicef, 700 000 girls are prevented from attending school by their families every year. The employment rate among women is less than 25%, way below the 55% in the European Union.

These are worrying figures when Turkey's accession to the EU is arousing controversy. That is why Parliament is proposing constructive measures: an assessment of Turkey's progress according to benchmarks; the creation of refuges for women who are victims of violence; the obligation to register all girls at birth in order to prevent forced marriage; training the police and judiciary in the prevention of honour crimes, to encourage the systematic opening of inquiries and the necessary sentences; a mandatory quota system for the involvement of women in political life.

I am not a fundamentalist when it comes to positive discrimination, but I am convinced that temporary measures will be useful in Turkey. The country is crying out for women in positions of power, who will serve as models and bring about a change in traditional ways of thinking.

Olle Schmidt (ALDE), in writing. (SV) In the vote on Mrs Bozkurt's report on women's role in social, economic and political life in Turkey, I chose to vote in favour of the amendment designed to delete paragraph 41 on the subject of a quota system. I think it a great problem that there are not more women in Turkish politics, but, for me, a quota system is not the right solution to this problem.

Catherine Stihler (PSE), in writing. The start of talks with Turkey on EU accession should be welcomed. However, the rights of women need to be closely monitored. The case of girls in south-east Turkey not being registered at birth needs to be challenged. All births should be officially registered regardless of gender. As for women in politics, more work could be done to encourage, nurture and help women into elected office. However, we should remember that in the EU there are still countries whose female representation in national politics falls short of the mark. In the UK, it will take 200 years before women are equally represented in the House of Commons. We must do all that we can to address gender inequalities where they occur.

Lars Wohlin (PPE-DE), in writing. (SV) Present circumstances show that the membership negotiations with Turkey have been embarked on too early. The report highlights a number of serious problems, especially the occurrence of honour killings and violence against women.

Quite apart from whether or not it becomes a Member State, Turkey is on the EU's doorstep and will constitute an important trading partner for the EU. It is therefore important for the EU to continue to put political pressure on Turkey with a view to the country's constructive development. However, it would be extremely unfortunate if the European Parliament were to go so far as to propose a mandatory quota system for the representation of women on various election lists. The EU does not have the power to interfere in nomination proceedings that comply with democratic ground rules.

6. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 1.10 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR POETTERING

President

7. Approval of Minutes of previous sitting: see Minutes

(The Minutes of the previous sitting were approved.)

8. Preparations for the European Council (8-9 March 2007) (debate)

President. The next item is a statement by the Council and the Commission on the preparations for the European Council on 8 and 9 March.

Günter Gloser, President-in-Office of the Council. (DE) Mr President, Commissioner Wallström, ladies and gentlemen, this spring summit of Heads of State or Government will, as in previous years, be primarily devoted to economic issues, the Lisbon Strategy in particular. We are of course delighted that this year's spring summit is being held at a time when the economy is in a good state and good things are happening on the labour markets. From this we arrive at the cautious conclusion that the Lisbon Strategy's first-fruits are appearing, but we are also persuaded that it would be quite inappropriate to rest on our laurels. Far from doing that, we want to put the overall favourable trends and the incipient mood of optimism to work in the interests of further structural reforms, to join together in undertaking further efforts at securing for the long term, and building on, the successes of recent months, for it is important that we get Europe in top form ready for global competition.

Following intensive preparatory work, which was characterised by very close and very fruitful cooperation with the Commission, the meeting of the European Council on 8 and 9 March is ready to be hammered into shape. The General Affairs and External Relations Council yesterday discussed the annotated agenda for the Council that the presidency had drafted, and I am glad to be able to tell you that the Member States wholeheartedly endorse the list of topics proposed by the presidency.

Over the coming weeks, COREPER will coordinate the contributions of the various sectoral Council formations and do further work on the draft conclusions for the Council in the light of their essential comments. Perhaps I might remind the House at this point of the dates on which the various specialist Council will finalise their contributions. The Energy Council will be meeting the day after tomorrow in order to discuss the Energy Action Plan, which is one of the really big issues for the European Council; the Education and Youth Council meets on 16 February, followed by the Competitiveness Council on 19 February and the Environmental Council on 20 February. This round is concluded by the Council responsible for employment and social issues and the ECOFIN Council, which meet on 22 and 27 February respectively.

Although your House is not directly involved in these preparatory activities, I am able to assure you that the Presidency will be taking account of the opinions you have adopted in connection with the themes of the Summit.

Perhaps I might now go into rather more detail about the Presidency's plans for this year's spring summit. I will also refer back to what the President of the Council said in this Chamber this morning. We will endeavour to ensure that the European Council performs its essential role, which involves it in concentrating on core issues, setting general directions, taking decisions about the future and issuing policy guidelines to the responsible entities at European and national level. Today's exchange of views and, of course the in-depth dialogue with the President of your House in the course of the session are, of course, important elements in performing this function. With these general considerations in mind, we have tried to focus the European Council's deliberations on topics in respect of which action is generally recognised as being necessary and areas in which further efforts need to be made.

Our specific concern is with supporting the structural reforms embarked on in the Member States and moving them forward by integrating recommendations specific to the country in question. Within the area of the internal market, we want to strengthen the shared desire to close loopholes, identify weak points, and make the EU more competitive against third countries, while at the same time pushing for the relaunch of the Doha Round. We are no less keen to encourage innovation, research and education than to promote job creation and the further development of the European social model, central to all of which are 'flexicurity' and demographic change.

As the Federal Chancellor said this morning, better regulation is important to all of us, for there is, in it, considerable potential for making the European economy more competitive, and so the reduction of bureaucracy is a priority issue for the German Presidency. We have set ourselves the goal of sending out ambitious messages from the meeting of the European Council; in practical terms, our main concern is with the simplification of existing laws and consideration of how the impact of new ones might be better assessed. As the lawmaking authority, the Council and Parliament have a particular responsibility for ensuring that proposals from the Commission for the simplification of legislation are both thoroughly scrutinised and promptly processed. Our main concern is that the reduction of bureaucracy be driven forward, particularly through clear quantitative targets being laid down.

Finally, the European Council, as decided last year, will give its attention to the EU's comprehensive plan for energy, which is committed to the EU's three fundamental goals in this area – security of supply, competitiveness, and environmental compatibility, the latter of which is always to be emphasised. It is evident from the Strategic Energy Report, which the Commission presented in January, that only an energy policy that addresses all three points of this triangular objective will be equal to the challenges that face the EU, and that is why we are pushing for a bundle of measures without which – being taken together – the desired effect will not be forthcoming. This package includes measures that reinforce competition on the internal energy market, that attach greater importance to renewable energies and help to develop better energy technologies and greater energy efficiency, and it is of great significance in this respect that greater weight is being given to the foreign policy components of energy policy. I would like to make it clear that Europe must increasingly speak with one voice where energy issues are concerned.

The issue of climate protection is inseparable from that of energy. Since climate change presents us with the challenge of the century, we are firmly determined to bring about ambitious and forward-looking resolutions, including quantitative targets, in this area too, and the proposals put forward by the Commission for full coordination on energy matters provide us with a good basis for this. The European Council must work towards sending out a strong signal in favour of the further development of the international climate protection regime after 2012. Only if the industrialised countries, led by the European Union, take the lead with commitment to demanding targets and measures will it be possible to expect the emerging countries to show the willingness to accept undertakings appropriate to their own circumstances to limit their own rapidly increasing emissions.

President. Many thanks, Mr President-in-Office, not only for what you said, but also for having used up only half the time available to you in saying it. That is something we should take as an example when considering the reform of the way our House works; the Council, too, is capable of imposing limits on itself and nevertheless saying something worth hearing.

Margot Wallström, Vice-President of the Commission. Mr President, March offers a real opportunity for the European Union. Firstly, it gives us a chance to show citizens a European Union taking ambitious, clear decisions on subjects that they care deeply about. Secondly, we will be called upon to agree a declaration that will not only celebrate our achievements over these 50 years, but set out what we can

do in the future. So, the two are closely linked. A successful spring Council would provide the perfect springboard for an ambitious Berlin declaration.

Europe has to take action. It has to be political, effective and play a key role when it comes to addressing the major challenges of today's globalised world. Growth and jobs, climate change, energy: these are subjects on the minds of Europeans every day. We have a real opportunity to show what the European Union can offer, of course, in full compliance with our renewed commitment to better regulation.

I should like to focus on climate change, energy and the growth and jobs agenda. Two weeks ago the UN Panel on Climate Change set out clearly, calmly and irrefutably the facts on climate change. The goal of limiting temperature gains to 2°C is still achievable – just! The next decade or so will determine whether we manage to bring the situation under control. Our international partners, investors and citizens are all looking to the European Union for clear, determined action.

The scale of the problem is huge. A bold response is the only one that makes sense and that means practical policy proposals and binding targets. That is why we proposed that developed countries accept a 30% emission reduction target by 2020 compared to 1990 levels. At the same time, nobody questions the need to bring developing countries into the global efforts to cut emissions, and they can realistically be put on track to limit the growth in their emissions, to start with, and to start cutting by 2020.

I expect the spring European Council to send a convincing and strong signal on the need for determined action on climate change. The resolution on climate change, which this House will adopt tomorrow and which is both encouraging and stunning, contains an important and urgent message, which the Commission will pass on to the Heads of State and Government when climate issues are being discussed at the spring Council.

However, we must also show both inside and outside the EU that we are prepared to act ourselves today. That is why the spring Council should agree a firm, independent EU commitment to achieving at least a 20% reduction in greenhouse gas emissions by 2020. This will be a real demonstration of our commitment.

Energy is key to cutting emissions. However, it is more than that: secure supply, fairer prices and more choice are all issues that are central to citizens' daily concerns for themselves, their families and future generations and, of course, to European industry. There is also an instinctive sense that these issues can only be tackled effectively at European level. Therefore, this is also a stern test for the European Union itself.

Last month, the Commission set out its vision of how to put European energy policy on track and I very much welcome the supportive stance of this Parliament. Whenever we face a long-term challenge, it is essential that Europeans can look to their democratically-elected representatives to explain why reform is essential, to put short-term change in the context of long-term purpose, to convince us that every one of us can play a part, for example through doing what we can on energy efficiency.

The comprehensive resolution that you adopted on 14 December last year reflects the essential role that Parliament plays in this context. So the ambition and conviction of the European Council are critical. We cannot put off decisions any longer. Europe needs to send the clearest of messages that it is committed to transforming the shape of European energy over the next few decades. Investors are ready to step in on a massive scale, but they need a clearer signal. That means decisive action in the internal market. It means real steps to ensure solidarity between Member States. It means making research in this area our top priority, for example as the first target for the European Institute of Technology. It means a precise, ambitious and, in particular, binding target of bringing renewable energy into the mainstream by 2020.

With a clear green light from the European Council, the Commission is ready to bring forward a wide range of precise legislative measures this year. Climate change and energy are integral parts of the broader issue on which the spring Council will focus, the Lisbon Strategy for Growth and Jobs. Real steps are being taken to invest more in innovation, to make life easier for new and growing businesses, to help citizens prepare for change. The economic situation, as you know, is improving and Europe has shown that it is facing up to the challenge of globalisation, but these first steps now need to accelerate. The consensus for change needs to be translated into action in all parts of Europe and in all sectors. Modernising our economies and societies is essential if our values and quality of life are to flourish in this rapidly changing world.

The spring Council needs to give a clear message that we will press ahead with reform at all levels as set out in the Commission's annual progress report on the Lisbon Strategy, including the country-specific recommendations.

The Commission strongly welcomes Parliament's support on this point. Your resolution gives a timely reminder of some of the key benchmarks by which the credibility of action will be assessed. For example, reducing start-up time for new businesses to no more than one week, or cheaper protection of intellectual property rights.

Time is running out if we are to avoid the worst effects of climate change, tackle the global imbalance between energy supply and demand, and secure real modernisation. It is time to put our best wisdom at the service of these objectives. George Bernard Shaw said that we grow wise not by remembering the past, but by being responsible for the future. At a time when we are celebrating 50 years of the European Union, this is a wise thing to remember.

Bold, ambitious and long-term decisions from the spring Council in March will put the European Union on the road to finding real answers to these most urgent questions.

President. Thank you very much, Vice-President Wallström, especially because you did not use all the time allocated to you. This is a very good example from the Presidency and from the Commission.

Marianne Thyssen, on behalf of the PPE-DE Group. – (NL) Mr President, Mr President-in-Office of the Council, Commissioner, ladies and gentlemen, each generation has a duty and responsibility to do its bit for progress. Ours too is facing a challenge, namely that of globalisation. We are living in a world that is changing fast and is opening up. In the European Union, we need to face up to worldwide, sometimes aggressive, competition with an ageing population and against the backdrop of global warming.

This competition is becoming more cut-throat not only on the supply side of our market, but also on the demand side of the market of raw materials and energy. We could ignore it, we could passively submit to it, or we could prepare for it. If, however, we want to give today's children any prospect of a quality life and a good job, then there is only one answer: to ensure that we are competitive. Being competitive does not mean yielding blindly to the pressures of globalisation. It does mean, though, that we must equip ourselves with the right instruments that will guarantee us a future for what is dear to us, namely our European social model and the values on which our way of living and society are founded. In order to be competitive, we need a bold vision, strategy and people, as well as resources. We have the vision. We have the Lisbon Strategy with the partnership for growth and jobs and this is something to which we in the Group of the European People's Party (Christian Democrats) and European Democrats have always been 100% committed. We are also enormously grateful that the Barroso Commission is putting in so much effort, as is the German Presidency, with its desire to focus more on the weak areas that need improving and on a serious energy plan.

In the last Commission report, we read that the economic prospects had improved over the last year. Let us seize this momentum to achieve our goals with all the more force, because there is a great deal left to be done, not least by the Member States of which the Commission reports sometimes show in too rosy a light. With the spring summit in mind, we will be voting on a resolution tomorrow. We have been able to verify it against the view of the national MPs, with whom we had a good meeting last week. This resolution also voices our priorities that will be further highlighted by our shadow rapporteur, Mr Lehne. The completion of the internal market, not least for both the consumer and the SME, administrative simplification, a study into the effect of the practice of goldplating, more research and innovation, a renewed approach to energy policy and to fighting climate change, with due attention to energy supply, affordability, less dependence, more renewable energy sources and lower greenhouse gas emissions. These are all measures that need to be taken if we want to achieve our objective of more growth and jobs. For the majority of our group, there is room for nuclear energy as well, even though we fully respect the principle of subsidiarity in this respect.

Lisbon is, of course, more than the sum total I listed so far. What matters most of all is caring about the well-being and dignity of the people and of their position and share in society. This is also why all our attention is focused on training, education, lifelong learning, the fight against exclusion and sound migration policy and indeed, gender equality, for the fact that talented women opt out is also a form of brain drain. As for labour market reform, we are looking forward to the discussion of the Commission document on flex-security.

Since Lisbon is about people, the process must also be supported by people. As long as the European strategy for growth and jobs is seen by the public more as part of the problem than as the way to a solution, there is cause for concern. The involvement of both the people and civil society must increase. In previous major projects, such as Europe '92' at the time and also when the euro was introduced, we were successful thanks to a huge, broad-based communication initiative. We, and certainly the Member States, missed opportunities during the enlargement process. Without a proper communication strategy, Lisbon will not be understood properly, supported or carried out adequately, something that is probably attributable to a lack of political courage. Hence, I would like to make a passionate plea to the three institutions to pledge their funds for this cause and also, if possible, to make some room for this in the important Berlin declaration that is being compiled.

I should like to thank the rapporteurs and shadow rapporteur for the resolution we will be endorsing tomorrow and which we prepared in the working party with the 33 under Mr Daul's presidency. The resolution turned out to be rather long, but as it is one that enjoys broad support and that is also positive, it allows us to send out a broad message about where we want to take this strategy.

Robert Goebbels, on behalf of the PSE Group. – (FR) Mr President, ladies and gentlemen, at a time when global problems are piling up, a number of EU Member States are tempted by nationalism. The fact is that the indisputable lesson of the globalisation under way is that even Germany, France, Great Britain or, indeed, Poland are relatively helpless faced with the foreseeable rise of certain large nations.

Everyone concedes that the Treaty of Nice is no longer enough to ensure the effective governance of the EU-27. However, the Constitutional Treaty has collapsed, and not only because of the French and Dutch 'no' votes but also because certain Heads of State or Government refuse to honour their signatures. The vision of Europe cannot be summarised solely in terms of the internal market. Our fellow citizens want to see a more social dimension and joint action that is more effective.

European integration began with the European Coal and Steel Community. Last year, China became the world's top steel manufacturer. In January, China and Russia signed 15 energy cooperation agreements, one of them relating to the construction of two gas pipelines, each with a capacity of 40 billion cubic metres.

This month, India, China and Russia are to take part in a tripartite forum with a view to promoting trade with each other. The United States and Russia have just signed a joint nuclear research agreement. The Chinese, Japanese, Indians, Russians and Americans are cooperating in the development of new technologies designed to combat climate change. Where, then, is Europe in all this? We are far from the solidarity of the now defunct CECA. We are struggling to define an energy policy characterised by solidarity and therefore of a joint character, and this at a time when our energy dependence is increasing. Admittedly, we are giving priority to ambitious objectives, but with deadlines in 2020, 2030 or 2050, that is to say beyond the foreseeable future.

Chancellor Merkel reminded us this morning that the EU was responsible for 15% of total CO₂ emissions. According to Commissioner Dimas, our share fell to 14% in 2006 – a figure indicative not of greater efficiency on the part of Europeans but of an increase in the emissions of other industrialised nations.

If it is obvious that Europe must set an example, it is no less obvious that we are not going to be able to overcome global problems on our own. Europe has some aces up its sleeve when it comes to making its presence felt in the global debate. We remain the biggest economic power, generating 30% of gross world product. More than a third of the two thousand largest companies in the world are European. We still lead the world in practically all sectors, with the exceptions of digital technology and biotechnology, and the Lisbon Summit has defined a strategy for remedying these deficiencies. This strategy is still a live one, even if progress is desperately slow, particularly where research and innovation are concerned.

The forthcoming summit will provide the opportunity for a new departure. All the analyses have been carried out, and all the problems are known. The time for practical decisions has come. The political relaunch of Europe must take place by June at the latest. That, at least, is the ambition of the Socialist Group in the European Parliament.

Graham Watson, on behalf of the ALDE Group. – Mr President, EU growth in 2006 hit 2.7 % – the highest in six years. Unemployment is at its lowest since 1998, at 7.9 %. One is tempted to say, 'well done!', but that 2.7 % growth has to be measured against 9.5 % in China and India, and our 7.9 % unemployment rate against under 5 % in the United States and 4.1 % in Japan. In this light, the Lisbon

goal of making Europe the most competitive knowledge-based economy in the world by 2010 sounds not only ambitious but unrealistic. We have already dropped the target date. Can we maintain the target?

Well, we hold this debate annually; some Member States perennially ignore our exhortations. The Kok Report told us two years ago that the objectives of Lisbon have become muddled and the results are unconvincing. It is because some Member States have tried to muddle through instead of reforming their ways. Lisbon will only work if reform is made Europe-wide. Solidarity cannot mean those governments who have gone through the tough process of reform now having to bail out those who have not. In some countries, even the opposition does not see the need for reform; it makes promises to citizens which cannot be kept and, I am tempted to say:

(FR) It might be said that there is a dire need in this case for a reality check.

A knowledge-based economy needs a willingness to learn. We in Europe can learn from each other. Economic growth and low unemployment, a dynamic business environment and high social standards are not mutually exclusive – look at Denmark or Finland.

The way to modernise social protection and benefit systems is to bring in more flexibility. Youth unemployment is far too high, but protecting our citizens does not mean that we have to protect uncompetitive jobs. The social safety net should not prop up failing businesses, but help those affected to reintegrate into new business opportunities.

My group believes, too, that investing in green technologies is key to containing climate change and catering for energy security in Europe. Energy is literally the driving force of our economy, and, as our Energy Ministers meet this week in Brussels, they must rise to the challenge and have the courage to open up the energy sector to greater competition and flexibility, not just separating infrastructure from supply. Building a true European energy market is important but not sufficient: we also need to cut energy consumption, and I hope the Commission will be even more ambitious in future than it has been. We have got to create incentives for individuals to change their habits and make thoughtful purchases and investments through using the tax system.

We also have to deliver proper implementation of European legislation, letting our citizens know what needs to be done, and Member States have to live up to their promises of economic reform so that we can give the green light to Lisbon.

Cristiana Muscardini, *on behalf of the UEN Group*. – *(IT)* Mr President, Mr Gloser, ladies and gentlemen, one of the things that irritates the general public most of all is the European Union's excessive regulations. Rules that are not just too numerous but also hard to understand and complex: this trend must be halted. Establishing the curvature of bananas or the diameter of peas or the length of contraceptives and believing that this means you are regulating the market is a sign that you are a thousand miles away from the daily lives of the citizens.

Rules like this are the product of pressure exerted by powerful interest groups to protect personal business affairs, and are not passed in the interests of the citizens. Where there are too many rules, bureaucracy reigns in the place of politics or the economy, and the EU may even die of bureaucracy. Making better laws must become an imperative for the institutions, and on this point Parliament must act as the catalyst. We are pleased that the Presidency of the Council is paying attention to this issue, too.

As demonstrated by the speeches made in the Chamber this morning, there is a certain European left-wing tendency that continues to demand new legislation, but shows little interest in how much it is actually applied or applicable. We believe that a free and cohesive society is based on stable, clear, shared rules and not on elephantine bureaucracy. For growth and development, we invite the Council to adopt with greater determination a policy that is attentive to the problems of the African continent, and vigilant with regard to human rights and workers' rights, in the countries with which we trade as well as inside the Union itself.

Without a common energy policy, there will be no recovery or growth. We endorse the Commission's new Green Paper with regard to renewable energy sources and the improvement of natural gas infrastructure, focusing on LNG terminals, a position that is also backed by the Presidency of the Council. All obstacles should therefore be removed, including those posed by the Italian Minister for the Environment, Pecoraro Scanio, who on this issue continues to ignore European positions and is therefore delaying progress. Development and the environment are the challenges to which we must respond,

including by ratifying a new treaty that defines the new and differing areas of responsibility of our institutions within the 27-member Europe.

Rebecca Harms, *on behalf of the Verts/ALE Group.* – (DE) Mr President, ladies and gentlemen, representatives of the Council and the Commission, I would like to start by congratulating the Commission on having stood firm in the argument over the national allocation plans for CO₂ trading, and on having at least confounded expectations by correcting Germany's national allocation plan.

I am disconcerted to see that the deal done over the reduction targets for CO₂ from cars, evidently as part of a bigger deal, did not come out the way the Commission had wanted it to, and would like to take this opportunity to point out that one thing that is ignored in such CO₂ deals – of the kind that are currently being struck between the Member States, the Commission and the Council – is the fact that the targets we have set ourselves are not set by man; rather, the goal of stopping the earth getting more than 2 degrees warmer is set by Nature.

If we, in these trade-offs between various national and industrial interests, keep on disregarding a target set at Kyoto, then we will, I think, in the foreseeable future no longer actually be able to assert that we are pursuing an ambitious climate protection policy.

As we Greens see it, the energy package and the goal of 20% CO₂ reduction across Europe may well be ambitious, but they no longer bear any relation to the overarching objective of doing something to counteract global warming. If we really do remain stuck on this 20%, we can once and for all say goodbye to the idea of being able to have a positive influence on global warming, that is to say, of being able to reduce it. We have just heard that, if we were to stick at 20%, the earth would get warmer by 4 or 5 degrees, in other words, that the adverse predictions of climate change would then turn out to be much worse.

All I can do as I stand here is to appeal once more to the Brussels Energy Summit to stop cutting deals around reduction percentages and at last put into effect what the Commission has put on the table. In my view, the most important part of this energy package has to do with energy efficiency and savings, and I would again ask the Commission to get back to what was put before this House last autumn – which is not that long ago – in the shape of the energy action plan. Here, too, there must be less discontinuity. At the time, it was taken for granted that the right target for Europe was to reduce energy consumption. Today, the idea is firmly enshrined in the energy package that Europe's consumption of energy will continuously increase. It follows that there are many corrections to be made.

I want to add something about nuclear policy, for I know that there are many countries in which great hopes are placed in it. I think that Europe-wide checks are overdue as a means of ascertaining whether the scandalous security culture of which we get repeated reports from the Swedish nuclear power station at Forsmark is a uniquely Swedish problem or whether it might be the case that, over the course of decades in which atomic energy has been being used, this decay in the security culture has become a universal problem as a consequence of such things as reductions in staffing. This is now the third time that I have risen to protest that Forsmark has as yet not been discussed at the European level, and the reason why I am being so forceful about it here and now is that I gather that Euratom is going to lend the money for the building of a new nuclear power station in Belene, concerning which negotiations are proceeding behind the scenes. That would be a first, with Atomstroyexport funding a power station in the European Union with European money, which will enable people to act as if there were a renaissance in nuclear power. I do believe, though, that the fact of the matter is that this industry is in a very bad state, not only from the point of view of security, but also in economic terms.

Gabriele Zimmer, *on behalf of the GUE/NGL Group.* – (DE) Mr President, ladies and gentlemen, Commissioner Wallström has remarked that the Spring Summit will have to do a good job of preparing for the Berlin meeting, which is to be held a few days later, and, whilst I can agree with that, I can do so only subject to two conditions, the first being that it would be necessary for there to be very in-depth discussion of the Berlin statement at the Spring Summit, yet, instead, even the dogs in the street know that a thorough debate on the possible content of the statement carries the inherent risk of differences of opinion becoming manifest. Is there, then, to be no public debate, no debate among the Heads of State? If that is the case, then I wonder who is meant to be working on the Berlin Declaration, so important a statement that the EU is to carry it with it into its future.

Secondly, there is a need for more questions to be put on the agenda for the Summit, one, for example, being that of how a consistent fight against poverty, unemployment and social exclusion can be waged

in tandem with an effective fight against global warming. What does that mean, in particular in terms of an employment-intensive and forward-looking transformation of energy and transport, and what would need to happen in order for a really sustainable solution to work-related, social, environmental and global problems to be set in motion?

The fact is, though, that these questions are not being asked. We are talking about better regulation and about energy and climate change, but not in any way about the now long overdue beginning of a socio-environmental reconstruction that really would counteract the social division and climate-related catastrophe about the latter of which everyone is currently talking. We saw only a few days ago just how difficult the German Presidency of the Council is finding this, and Mrs Harms has mentioned it already. That 'better regulation' means, above all, more opening up to the market, is something that Mr Barroso made unmistakably plain last week, as did the Commission with its communication on the implementation of the renewed strategy for growth and employment. It is the opening up of the market that is supposed to benefit both enterprises and consumers, but more of it means more competition, consequently always benefiting the strong and with the weak being always doomed to lose out. The opening up of markets does not go together with the sort of structural change that we want and about which we always talk, although I have to say that the question is always to do with who wants what at what point in time.

On 1 February, Mr Solana, addressing the conference of the European Defence Agency – an entity whose creation pre-empts the entry into force of a European Constitution – called for planning and a deliberate demand-led policy for the armaments industry. I do not see that as being in any way compatible with the purposes of a summit at which the question should be put as to what can be done to create jobs on a sustainable basis, to combat climate change on a sustainable basis, and – this too on a sustainable basis – to give the citizens of the European Union working and living conditions of equally high quality.

Nigel Farage, *on behalf of the IND/DEM Group*. – Mr President, so often in politics it is not what is said in public but what is going on in secret behind the scenes that really matters, and so it is here with this forthcoming European Summit. The German Minister for European Affairs, Mr Glöser, may talk about sustainability and energy policy – although I have to say that how he keeps a straight face when he talks about the already failed Lisbon Agenda is quite beyond me.

However, what he does not talk about, of course, is the fact that this summit will discuss the European Constitution. Chancellor Merkel has made it clear that she is determined to press on and, in fact, this very week in Berlin discussions about the Constitution are going on in secret.

Once again, a great deception is being attempted. You are trying to cobble together a mini-treaty, getting rid of the 'C' word and thereby denying the peoples of Europe the opportunity to vote on their own future. It is as if you all have some higher calling and know what is good for the ordinary plebs of Europe.

You might think I am making it all up, but just last week President Barroso said: 'As a prime minister I was in favour of a referendum [on the Constitution]'. Since then he has come to Brussels and they have clearly spiked his drinks, because now he is saying: 'If there had been a referendum on the founding of the European Community or the implementation of the euro, do you think these would have existed?' I think we know the answer and the answer is 'no'. In daring even to say that, what Mr Barroso does is to expose the European project. He shows absolute contempt for the people of France and Holland who voted 'no' but, more seriously, he shows absolute contempt for the very process of democracy itself. If you push on relentlessly with this Constitution, if you go on denying the peoples of Europe a say in their future, you are storing up very serious problems for our children.

Andreas Mölzer, *on behalf of the ITS Group*. – (DE) Mr President, perhaps I might be permitted, with the European Council in the offing, to make a number of basic observations in relation to liberalisation and energy policy.

It seems to me that, in order to fulfil the Maastricht criteria and meet the demands of the Lisbon Strategy, the state is flogging off the family silver, while the public have to fasten their belts ever more tightly, with those in the public service being pensioned off early all too often and left unemployed and trembling with fear lest they lose their social security. Promises have been made to the effect that everything will be better value, more efficient and more flexible, but this sort of liberalisation is no way to keep them. In public infrastructures, the name of the game is now long depreciation periods and low revenues.

Private investors, though, are mainly interested in ready money, and we are all familiar with the consequences, with, for example, the poor punctuality of the railways and the abandoned stretches of track obliging us to go back to the car. Thanks to the privatisation of the post, we can now invest in new letter boxes and make lengthy pilgrimages to post offices, where we find a world of indecent working practices that belong in the Stone Age. Speculations in shares are making electricity more expensive, and we may well end up at some point being unable to afford our own water when higher prices are offered for it abroad, but what is even more dangerous is the prospect of foreign workers and asylum seekers being seen as an answer to the low birth rate and as a means of securing our social provision, to do which is to light the fuse on a powder keg, and the first explosions can already be heard getting closer and closer.

We must, then, have a rethink; we must pursue a competent policy on family life and births, invest more in education and use a reasonable amount of protectionism to promote our business sectors and our own agricultural production, in order to protect our people from the business relocations that the EU encourages. Nor, I think, can it be intended that nuclear-generated electricity be used to produce environmentally sound energy, or that biofuel should lead to food shortages in the way in which it has done in Mexico. What is needed in such situations is the active promotion of research into new technologies or the use of other types of energy production that really are more environmentally friendly.

Jana Bobošíková, (NI) – (CS) Ladies and gentlemen, I believe that the true cost of the trade war which is raging under the guise of ‘global warming’ will soon become apparent. The Council is clearly about to embrace the fashionable pseudo-scientific claims that we will only save the planet if we significantly reduce CO2 emissions.

If we allow ourselves to be talked into believing that we can influence our planet’s natural climatic cycles by sacrificing the competitiveness of European industry, we will not be doing the right thing for the planet. We will be simply pandering to the economic interests of those investors and countries that pay no regard to oxides and protocols. The pollution that we avoid by means of our sacrifices is more than made up for by their CO2 production. I am therefore most disappointed that the starting point of the Council’s negotiations on energy is the fight against climate change.

I feel that both our citizens and our businesses are more interested in the price of energy, and especially in its safe, uninterrupted supply. I should therefore like focus on the liberalisation of the energy market, which will prevent massive price increases. The Presidency should come up with a proper proposal on how to guarantee uninterrupted supplies from Russia to the whole of the EU and not just to Germany. Lastly, we must invest in developing new sources of energy, and in particular nuclear energy. If we do not do this, the high costs of energy will do irreparable damage to the competitiveness of European business.

How can the unemployed cope with the astronomical cost of electricity? I could send them to the headquarters of the Council in Brussels, but I doubt that would help. Thank you.

Klaus-Heiner Lehne (PPE-DE). – (DE) Mr President, ladies and gentlemen, let me just start by giving you a brief summary of what we have achieved. I would remind you that it was about two and a half years ago that the Commission kicked off a new initiative, having come to the conclusion, following the Kok report, that the Lisbon Strategy needed to be got back on its feet again. We want this strategy, which, in the first half of the decade was in essence no more than a political objective without the least chance of becoming reality, to come at least closer to its objective in the decade’s second half. I would claim that it has done that. ‘Lisbon’ does not yet, admittedly, have quite the same ring to it as ‘Kyoto’, but every Member State is now coming up with its national plans. We in this House have come up with a structure for getting to grips with the Lisbon Strategy and trying to move it forward. The Commission, too, has set new priorities for it. We have held inter-parliamentary conferences here in this House, with an ever-increasing number of participants from the parliaments. All this shows that we are going in the right direction and that the attempt at resuscitating the strategy has been successful.

Secondly, we have succeeded in making it clear that, although there may well be three pillars to the Lisbon Strategy, our ability to pursue a proper environmental and social policy is dependent on growth and job creation. We have also to make it plain that the Lisbon Strategy is also Europe’s response to globalisation.

In the resolution – the subject-matter of which will obviously be different from what it was in former years – we will make it clear that there are a number of deficiencies in the internal market that have to

be alleviated. There are many of them, but I would just like to point out two. One is that the further development of European patent law has still not been forthcoming, and on this front we expect the Commission to take some initiatives, such as it has already produced on the liberalisation of goods traffic in the internal market, which is an equally crucial matter.

It is energy policy, though, on which the summit and the Commission's – and this House's – activities will primarily focus. Let me remind you of what happened last year, when the Heads of State or Government were not to be persuaded that energy policy really had claims on Europe's concern and that a European approach to the subject was needed, when the view still prevailed that these things could be sorted out at the national level. That has changed. This time round, if energy policy is discussed at the summit, everyone will be working on the assumption that this is a task for Europe.

In this resolution, we have said that renewable energies must, of course, be promoted in so far as possible, but we have also highlighted the continuing importance of nuclear power, which will be made inevitable in future by the problem of CO₂ emissions, a problem addressed as a whole in this resolution as well, and also, of course, discussed in much greater depth in the parallel resolution on climate change. We have set ourselves very ambitious targets in respect of energy efficiency, and I do in fact think that – as the figures have already shown – a share of 30% in the world's economic product combined with a share of only 15% in emissions is already an indication that Europe is leading the way where energy efficiency is concerned, but we can achieve far more and be an example to the world.

Something else to which reference has been made was the remaining need for us to make the internal market in energy a reality. We know that an oligarchic and monopolistic structure continues to exist and that there is only one part of the European Union in which one can speak of a real internal market, while there are real deficits in large areas of the EU.

I would also like to address the aspect of 'better regulation'. Here, too, much has been achieved. Thinking back to the interinstitutional agreement of December 2003, that was certainly a breakthrough, but all that glitters is not gold. The Commission has still not yet complied with Parliament's request – as articulated in over half a dozen resolutions – for an independent assessment of the impact of laws, yet this is something on which we insist. If the Commission does not swing into action soon, we will have to think up other ways and means whereby we can do it ourselves.

What really is important now, as I see it, is proper benchmarking that makes it possible for us to review the reports from the Member States and say what we think is necessary in order that, through this benchmarking, the Lisbon Strategy goals be achieved even more effectively than they have been in the past.

IN THE CHAIR: MR MARTÍNEZ MARTÍNEZ

Vice-President

Hannes Swoboda (PSE). – *(DE)* Mr President, frequent reference has been made already to the Constitution, under which Europe gets more powers as regards energy policy. Since, though, the Constitution is not yet in place, we will have to endeavour to find another way of getting these greater energy policy powers, in particular – as Mr Gloser mentioned – in respect of external policy.

How are we and Russia supposed to have a proper relationship as equals if the European Union cannot, on these matters, speak firmly and with a single voice? Russia would much rather negotiate with the individual countries and play them off against one another, but what we are calling for – at this summit specifically – is for us to make it clear that, in this relationship with Russia, there is only one European voice, and if Russia complains that it does not have full access to the market, just what are we, in Europe, supposed to do about it? That is why an equal relationship with Russia matters so much.

Secondly, we have to diversify. We have to get access to other sources, but where? I am talking in particular about the Caucasus and Central Asia. When one sees how the United States of America – committed to the free market though it may be – has managed to get an oil pipeline built from Baku to Ceyhan in Turkey via Tblisi, with private investors being encouraged to support what was considered an important political project, as against how feebly and with what difficulty this sort of thing gets done in the European Union – one can take the Nabucco pipeline for Europe's supply of gas as an example – then it is clear that we have to demand that this European Union of ours stands up for itself and speaks

with one voice. Since Mr Goebbels has already mentioned many of these things, I really would like to see all these things spelled out at the summit.

If we believe that we have to diversify; if we believe that we need new and additional pipelines, then we have to say so, loud and clear, and then along will come Russia and will try to get involved or to do business with us. If we do not, on international markets, have an unmistakable European profile, then we will not be able to do those things that we have to do for our own people, that is to say, to ensure the security of Europe's energy supply.

Alexander Lambsdorff (ALDE). – (DE) Mr President, ladies and gentlemen, tomorrow, this House will be adopting a resolution in which we make a number of demands of the Council. In my capacity as rapporteur, I would like to take this opportunity of thanking my co-rapporteur, Mr Hughes from the Socialist Group in the European Parliament, for his cooperation, which has invariably been constructive, good and fair. He will shortly be presenting to you those parts of the resolution that have to do with employment and the objectives of better regulation, so I will concentrate on what our House expects of the Council as regards energy policy.

The most important thing that this House expects of the Council is plain for all to see; we want a strong single energy policy for Europe. It is the most urgent task for the Heads of State or Government to achieve real results at the Spring Summit, for it is by that that its success or failure will be measured.

A working single market in energy is not an end in itself. For a start, a single energy market is one of the great European projects. We want a European Union that produces results. If we can tell the public that it is European policy that has brought their constantly increasing gas and electricity bills back to a tolerable level, then that is good for Europe. The latest studies on the European energy market have again brought out the fact that we are miles away from a working internal market in energy, as Mr Lehne has already pointed out. Almost a decade after the first steps towards the liberalisation of the electricity and gas markets, a result like that is disappointing to say the least. First of all, then, it is in the interests of the public that we need the single energy market.

The second reason why a working single energy market is important is the competitiveness of our enterprises, particularly on the production side. No business should pay more than is fair and appropriate for the quantity of energy that it uses; we owe that to our enterprises and to the people who work for them. That is a means towards the end of increasing our competitiveness at home and abroad, which is one of the goals of the Lisbon Strategy, so the second reason why we need the single energy market is that Europe's competitiveness requires one.

The third reason is that, in a market with functioning price signals, energy is used effectively, alternatives are developed, and savings are made. It is true to say that sometimes things have to be required as a matter of policy to get new paths opened up, and that is what we are doing with this report, in order – or so we hope – to achieve the climate protection goals using a European energy policy; about that, there is consensus in this House. Thirdly, then, we need the single energy policy for the sake of a Europe that faces up to its global responsibilities.

It is for that reason that, tomorrow, this House will be adopting a resolution, and I shall now read out to you a selection of the most important points one by one. Firstly, the electricity and gas distribution networks need to be managed and administered economically independently of the energy production process if the long-lasting failure of the electricity and gas market is to be brought to an end.

Secondly, as renewable energy helps to improve the security of energy supply, we urge that the proportion of renewable energy sources be increased to 50% by 2040. The European Parliament is committed to ambitious targets in energy research, and in all areas, whether conventional, renewable or nuclear. Europe is a front-runner in many areas of this field, and this role needs to be consolidated and built upon if we are to have a knowledge-based economic order. This House is in agreement with the Commission's proposals on energy efficiency and the target of saving 20% by 2020.

We want to see a timetable for the 30% reduction of CO₂ emissions by 2020, and we are also committed to the reform of the emissions trading system, while also calling for greater solidarity between the Member States in times of energy crisis.

Members have agreed across all party boundaries on the need for a single energy foreign policy, for energy issues must become a permanent feature of the European Union's foreign relationships. I was

delighted to hear the President-in-Office say that this is where Europe needs to speak with one voice, for that is precisely how we see it too.

As Mr Barroso put it this morning, our credibility in the eyes of the public is conditional upon Europe holding together, and on that we agree with him. The Commission, the Council, and the Members of this House must all, equally face up to these European challenges; that is the only way in which we will be able to discharge our responsibility to the European public, to give them results, or, as the President of this House put it this morning, to be successful for the sake of our continent and serve the European Union's people. I would like to add that I believe we should be conducting this debate in Brussels rather than in Strasbourg.

Guntars Krasts (UEN). – *(LV)* The agenda for the European Council's spring summit is at the moment definitely the most important issue in the European Union as a whole and in each Member State. The tasks proposed relating to the Lisbon Strategy, and also to energy and climate change policy, are ambitious, but to put them into practice will require a sense of reality. We know most of what needs to be done in order to achieve the proposed goals, but the fact that the reforms to be carried out are mutually interconnected in the economic, social and environmental fields makes it significantly more complicated to implement the tasks. The mutual interdependence of the Member States in maintaining the tempo and quality of reform makes the situation even more complicated. We experienced this recently in the course of the difficult discussions on the services directive, which was intended to be one of the foundation stones in the Lisbon Strategy. On the agenda now are new tests of the Member States' readiness to maintain the tempo of reform, the liberalisation of Europe's energy market being one such. A liberalised European energy market is a prerequisite for the overall competitiveness of the market, energy independence, long-term stability and the integration of the new Member States into the single electricity and gas market. One of the central tasks of this European Council summit is to establish a consensus-based approach in the Member States' understanding of the single European energy policy. Energy policy must become a component of the European Union's security policy as soon as possible. The Member States ought to be able to agree on a common strategy in the sphere of supply and transit routes. Nor should we defer the creation of a permanent dialogue between energy-consuming states and energy-supplying states, to prevent an increase in global imbalance and the development of instability. In relation to Europe's main gas supplier — Russia — we must ensure that it ratifies the Transit Protocol and the Energy Charter Treaty. Furthermore, on this issue the views of the Commission and the Member States must not be allowed to differ. I hope that this important issue in the European Council's spring summit will help to boost a common understanding of mutual interdependence regarding both tasks and achievements in each Member State individually and in the European Union as a whole. Thank you.

Pierre Jonckheer (Verts/ALE). – *(FR)* Mr President, to the Group of the Greens/European Free Alliance, it is quite clear that, as my colleague Mrs Harms pointed out, the March European Council will mainly be devoted to energy and that we have some demands to make in this connection. I should like, for my part, to address another point affecting the development of the labour market and taxation in Europe.

Allow me to offer two examples. In Belgium, instead of losing 4 000 jobs, the Volkswagen-Forest factory will lose 3 000 and the employees will work a 38- rather than 35-hour week for the same salary, as well as being required to be more flexible. The group's management believes that, under these conditions, the factory will be one of the most efficient in Europe and will fulfil the criteria of a successful Lisbon Strategy. My second example concerns French private sector employees, half of whom have salaries lower than EUR 1 400 per month, as Mrs Royal reminded us this Sunday.

These are facts that shed a harsh light on the European social model. In the view of many economists, this change in working and salary conditions is structural, linked as it is to technological innovations and an increased globalisation of activities. Over the next few years, the majority of European workers are thus going to be under ever increasing pressure. How are we to respond to this situation?

I think that the European Union can help. It can help by putting an end to the absolute scandal whereby somebody who is well-off can just take a trip from Monaco to Belgium via Lichtenstein in order to escape the tax system and the progressive dimension of tax.

I also think that the European Union should undertake, as it did at the G8 and within the OECD, to opt for a firm policy of abolishing the tax havens that are to be found all over the world and that enable financial capitalism to operate.

I also think that if Mrs Merkel and Mrs Royal want to give some practical content to the social protocol that they are announcing with a view to amending the draft Constitutional Treaty, the European Union should provide itself with the resources finally to establish a minimum corporation tax in the European Union, which means that, if there is a desire to maintain the unanimity rule, one group of countries will have to resolve to take the lead.

Ilda Figueiredo (GUE/NGL). – *(PT)* In this debate on the contribution to the forthcoming Spring Council, which is set to assess the implementation of the so-called ‘Lisbon Agenda’ adopted in 2000, we should be mindful of what has actually happened over the course of these seven years in terms of the targets and challenges set at the time, with regard, on the one hand, to full employment, reducing poverty, infrastructure and equipment to support childhood and equal opportunities for women, and, on the other, to the much-vaunted objective of having the most advanced knowledge-based economy in the world by 2010.

The truth of the matter is that since 2000, the EU has been affected by slow economic and employment growth, by the workers’ productivity gains increasingly being passed on to employers and by the corresponding deepening of social inequality. Hence the continued high levels of unemployment, with poverty and social exclusion affecting 72 million people, the manifold increase in unstable work with fewer and fewer rights, and increased problems with the intake of new Member States, without adequate financial responses from the Community budgets.

This demonstrates that our criticisms of the strategy have been amply justified. The implementation of the Lisbon Agenda has done nothing but deepen liberalisation and privatisations in sectors as diverse as transport, energy, the post office, telecommunications and services, thereby jeopardising essential public services, to which one might now add the flexibility of work and the much-trumpeted flexicurity making it even easier to lay off workers.

This is why we are in favour of a sea change in the policies being pursued, namely the Lisbon Strategy, the Stability and Growth Pact, the main economic and employment guidelines and the Community budget.

Consequently, in the alternative resolution to this debate tabled by our group, we have opted to give prominence to a genuine pact for economic progress and social development, and a European strategy for solidarity and sustainable development based on greater solidarity on the part of the most developed countries with better and further-reaching distribution of Community funds. The purpose of this is economic and social cohesion, improved living conditions for most people, including immigrants, dignity for workers and the implementation of human rights, in particular in the areas of education, health, housing, social security and research and development.

Patrick Louis (IND/DEM). – *(FR)* Mr President, ladies and gentlemen, Mr Moscovici has just written a very interesting book, declaring the Constitutional Treaty dead. It shows very clearly that no one can reintroduce a mini-Treaty on the sly now that the people have spoken. We cannot act in contravention of Treaty law. The number is not enough here – all that counts is the sovereignty of a State.

The farce in Madrid was an impasse, and an insult to diplomatic rules. I should tell you, ladies and gentlemen, that MEPs, myself included as it happens, did not have access to the debating chamber, while any old civil servant had free access. The solution for the EU is not to recreate Madrid, but to breathe new life into the spirit of the Treaty of Rome, in other words to rediscover the sense of free cooperation between sovereign nations, to re-establish the Community preference and to give up on the vague imperialism of a supranational State, a State that would suffocate our peoples and hinder their rights.

Carl Lang (ITS). – *(FR)* Mr President, ladies and gentlemen, in setting its economic objectives, the German Presidency of the European Council is relying on a report claiming that unemployment has fallen in Europe. However, this reduction is in fact the consequence of a fall in the number of people of working age due to the aging of the population, rather than the result of a prosperous economy. With an annual growth rate of just 2.6%, compared with 3.6% in the United States and 10% in China, the Europe of Brussels is still lagging behind the world's great economic powers.

On top of that, some Member States falsify the official employment statistics. In France, for example, if we add to the 2 million or more official unemployed people those people who have been forced into retirement or early retirement, the unemployed people in training, and those on subsidised contracts,

unemployment actually affects almost 4.5 million people in France, or 18% of the working-age population. With growth at half mast, a population growing at below replacement rate, and businesses relocating their activities, the European Union is, unfortunately, continuing to decline economically.

If, then, the diagnosis is incorrect, the treatments prescribed, inspired by the Malthusian and antisocial policy of the last 20 years, are harmful: our trade borders have been destroyed, opening up our industry to unfair competition from the Asiatic economies, bureaucratic restrictions have multiplied, more than a million immigrants arrive quite legally from outside the Community every year, our public services have been dismantled, we are overtaxed, and our agriculture, subjected to the Caudine forks of the World Trade Organisation, has been laid fallow.

In order to restore our economies to prosperity and to give our descendents the economic and social security to which they are entitled, we need to construct a different Europe and a different trade model, based on secure borders to protect our businesses from social dumping, on implementing the Community preference, and on respect for the values that made our civilisation so great: fatherland, freedom, work, family, and security in all its forms, including economic and social security.

Sergej Kozlik (NI). – (SK) Two days before the European Commission officially adopted the Strategic Energy Review and other reports on the energy sector in January 2007, *Eurobarometer* published the findings of an energy sector survey. The survey clearly shows that energy issues, be it climate change or future shortages of energy, are not considered a priority by European Union citizens.

Energy issues were ranked twelfth in a list of the most serious issues that Europe should now confront. Energy issues lag far behind unemployment, crime, healthcare or the economic situation. It is disconcerting that the citizens of Europe are convinced that the root causes of energy problems are to be found on continents and in countries other than the European Union.

Almost a quarter of European citizens admitted that they do nothing to decrease their energy consumption. The public has only a vague awareness of the fact that energy prices will continue to rise in the long run. We stand at the threshold of a new industrial revolution that will have to address energy-related issues and climate change, presenting us with pragmatic objectives that are at the same time utterly political in nature. If our efforts are to succeed, we need to secure the broadest possible support from EU citizens in implementing these objectives, and Member State governments should stop beating around the bush and instead address the outstanding issues.

Gunnar Hökmark (PPE-DE). – Mr President, the meeting with the European Council in Berlin is an outstanding opportunity to send the message of what we have achieved together and what we need to achieve together in the coming years, the first step until 2009. I think it is important that in the Berlin Declaration we make it clear that the problems and the challenges we are facing are there because of our success, not because of failure.

We have new countries applying for membership because of this success – because they have seen what the European Union could contribute regarding peace, the rule of law and stability. We have the whole discussion about globalisation, where the European economy is the leading global actor and gives us opportunities to meet up and to contribute to globalisation. We have the issue of security and stability in the Balkans, where, although the European Union could not do very much at the beginning of the 1990s, today we can, and that is why we have the responsibility. If we had failed, if we had not been able to develop the European Union, no one would have asked us to solve the problem, but now we are able to do it and so we have the responsibility.

That also goes for the discussion about climate change because we are, from an economic point of view and also from an environmental point of view, one of the leading global actors. We can contribute to the discussion about reducing the greenhouse effect more than anyone else and that is why we need to do it, but we need to do it wisely, securing the opportunities for growth and investment and high-tech, because otherwise we will not be able to meet the challenges of climate change when it comes.

It is a challenge that is double-sided. We need to reduce greenhouse gases, but at the same time to secure a stable and prosperous economy which makes us able to meet future challenges.

Stephen Hughes (PSE). – Mr President, I have only a short time, so, as both joint rapporteur on this subject and a member of the Committee on Employment and Social Affairs, I should like to do something

we do not do often enough: focus on some of the social, social cohesion and employment aspects of Lisbon.

Under the heading 'Creating employment and opportunity', our resolution underlines the need for a balanced approach to flexicurity. We agree with flexibility for enterprises, but also with the necessary degree of security for working people. For too many millions of our fellow citizens, flexicurity is seen as a threat. We have to make it an opportunity.

We urge those Member States so far lacking effort to cooperate with social partners and do much more to create employment and raise the labour market participation rate of the young, female and older workers. Specifically, we ask them to ensure that every school-leaver is offered a job, training or other employability measure within six months; to provide wider access to training for the unemployed, particularly for the least-qualified; to raise investment in comprehensive and affordable childcare, to further reduce the tax burden on employment; to combat social exclusion and discrimination; to invest further in education, professional training and lifelong learning so as to boost the Union's skills base; to improve the match between the educational system and the needs of the new labour markets, including entrepreneurship in educational curricula; and, finally, to allow older workers to remain in the labour force on a voluntary basis and modify tax and social security systems to encourage a longer active working life. These ideas are as old as the Lisbon Strategy itself. All we need is for Member States to act on them.

Finally, I would also underline the need for both the Council and the Commission to break the current deadlock in employment and social policy. The current Lisbon policy mix is seriously unbalanced. If we are to reconnect with our citizens, we need to restore that balance in favour of social and employment policy.

Margarita Starkevičiūtė (ALDE). – *(LT)* Economists established quite a while ago that European development has a positive effect on national economies, particularly on the economies of larger countries. This positive effect derives mostly from trade, mutual trade. It seems to me, unfortunately, that we now have a process of centralisation going on, and decisions, whether in the field of energy policy or the Lisbon Strategy, are encouraging this centralisation process. This could result in there being nothing for mutual trade as there will be several global trade centres.

I think that one of the most important and essential things, while endeavouring to keep the European economic motor running and trying to implement policies to make our countries more efficient and competitive on the world scene, would, first of all, be the necessity to foment the uniform development of all EU Member Countries, making use of the development of scientific research centres and energy centres in various countries. Once the national economies are synchronised, our economic motor will not sputter out.

Konrad Szymański (UEN). – *(PL)* Mr President, political differences between the economic strategies of Member States have hampered the implementation of the Lisbon Strategy. This is having a knock-on effect on the Union. If we want the strategy to achieve its aims, we need to design a new political equilibrium.

Countries which do not want costly and complex regulations, such as Poland, the United Kingdom and the Baltic States, must be allowed to retain some degree of ability to control the legislative process. This is not guaranteed in the Constitutional Treaty, which is why I am making a personal appeal to the German Presidency not to adopt the credo that is so fashionable in this House, of 'the Constitutional Treaty or death'. This credo will do a lot of harm to the European Union, particular as regards regulatory and economic policy.

The same applies with regard to better-quality European regulation. If we want to achieve the aims of better regulation, we should not dodge questions about the distribution of power or the political balance within the European Union. Treaty reform must be subjected to truly pragmatic assessment in terms of costs which legislation based on a new remit for the Council will incur. The Constitutional Treaty does not promote these aims.

Bernat Joan i Marí (Verts/ALE). – Mr President, according to the Lisbon Strategy, we have to build a welfare state all around the European Union that has to be a model in our globalised world. We should appeal to a social Europeanism to make Europe attractive for citizens, because life here should be better

than in other parts of the world. A good standard of living is not achieved only by economic growth but also by high educational standards, lifelong learning, cultural consumption and so on.

On the other hand, we have to reduce global warming without damaging development in developing countries. We can do this in our part of the world by improving research. In developing countries, it can be done by spreading education and development aid, always related to improved educational standards. I think that a good combination of development aid and higher standards of education is the key to building a better globalised world.

Georgios Karatzaferis (IND/DEM). – *(EL)* Mr President, energy means three things: nuclear, oil and gas. Nuclear energy is not possible in all the countries of Europe and is, moreover, 'vivere pericolosamente'.

Oil is controlled by the United States of America: in one way in Iraq, in another way in Saudi Arabia, in another way in Libya and in another way in Venezuela. Which of these countries that has oil is close to Europe? Not one. The game is controlled by the Americans. What does that leave? Gas.

Basically, in our neck of the woods, Russia has the gas. What are our relations with Russia? Our relations with Russia are disappointing, precisely because that is what the Americans want. Did you see what happened with Putin the other day? There is a pipeline ready for signing which does not pass through Asia, which does not pass through Belarus or Ukraine, so that we do not have these vicissitudes and blackmail. It is the Burgas – Alexandroupolis pipeline through Bulgaria and Thrace. Here too the Americans will not let Bulgaria sign. So if we, as Europe, want our energy, if we want gas directly from Russia, why do we not turn on the pressure for this pipeline?

If we want our own oil, there is a great deal in the Aegean. Enough to relieve Europe. Then here too there is the bug called Turkey, controlled by America, which does not allow the oil from the Aegean to be exported.

Othmar Karas (PPE-DE). – *(DE)* Mr President, ladies and gentlemen, The Lisbon Strategy is our regular topic of discussion in the run-up to the Spring Summit every year, and we would do well to take more seriously the goals that we – in the Council, in the Commission, in Parliament – set ourselves. The only thing I would urge is that we should do what has been agreed, to convince by our actions rather than just making announcements, and that I would sum up briefly as 'better lawmaking'.

Better lawmaking calls for more transparency, and more transparency will be achieved if all laws are enacted through the codecision procedure. Already today, we have heard talk of 'pre-examination', of how every European law must be subject to prior scrutiny in relation to subsidiarity, in order to allow its added value to European legislation, its effects on growth and job creation, to become visible. We have heard about cost-benefit analyses, about shorter legislative processes; five years are enough to make a law, not ten at least. We must improve the instruments whereby the how and when of our laws' implementation is monitored.

Secondly, we have appointed people with responsibility at the national level. What are they doing? Do the national parliaments give an account every six months of how things stand as regards the Lisbon process, of what they plan to do and when? Where is the report from the Commission and the national monitors to this House every year?

Thirdly, it is making the single market a reality that is the work we have to take home with us, strengthening innovation through the efficient use of resources, taking action to save energy, creating the research area, strengthening the SMEs, and that means making it easier to establish new ones, promoting settlement and development in rural areas and encouraging handovers, and at last actively addressing the consequences of demographic change, so that they do not become a hindrance for our continent. We have enough goals to aim at; it is actions that build credibility and confidence.

Udo Bullmann (PSE). – *(DE)* Mr President, Commissioner, Mr President-in-Office of the Council, ladies and gentlemen, many speakers have emphasised the many opportunities that lie before us, and they are of course right to do so, for not for some time have we had such an opportunity as we have right now to make a start on new things. The great post-Lisbon problem was, of course, that growth rates caved in, not least because the Member States had not done enough. Growth has now returned to the European Union, but what are we going to do with it? Growth does not happen on its own; long-term satisfactory growth will not be there unless we act. Yes, of course, the single market is a powerful

instrument; 90% of what we manufacture we – our companies and the members of the public – buy back within the European Union, and that is a good thing, for it makes us a strong international player, but – as Mr Hughes has pointed out – we have now reached the point at which we have to get people back to work, and not by exerting pressure, nor by excluding anyone, but by means of better education and training, and by providing new opportunities.

That is what the debate has to be about; it has to be about how we have to move that forward together, take it seriously and put it into practice back home in the Member States, but if we are to do that we need better coordination. Coordination, when applied to economic policy, must not be a dirty word in these halls. If we cannot even bring in a unitary tax base, we have no business sounding off so much about other things, and that is the sort of debate we have to have back home as well.

Mr Lehne tells us that we have to do something for business in order then to be able to do something for the environment; well, I do not agree. That is old thinking of a kind that is not equal to coping with the efficiency revolution that lies in store for our businesses. It is that old thinking that got many of us into the dead end of nuclear energy, a dead end from which we need to escape, and that is why we need to argue and debate more with one another.

Anneli Jäätteenmäki (ALDE). – *(FI)* Mr President, Chancellor Angela Merkel spoke fine words here at the meeting in January about energy and climate change. Now it is time for action. I hope that the Chancellor and Germany will risk power and prestige to ensure that the EU takes the initiative and becomes a pioneer in the issue of climate change and its control. The prevention of climate change is reliant on two important factors: carbon dioxide emissions need to be reduced at a far greater rate than is currently the case, and the EU must be a lot more energy-efficient. It has been estimated that a response to climate change will eat into global GNP to the tune of roughly 1%; in other words, it will be expensive. The same calculations show, however, that indolence and just doing nothing will cost even more; in fact, a lot more. If the implementation of the Lisbon Strategy is to go ahead, then, we also need to take climate change into account and work to do something about it.

Mirosław Mariusz Piotrowski (UEN). – *(PL)* Mr President, in 2005 the Lisbon Strategy, which was once described as a load of wishful thinking, was adapted to reflect the real priorities of the societies of Member States of the Union. From the verbiage contained in the mountain of documents on this subject, we can glean some challenges which we now have to face urgently.

These are, firstly, to ensure security of energy supplies for the whole of Europe, rather than just for selected countries. Encouraging the use of renewable sources of energy comes under the same heading. Secondly, to remove the barriers that still exist concerning the free movement of labour within the European Union and to constantly monitor implementation of this principle by individual Member States. This will help prevent workers from countries other than the employer's from being treated unfairly, or even as slaves. Finally, the European Union must also reject the completely outdated idea of trying to compete against the United States, and replace it with close and sound partnership.

Jerzy Buzek (PPE-DE). – *(PL)* Mr President, in general, the citizens of Europe do not understand what the Lisbon Strategy is about. I fear that as politicians we often make mistakes and fail to get to the bottom of the issue. We amend laws and issue directives, but these have no impact on the essence of the matter.

Essentially, the European Union's competitiveness will be ensured by entrepreneurs implementing new technologies, and introducing new production and organisational methods. These entrepreneurs also need to be able to convince both large and small and medium-sized enterprises of their ideas. It seems that what we lack in Europe is the spirit of enterprise and a business culture, especially if we compare ourselves to the United States. We attach too little importance to the idea of freedom, which entails not just freedom of action, but also responsibility. SMEs are the basis of a civil society and responsible civic self-government. This is something we should learn from our first year of primary school. We must teach our young citizens respect for fair entrepreneurship. These values must also be disseminated by Europe's public media, and we should conduct EU-funded campaigns promoting past and present Europeans who have contributed most to our competitiveness. We might then be able to stop worrying about the millions of unemployed, many of whom will set up their own businesses. We might then be able to stop worrying that our enterprises and industry are not innovative and are failing to benefit from the results of scientific research, something which Europe is actually very good at.

I wish the Commissioner and the European Commission success in this action, and also in the area of information. Let us hope it will be a success for the entire Union.

Inés Ayala Sender (PSE). – (ES) Mr President, I would like to thank Mr Lehne and Mr Lambsdorff, and in particular my colleagues, Mr Hughes and Mr Goebbels, for all the work of coordination and cooperation required for this exercise, which, in this second year, is now finding a place in the political consciences and wills of the Member States and our Institutions. This is happening in a very particular way, on the basis of the preparatory meetings between the European Parliament and the national parliaments.

It was at the latest meeting last week that, in a still timid, but firm, manner, the recovery of European transport, logistics and infrastructures were raised as crucial policies if the European economy is to meet the challenges of globalisation with guarantees.

This globalisation reaches Europe's ports by boat, our airports by plane, or via our roads, and, though not yet sufficiently, by train and by inland waterway. We are tackling this globalisation by means of instruments such as Galileo, SESAR — the air traffic control system — RTMS, E-Safetynet, etc. We must also deal with the challenges that it brings with it in the environmental, social and security fields.

The German Presidency's initiative facilitated the Transport Council's commitment in this regard, with the initiative of including transport, with its four essential priorities, in this spring's proposal for the Lisbon Strategy. Furthermore, Mr Harbour agreed to include it as the third paragraph of the conclusions of the Working Group on the internal market and innovation at last week's meeting.

I would therefore ask especially that the authors and coordinators of the Resolution include Amendment 10, which brings in this extremely important sector — transport, logistics and trans-European networks — as a basis for the Lisbon Strategy.

Elizabeth Lynne (ALDE). – Mr President, I am glad we accept in this resolution that the Lisbon Agenda is not only based on economics but has a social dimension as well. With that in mind, it is important that we bring those excluded from the labour market into employment by making sure the 2000 Employment Framework Directive is implemented equally across all Member States. It is just as important that we continue to call for specific directives on age and disability, because if people cannot get to work, then they cannot even take the employment if they are offered it.

I also welcome the section on better regulation, but I would have liked to have seen it include a reference to sunset clauses on all legislation.

Finally, proposed health and safety legislation should be based on up-to-date scientific and medical evidence. I call also for everyone to vote for my amendment on the Interinstitutional Agreement on better lawmaking.

Alexander Stubb (PPE-DE). – Mr President, I have three points to make on the European Council. It is a pity that there are not more people here, but nevertheless I will make the three points.

The first one is on the Lisbon Agenda. We are going to sign the Berlin Declaration at the end of March. One of the key points there has to do with the Lisbon Agenda, and that is the free movement of goods, services, people and money. It needs to be included simply because it is one of the founding principles of the whole European Union. We are unfortunately living right now in a time of protectionism. That protectionism needs to end and we need to see a message in the Lisbon Agenda and the Berlin Declaration on that point.

My second point is that, in my view, the European Union has been missing its red menace ever since the end of the Cold War. Indeed, we had the euro in the 1990s and enlargement in this decade, but ever since we have been looking for something and I think the debate today shows that that something has been found: climate change. In many ways we should actually thank President Putin for bringing energy policy onto the European agenda, because had he not done what he did in Ukraine, I do not think we would be as excited about discussing energy sufficiency and the energy mix as we are today. I am really happy with the direction in which the Commission is taking the energy debate, the environmental debate and the debate on climate change.

The final point I wanted to make is on my favourite subject: the constitution. I know that it is not on the agenda of the European Council in the beginning of March, but I would just really like to urge the

German Presidency to continue the good work it has done so far in keeping it going. We need that constitution and we need it badly for three reasons: one, it makes the Union more efficient; two, it makes the Union more democratic; and three, it makes the Union easier to understand.

I hope that that Treaty will get a roadmap at the end of the German Presidency so that it can enter into force in 2009.

Enrique Barón Crespo (PSE). – (ES) With a view to the Spring Summit, Mr President-in-Office of the Council, I believe that the speech this morning by Chancellor Merkel also relates fully to the March agenda. Following the Madrid meeting of the eighteen ‘Friends of the Constitution’, with the two who have said that they are going to ratify it and those who have yet to speak – their silence is deafening – I believe that it is important to support what the President-in-Office of the Council has said. I would like to make one comment however, and that is that if we have to do anything, we must use the pen more than the scissors, because to defend the substance alone is dangerous, particularly if we start pruning.

I would like to say, from the point of view of democracy and of political action in the energy sector, with a view to the policies that we have to implement, that there is a significant danger attached to reducing, because, from a democratic point of view — and Parliament has a great interest here — we will move on from having thirty-five legal bases to acting with eighty-five, and that is of immense and decisive importance.

Secondly, with regard to the Lisbon Strategy, I would like to introduce an element that has not been mentioned here, which is the successful conclusion of the Doha Round. We can talk about climate change, we can talk about energy and the social model, but if we do not achieve a positive conclusion in the Doha Round — which clearly cannot include these elements directly, elements that must be taken into account and placed on the agenda in our international relations — I believe that alone we will not be able to resolve problems that have a global dimension in the world.

I believe that the European Union must implement an active policy that includes these elements, bearing in mind the importance of concluding the Doha Round, which is on the German Presidency’s agenda, but about which I believe too little is said.

Danutė Budreikaitė (ALDE). – (LT) Mr President, ladies and gentlemen, in my comments on the implementation of the Lisbon Strategy, I would like to stress one of four priorities – the energy. It is especially in this field, with minimal competitiveness in market and network services, that the EU still lags behind. The Baltic countries are still isolated from an energy standpoint – both in terms of electricity and especially natural gas.

The North European Gas Pipeline, which is being constructed as a result of an agreement by just two countries – Germany and Russia, will not solve the natural gas marketing and distribution network problems. The Russian President’s speech in Munich showed that an imperial mindset is resurgent in Russia, and it appears that the intention remains unchanged – to continue to use energy policy for political purposes.

A common EU energy market would be a security guarantee in relation to third countries, and it would help to solve energy crises which can arise within the EU or can be provoked from outside the EU. In negotiations with Russia it is essential to have safeguards in place to protect against attempted monopolistic dictates from third parties.

In order for us all to feel safer, I invite the Council and the Commission to promptly initiate an independent expert assessment of the likely effects of the North European Gas Pipeline. The Baltic Sea does not belong to just two countries but the whole of the Union.

Malcolm Harbour (PPE-DE). – Mr President, I do not think you will be surprised to hear that, as the coordinator for my group on the Committee on the Internal Market and Consumer Protection, I want to address in particular the issues concerning the future strategy for the single market. I know, Mr President-in-Office, that you will be receiving a strategy paper from the Commission to discuss. We have not had a chance to see that yet, but all I can say is that I hope it is a bold paper because we have a lot of work to do.

I particularly address you as President-in-Office of the Council because I want to draw your attention to the heading of a whole section in this resolution: ‘Removal of persisting internal market deficits’.

That is aimed squarely at members of the Council. The Commission is working very hard to do that, but the fact remains that the internal market is a shared responsibility. We can do so much in this House and we have done a lot on the services directive, the prime example recently, but a lot more is needed as well. We are about to consider, under the leadership of my colleague Mr Stubb, the whole question of free movement of goods in non-harmonised areas. That will be an important proposal as well, but we must have your engagement and commitment to work on it.

I had the privilege a few weeks ago – Mrs Ayala Sender is also a member of the committee and she mentioned it just now – of being rapporteur for our interparliamentary meeting, where we had parliamentarians from across the Member States talking about the internal market. What was interesting was the primacy that they placed on the four freedoms that Mr Stubb just mentioned and how they need help to be able to defend those in their parliaments against their own governments. There is a suggestion sometimes that it is all too easy to blame the internal market for job losses or for encouraging more competition that is bad for consumers and for economies, but in fact the single market is absolutely at the centre of our response to global pressures. As somebody from one of the national parliaments said at our meeting, the internal market is crucial because it gives strength in depth to the whole of the Lisbon Strategy.

I ask you as President-in-Office of the Council to put that on your agenda, to get your fellow ministers to really start taking the internal market and its transposition seriously, and to engage your citizens and your parliamentarians with that challenge.

Bernard Poignant (PSE). – *(FR)* Mr President, ladies and gentlemen, I do not know whether it was deliberate or accidental, but the day chosen to open the European Council, 8 March, is International Women's Day. It was a good choice on Mrs Merkel's part, and I expect that she will be able to make the most of the day.

I would like to put the European Council back in its historical context: 2007-2010 will, I think, be decisive years, rather like 1954-1957, between the failure of the Defence Community and the relaunch of the European budget by the Treaty of Rome, the 50th anniversary of which we are now celebrating. We have many meetings ahead of us: institutional, budgetary, electoral, with the European elections and perhaps referendums, a review of the Lisbon Strategy, and even meetings on agricultural policy. Therefore, we all need to make a commitment to convince the people and to bring them with us when the time comes.

The people will hear us talk about competition, and they are not opposed to it. They will hear us talk about flexibility in business, and they are not opposed to it as long as workers have security. That said, there is another word I would suggest to you: harmonisation. It seems to have disappeared from our language, although it features in the Treaty of Rome. Environmental harmonisation is getting there – it is making progress. Tax harmonisation has rather ground to a halt with regard to company tax. Social harmonisation is too weak. Be that as it may, I think that we need to send the beautiful music of harmonisation floating to the ears of our fellow citizens. Equally, and like many others, I would like the Council to encourage the Commission to submit a text, a framework directive, on public services.

It is certainly necessary to rebalance the market, even though it is true that nobody here is opposed to it. It would simply be a translation of the meaning that Jacques Delors gave to European integration, or at least of one of his phrases: competition stimulates, cooperation strengthens, but solidarity unites.

Markus Ferber (PPE-DE). – *(DE)* Mr President, Mr President-in-Office of the Council, Commissioner, ladies and gentlemen, I would just like to pick up on a number of things that have been mentioned, of which the cutting back of bureaucracy is but one. Today, at midday in this plenary, we annulled two directives, but I do, even so, think we all need to make a bit more of an effort, and I also believe that there is a need for a mechanism with the aid of which we can together work out which directives really are superfluous. This laborious procedure, whereby the Commission prepares something, the Council's assent is then required and then at length we in this House have a say in the matter, is one that I do not regard as efficient. I think that we would, together, be able to annul superfluous directives much more quickly if a proper system were in place for it, and I would also be glad of participation in this subject on the part of the Commissioner with responsibility for this matter.

There is a second matter that I would like briefly to address. This year, we will have to come to a decision on a piece of legislation liberalising the market in postal services, something that is of great importance in relation to the internal market. The proposals made by the Commission are indicative of its great

commitment to this. We in this House will endeavour to get through first reading as quickly as possible, and I hope that the Council will take those things that are going to be enacted at the March European Council – splendid headings, flowery language and all – and put them into practical effect in the legislation on the opening up of the markets in postal services, that being an area in which that really is urgently necessary, since, if we want to achieve growth, create jobs, and foster social security, we will not find a solution in the monopoly model that has hitherto held sway in Europe. I await the Council's proposals with eagerness and am particularly keen to see the government of the Federal Republic of Germany pursue the path to which it has committed itself rather than fall to its knees.

I have heard many interesting things said today about energy policy, and will permit myself one final comment on that subject. What I will say to Mrs Harms is that I find it quite shameful that the energy policy of the Social Democrats and the Greens will have contributed to an increase in the amount of CO₂ emitted in Germany, so I would ask her not to lecture this House on what is to be done about it. In the seven years in which you had responsibility for these things, you – Mrs Harms – did the precise opposite of what you are preaching to us.

Gary Titley (PSE). – Mr President, I think it would be very difficult to underestimate the importance of this Spring Summit, because it comes before the Berlin Declaration, which is going to explain how and why the European Union is relevant to the world, in essence relaunching the European Union. It comes before further reflection on future reform of the European Union itself.

So I would like to echo what Commissioner Wallström said, i.e. that this Spring Council has got to show how the European Union can deliver for its citizens, because before you talk about fine institutional matters you have got to talk about how you deliver. I think if we fail to deliver action at this summit, this is going to undermine all the plans of the German Presidency.

I think we need to deliver action, as has been said, on completing the internal market. There are simply too many gaps which affect ordinary citizens who want to travel and to work in other Member States – even things like registering a motor vehicle in a number of Member States. We have to deliver on the subject of better regulation in order to improve the rights of consumers and improve the business atmosphere. We have to carry through a commitment to cut the cost of red tape by 25%. In particular we have got to follow through on the ten fast-track practical proposals presented by the Commission.

On action and energy, we have to fulfil existing agreements on energy liberalisation. We have to have a competitive energy market and that involves unbundling and strengthening the power of regulators. I would hope the German Government, as opposed to the German Presidency, will be taking a lead in this area.

We need to take action on climate change. We have to take a global lead but we can only do that if we have action to reduce our own emissions, to cut our use of carbon and to make the emissions trading scheme much more effective and much more watertight.

Margie Sudre (PPE-DE). – (FR) Mr President, Mr President-in-Office of the Council, Commissioner, the Lisbon Strategy is Europe's answer to the challenges of globalisation.

The efforts made by the Commission and the Member States to relaunch and clarify the strategy now need to bear fruit in terms of growth and jobs. The European Council must reaffirm that the solution to our economic difficulties rests largely in improving the implementation of the Lisbon Strategy, including productive public spending on investment, research and development, energy and the environment.

The combination of economic, social and environmental reforms at national and European level is the only way for us to achieve our joint objectives of improving competitiveness and creating more and better jobs.

The European Council will also adopt the energy action plan, with the aim of guaranteeing security of supply, competitiveness and respect for the environment. I would like to draw your attention to the potential impact of the really ambitious targets that the Commission has set for the reduction of greenhouse gas emissions by 2020, because, whilst the aim is entirely laudable, we must ensure that we maintain a balance between ecological principles and the competitiveness of business.

I support the German Presidency and the Commission in their backing for the 'better regulation' initiative. Europe has often had a tendency to produce too many regulations, sometimes on any old subject, but it is not the role of the Union to interfere in everything. Instead, it must do better in the policies that do

require decision-making at at least European level and that represent true European added value: energy, climate, security and immigration, to name but a few. It is now time for the EU to concentrate on the basics, with respect for the subsidiarity principle and in line with the people's expectations.

Edite Estrela (PSE). – *(PT)* Mr President, Mr President-in-Office of the Council, Commissioner, in the year in which the EU is celebrating the 50th anniversary of the Treaty of Rome, in the year of equal opportunities for all, in the year, too, in which my country, Portugal, is to take the EU Presidency, I feel it important to point out that on Sunday the Portuguese people voted 'yes' in a referendum to decriminalise abortion up to ten weeks of pregnancy.

I feel it is right to highlight the importance of this vote here in this Chamber and in this context for two further reasons: firstly, because the clear victory for the 'yes' vote corresponds to the recommendations adopted by Parliament calling for abortion to be legal and safe in all Member States, and secondly because, by happy coincidence, as mentioned by Mr Poignant, the Spring Council is due to take place on 8 March. As Portuguese Prime Minister Mr Socrates said, with this result Portugal has taken a further firm step forward in building a more open, more tolerant and fairer society.

As regards the Lisbon Strategy, it is also necessary to strengthen the social element throughout the Member States, in order to enhance the work-life balance for European men and women. This involves, for example, creating and developing high quality, affordable care infrastructures for children and other dependents. What is needed is more and better jobs for women as well, and equal pay for the same work. We feel that without the involvement of women the ambitious objectives of the Lisbon Strategy cannot be attained.

Cristóbal Montoro Romero (PPE-DE). – *(ES)* Mr President-in-Office of the Council, Commissioner, Madam Vice-President of the Commission, the Lisbon Strategy represents the launch of a great European project, now that we have achieved the euro, aimed at achieving greater well-being and especially levels of employment and participation by Europeans in the workplace, women in particular. It is an ambitious project for 2010. It sets the path towards opening up — opening up Europe — a path towards liberalising strategic sectors, communications, transport, energy, financial services. Also towards modernising labour relations, with a view to ensuring, by means of social agreements, that the labour market is modernised in such a way as to increase access to jobs, especially for young people and for the long-term unemployed.

We are now seeing a recovery of economic growth and this Summit, to be held in March, which will revise that Lisbon Strategy, must confirm to the Europeans that economic growth in 2006 is not a passing event, but that it can be reinforced within the framework of the global economy and of that recovery. In order to do that, we are going to need a lot of political initiative, a lot of political capacity in order to carry out the reforms that cannot be left any longer — and this afternoon energy and the environment have been mentioned in this House. In short, all of the reforms needed to restore the Europeans' confidence in their own project. There will be no confidence without employment.

What is slowing down the great European Project is our inability to grow, as Mrs Wallström said. It is low growth with insufficient job creation. Those of us who feel profoundly European believe that there is still time to restore that process and not to let it die by itself.

Andrzej Jan Szejna (PSE). – *(PL)* Mr President, once again we are debating a programme for Europe that needs to be far-reaching, clear and able to meet global challenges. This time we have to pay particular attention to the problem of the common energy policy, which is currently a very important political and social issue.

We must remember that the recent increases in energy prices will in future become an ever-increasing problem both for world energy markets and for economic development. We do not yet have a clear European energy strategy. The Member States continue to focus on their own strategic interests, which are then reflected in their domestic political decisions. That is why there is still so little scope for cooperation at European level. A European energy policy, on the other hand, means acting in harmony and solidarity.

Mr Barroso, the President of the European Commission, rightly said this morning that if we want to be treated as a partner to be reckoned with in energy policy, we need to speak with one voice instead of 27. Solidarity is particularly important in obtaining secure energy supplies. The European Union must speak with one voice when negotiating with its main energy suppliers in order to achieve a sound, long-term partnership and agreements on energy cooperation.

Furthermore, energy policy is also indirectly linked to the priorities of the new Lisbon Strategy, which are to increase growth and jobs. On this strategy, the Council rightly proposes that we focus on four areas, namely an economic policy based on stability and growth, development of the internal market, innovation, research and education, and increasing jobs and developing of the European social model.

The Lisbon Strategy does, however, still require greater commitment by the governments of the Member States as regards implementation. In order to maintain balanced growth, we must also bolster the strategy's environmental and social aspects, particularly as regards job creation.

José Albino Silva Peneda (PPE-DE). – *(PT)* Mr President, Mr President-in-Office of the Council, today is the right time to say that, thanks to the 2004 reform, the Lisbon Strategy is more than just a series of unattainable targets – the priorities are clearer and the responsibilities better defined.

I wish to use this speech to talk about social policy within the framework of the Lisbon Strategy. Firstly, it is abundantly clear that the Lisbon Strategy is not, as some would have it, some kind of liberal attempt at undermining the foundations and values of the European social model. Far from it, in fact. The Lisbon Strategy represents a vision that, very much in a spirit of reform, seeks to preserve the values that lie at the heart of the European social model. The Lisbon Strategy therefore lays down political guidelines on the need to modernise social protection systems, which is a necessary response to what is happening in Europe and around the world.

This broad guideline clearly expresses the idea that social policy should be seen not as a burden but rather as a factor that can have a positive influence on economic growth, by increasing productivity and competitiveness and by delivering higher levels of social cohesion and access to fundamental rights. It thus becomes a significant instrument in guaranteeing social peace and political stability, without which there can be no lasting economic progress.

Because of the 2004 reform, I now feel more optimistic than before as regards the implementation of the Lisbon Strategy. The EU has entered a period of economic acceleration and may outstrip the United States of America in terms of growth. In the first half of 2006 alone, investment rose by 6%, exports should rise by more than 5%, and the unemployment rate has fallen to 1998 levels. These figures confirm that the objectives of the Lisbon Strategy are having a cumulative effect on the ground, whereby sustained economic growth leads to more and better jobs, to continued improvement in the living standards of EU citizens without any loss of competitiveness and to the values of the European social model being upheld.

I therefore wish to congratulate Mr Barroso and the Commission on the reform that, in timely fashion, they chose to introduce into the Lisbon Strategy.

Christa Prets (PSE). – *(DE)* Mr President, Mr President-in-Office of the Council, a great deal has been said about the successful implementation of the Lisbon Strategy, or at any rate about the endeavours to achieve it. Before you leave, I should like to ask you to speak out, at the next meeting, in favour of clear outlines and clear boundaries, for which the individual will be responsible, 'individual' meaning the Member State and the European Union.

It became apparent from last week's inter-parliamentary meeting in Brussels that our counterparts in the various Member States had brought with them all their criticisms and demands in relation to education, employment, social security, climate protection and so on, and insisted on getting solutions to them, yet it is in the hands of the Member States that most of these powers and responsibilities lie. More transparency and more information are needed if people are to know where, at the end of the day, responsibility lies, which responsibility lies with the EU and which with the Member State.

Education is at the heart of the Lisbon Strategy. The Commission's most recent progress report showed that the Member States are still making considerable efforts to achieve the five targets by 2010, and that will require, as a matter of urgency, more investment in education and the specification of explicit rights and obligations in that area and in that of lifelong learning. If people are to be more mobile, their qualifications will also have to be recognised. Those that we have acquired within the European Union are still of too little practical use to us. I would ask you to take account of that in your work.

Last week, I had a very interesting meeting with the European Young Socialists, who asked me to pass on to you the message that education is also an end in itself, that it does not always have the sole purpose of helping people to become workers adapted to the labour market, but also has a great influence on the

development of personal self-awareness, of social skills and of cultural understanding. It is that that I see as a great education task for all of us.

Günter Gloser, *President-in-Office of the Council*. (DE) Mr President, Commissioner, ladies and gentlemen, I should like to express my particular thanks for the many suggestions that have been put forward, which are also summarised in the parliamentary resolution that has yet to be adopted.

We have focused on a number of important issues, namely those inherent to the Lisbon Strategy: growth, jobs – and also sustainability, which was added in Gothenburg.

The last speech, in particular – by Mrs Prets – highlighted the issue of who bears responsibility with regard to Lisbon – and my personal experience over recent years validates this point. It has been clear that, in many fields, things are being coordinated that subsequently need to be implemented at national level. Nevertheless – and this is related to the other point raised by several Members today – there are issues where all Member States agree that measures are not affordable at national level alone, and that help from the European level is needed. This, in turn, is related to the issue of lawmaking: does it have to be carried out at European level or could it be done at national level?

One important related issue is energy – which, in turn, overlaps with the field of growth. We shall be dealing with this at the Spring European Council, too, as the development of renewable energy is on the agenda. This will represent the first important contribution to environmental protection, too – a contribution that will at the same time present new job opportunities. After all, this field has proved to be a source of new jobs – and these, in turn, will offer opportunities for exporting products outside the EU. It is not sufficient that Europe leads the way in energy conservation and combating climate change; it must convince others to take this course too. We can only convince others if we set a good example ourselves, however.

I should like to emphasise another important point, even though it will not be such a central topic at the European Council. There have already been repeated calls for energy solidarity, and there have also been calls for talks with Russia – and rightly so. To achieve this security, however, negotiations with Russia are needed as well as a mandate to breathe life into the Partnership and Cooperation Agreement with Russia at long last, so that the very aspects that also play a role in the issue of energy security can be included in the negotiations.

I should like to mention another aspect in this connection, namely the reason for the importance of this dialogue with Russia. If we all bear in mind today how the pipelines in Russia are laid, where they are laid and the fact that – partly as a result of global warming – the condition of these pipelines may soon deteriorate, we see that it is important to enter into close contact with Russia in this particular regard – rather than just with the other producing countries and/or the relevant transit countries.

I should like to mention a field already referred to by several Members, including Mr Goebbels – namely the social dimension, the European social model. The occasional criticism has been made that this dimension is not really central. I should just like to remind the House that, just a few days ago, this Presidency held an impetus conference in Nuremberg under the leadership of Franz Müntefering, German Federal Minister for Labour and Social Affairs and President of the Employment, Social Policy, Health and Consumer Affairs Council, on issues such as the following. How can we respond to the challenge of globalisation? What can the EU do? What should be retained and what changed in response to these challenges? The Council President has also made it his objective to continue this during Germany's Presidency of the G8. Nevertheless, we must consider how to allay the fears that this changing world holds for many citizens. It is very important to bear in mind that people need security in change.

Returning to the subject of Lisbon, many associate this word with the beautiful capital of Portugal, whilst for others it holds no associations. The task of remedying this falls not only to the Commission. It is our duty to repeatedly emphasise the objectives of the Lisbon Strategy – growth, jobs and sustainability – and coordinate these with new issues and challenges, such as research, education and training. In so doing, however, we must show at national level that this impetus and this coordination have come from Europe.

I should like to make one last comment on the subject of the Constitutional Treaty, even though it is not on the agenda of the Spring European Council. It is unsatisfactory to make comments such as 'Why not just dispense with the Constitutional Treaty: the people do not want it?' Statements such as this are incorrect, as some Member States, such as Spain and Luxembourg, have accepted this Constitutional

Treaty – be it in their parliaments or by means of referendums. It is true that two other Member States have voted against it, but, at the same time – as the German Chancellor said in her speech on the German Presidency here a few weeks ago – many people who reject this Constitutional Treaty also want the European Union to have more powers and responsibilities, for example in the field of energy. This is exactly what the Constitutional Treaty envisages. Individuals have to decide what it is they want, therefore: they cannot always just select the parts they like. Those calling for parliamentary rights, for example the early-warning mechanism via better lawmaking, have to be able to decide on the level – national or European – at which they believe regulations are needed and should be adopted.

Margot Wallström, Vice-President of the Commission. Mr President, I should like to thank all the Members for staying until the very end. It is always a challenge to create a real debate and not just to have monologues.

I should like to make three comments. Firstly, I should like to follow up on something to which many of you referred: the deadlock over the Constitutional Treaty and what many of you have pointed to as a lack of commitment from our political leaders in Europe today. The Commission, of course, fully backs what we could call a courageous and ambitious commitment from the German Presidency to ensure that this whole issue is moved from a stage of reflection to one of action. We know it will not be easy to find solutions, but we will help as much as we can. We must overcome this deadlock as soon as possible.

The outcome of the spring Council will be very important in this respect, as will its capacity to deliver on the crucial issues on the agenda, including climate change. I should like to comment on what some of you have said about the ambitions of the Commission and the European Union. It is important to say that there is a longer-term objective and target for what we have to do in order to fight climate change. The 30% cut in developed countries' emissions by 2020 is a necessary step towards the longer-term objective of reducing them by as much as 50% below 1990 levels by 2050. It is necessary to see that this is a step in that direction. This reduction is essential if we are to meet the 2°C objective, which we know, in turn, should prevent massive and irreversible disruption of the global climate system. It is the developed countries that should continue to shoulder most of this global effort to reduce emissions over the next decade or so, as they are already doing under the Kyoto Protocol, so as both to be credible and motivate those poorer countries in the world that will have to follow suit.

We asked the group of developed countries to reduce by 30%. Let us ask ourselves whether this is ambitious. Compared to 1990, US emissions are currently up by 15%, those of the EU-25 are down by 5% and those of Russia are down by 30%. It will not be easy, and you cannot see it individually, but it represents a huge challenge.

Let me also mention the costs, because many of you have referred to the costs for industry. The Commission has made impact assessments that show that taking action to limit climate change is fully compatible with sustaining global growth. Investment in a low-carbon economy will require around half a percent of global GDP over the period from 2013 to 2030 and would reduce global GDP growth by 0.19% per year, which is a fraction of the expected annual GDP growth rate of 2.8%.

This is without associated health benefits, greater energy security and reduced damage from avoided climate change being taken into account. This is a small insurance premium to pay for significantly reducing the risk of irreversible damage to our economy and to our planet, and especially if you compare it with the Stern Review's estimate that uncontrolled climate change will cost between 5 and 20% of GDP in the longer term. So we must consider the cost of inaction! Climate change is already costing us – just ask insurance companies all over the world.

Finally, the spring Council is about the Lisbon Strategy. You are absolutely right that, if we want to communicate, we have to mention that it is about jobs and growth. Lisbon is also about the courage of reform. I fully agree with Mr Watson that there is ample evidence that reforms work. However, we also have evidence that societies dominated by fears and insecurity are not easy to reform: they are afraid of change. That is also what we see in Europe and that is why we have to build confidence and remember that the Lisbon Strategy – the jobs and growth strategy – is also about fighting social exclusion and poverty; fighting poverty in Europe as well, improving quality of work, investing in education, building civic competence and investing in people. That is the only way to overcome the fears.

Listening to all these interesting speeches, I am reminded of the intimate link between the growth and jobs strategy and sustainable development, because we have heard all the arguments for why we as

Europeans would like to see economic growth, coupled with social security and maintenance of a high level of environmental protection, while continuing to be ambitious. I think that sustainable development is an objective which is gaining ground more and more as the vision for Europe and for the world.

President. To conclude the debate, I have received five motions for resolutions on the Lisbon Strategy⁽¹⁾ pursuant to Rule 103(2) of the Rules of Procedure.

The debate is closed.

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

(The sitting was suspended at 5.20 p.m. while awaiting Questions to the Commission and resumed at 5.35 p.m.)

Written statements (Rule 142 of the Rules of Procedure)

Ján Hudacký (PPE-DE). – *(SK)* We all certainly agree that innovation plays or should play a dominant role in how we respond to the risks and opportunities presented by the global economy. It is common knowledge that the biggest problem concerning the development of innovation is insufficient implementation within the various Member States. The main aim of the Lisbon Strategy is to create the conditions for strengthening the internal competitive environment in each Member State. The EU economy can only be as competitive and innovation-savvy as the smallest and remotest businesses in its regions. Innovation programmes must therefore be directly implemented at a regional level, where they can create a sufficiently competitive environment for local SMEs.

The centrally managed implementation of innovation development is doomed from the very beginning. The way to proceed is through building up a regional technical infrastructure for innovation, including technology incubators and high-tech centres where there will be opportunities to make use of all of the available knowledge potential, as well as every viable innovative idea. This must go hand in hand with a flexible approach to all forms of financing, in particular venture capital, taking into account the level of development of a given innovative company or project. The financing must also be available at a regional level. This is the only way for us to sustain, motivate, develop and tap the knowledge potential of our regions in the interests of long-term sustainable growth. Therefore, I would like to call on the EC to consider the above-mentioned aspects of innovation development when assessing national strategic reference frameworks.

IN THE CHAIR: MR DOS SANTOS

Vice-President

9. Commission Question Time

President. The next item is Question Time (B6-0003/2007).

The following questions have been submitted to the Commission.

Part One

President. Question no 41 by **Evgeni Kirilov** (H-0002/07)

Subject: The fate of the Bulgarian nurses and the Palestinian doctor and EU-Libya relations

How does the European Commission evaluate the effect of its policy of cooperation with Libya in the wake of the recent death sentence following drastic human rights violations by the Libyan regime? Does the Commission intend to make a review of the situation and its policy tools if no progress is achieved?

Benita Ferrero-Waldner, Member of the Commission. I would like to say that I am following this issue very closely. I think I was the first person to see the children in Benghazi. I had discussions with the families. I then saw the nurses, the Palestinian doctor and the leader Gaddafi. I would like to confirm that the Commission and I, personally, are very much involved in this case. We showed that in our recent report to Parliament on 17 January. I can assure you that reaching a satisfactory solution has top

⁽¹⁾ see Minutes.

priority. We know it is a tragic case. In the meantime, our team of negotiators is engaged in a dialogue with the Libyan authorities. This is still open. However, it is also expected that no decision can be taken as long as the judicial procedure is not concluded. There is still one step to go.

On the basis of future developments, the Commission and the Council will then assess the situation anew and decide what further action to take. As I have said, we are involved in a dialogue with the Libyan authorities.

I must make it clear that Libya and the European Union are not linked by any international agreement. Therefore, there is no framework for official cooperation, except the EU Council conclusions of October 2004 that establish a policy of engagement with Libya on specific issues, such as HIV/AIDS and migration.

Evgeni Kirilov (PSE). – Commissioner, I am grateful to you for all you have done. I am grateful also to all European politicians who have been going to Libya non-stop and raising this point. But we can safely say that, after such a long period of time, there is no result. On the contrary: lately, the Libyan side – even Colonel Gaddafi – has been raising non-stop the question of some Western plot to kill these children, with our nurses having acted as part of this plot. No one answers these charges and, if you trust the Libyan court, we should say that the court decided some years ago that there is no such plot. Still it is raised. If it is true, it is a crime against humanity. Why do we not challenge the Libyan ...

(The President cut the speaker off)

Benita Ferrero-Waldner, Member of the Commission. Well, first of all, I have not been going there non-stop. I was there once and then I established a group together with some others and we are working in a confidential way because it is a very delicate case.

Now, let me say it is also not true that we have never reacted. On the contrary, we have reacted very clearly and have tried to get the nurses out. We had hoped that this would happen recently. Unfortunately, this was not the case. Unfortunately, in December 2006 the death penalty was reconfirmed. We had hoped for a totally different judgment. With regard to the question of the accusation concerning the HIV/Aids infection, I must tell you that the conclusions of the most recent Council of Foreign Ministers clearly state, ‘this verdict ignores strong evidence from world-renowned international experts as to the innocence of the defendants’. So, all these questions are clearly on the table, as I said. Bear with us. There is also a little bit of confidence necessary and a little bit of confidentiality. It is a highly delicate case, but we want to resolve it.

Jörg Leichtfried (PSE). – *(DE)* Mr President, Commissioner, we have just been discussing the fact that several countries are using economic power to promote their political interests. Does the EU propose to build up economic pressure and use economic power itself in this instance to ensure that European citizens enjoy freedom and the rule of law? I think it is time we flexed our muscles for once.

Benita Ferrero-Waldner, Member of the Commission. *(DE)* Mr President, the thing is – as I have just said – that no international framework for cooperation between the EU and Libya has yet been established. This means, of course, that it is not as easy to use economic power here. What we have done, however, is used another form – a positive form – of economic power, as it were, as the Council reaffirmed in its conclusions of 22 January of this year. For the Commission’s part, firstly, we launched an action plan back in 2005 and, secondly, in cooperation with others, we have established a Benghazi International Fund to help us provide assistance – particularly, of course, to the children infected with AIDS.

President. Question no 42 by **Zbigniew Krzysztof Kuzmiuk** (H-0006/07)

Subject: Problems with energy supplies imported from Russia

In late December and early January, EU Member States including Poland were faced with the threat of a breakdown in natural gas supplies as a result of a dispute between Russia and Belarus, and on 8 January 2007 Russia cut off oil supplies to Poland, Germany, the Czech Republic and Slovakia, again owing to the ongoing dispute with Belarus. These are, regrettably, but the latest examples of Russia using energy supplies as a means of exerting political pressure on EU Member States and third countries and are proof of that country's lack of reliability in energy matters.

How does the Commission intend to go about solving such problems in the European energy strategy currently being drawn up?

Benita Ferrero-Waldner, Member of the Commission. Mr President, the issue of security of supply is of particular importance for the European Union and a number of events over the past few years highlight the need for the European Union to reinforce its policy measures in this area. Let us remember the wake-up call we had last year between Russia and Ukraine and this year between Russia and Belarus. I would like to try to provide you today with a short summary of the different initiatives that the Commission has taken to increase our security of supply in general, and in particular in the relationship with the Russian Federation.

Energy supplies from the Russian Federation play an important role in meeting Europe's energy needs, accounting for nearly 30% of the EU's oil imports and 44% of our gas imports. At the same time, 67% of Russia's oil and gas exports are delivered to the European market and, given the mutual importance of this relationship, an energy dialogue was established in 2000 between the Russian Federation and the EU to discuss energy-related issues, including energy policy, market developments, infrastructure and EU-Russia energy cooperation on technology and energy efficiency.

In addition, there is a roadmap for the common economic space that was agreed during the EU-Russia Summit in May 2005, and that includes cooperation on wide-ranging issues of energy and related activities. Moreover, a new agreement is to be negotiated with the Russian Federation to follow on from the existing EU-Russia partnership and cooperation agreement which expires at the end of the year. It is now intended that this will include a comprehensive agreement on energy.

Let me also point out that in the recent communication, 'An Energy Policy for Europe', the Commission formulated quite a number of proposals to mitigate our growing dependence on external energy supplies and to increase our energy security. The Commission underlines that there is no singular solution, but there has to be a variety of different initiatives that must be pursued. They include increased energy efficiency, promotion of renewable energy sources, the diversification of energy supplies, proper functioning of the internal market and internal solidarity mechanisms to cope with possible supply interruptions, including through cooperation with the International Energy Agency. Furthermore, the importance of strengthening our relations with all our key energy suppliers and transit countries and for the EU to speak with a single voice is also underlined in the communication.

In response to recent interruptions in the energy supply field from Russia through Belarus, the Commission also convened meetings earlier this year of both the Gas Coordination Group and the Oil Support Group, which comprised, inter alia, representatives of the Member States. These meetings to which the third countries concerned were invited to give information then reviewed the impact on the EU's internal energy security of the events in question and how to respond.

Finally, with reference to the area of strengthening energy dialogue, the Commission is committed to maintaining and to reinforcing our energy relations, not only with the Russian Federation, but also with other important energy-producing countries and regions like Norway, the countries of the OPEC, the Gulf Cooperation Council, the countries of the Caspian and the Black Sea basins, Central Asia and North Africa through bilateral agreements and energy dialogues.

Zbigniew Krzysztof Kuźmiuk, (UEN). – (PL) Mr President, while thanking the European Commission for its interest in the problems of the supply of energy to all Member States, I would like to point out that in my view Russia is still using energy supplies as an attempt to exert political pressure on Member States and third countries. This seems to be abundantly obvious, unfortunately.

I would also like to ask whether the European Commission's support for the northern gas pipeline, that is to say, the pipeline along the Baltic sea bed, is an expression of solidarity between the Member States, or an expression of the lack of such solidarity.

Benita Ferrero-Waldner, Member of the Commission. I should like to thank the Member for his comments. On the question of the Baltic Sea pipeline, of course it is a pipeline of trans-European interest, but what is important is that we, as the European Union – that is, all of the Member States – show European solidarity. That means we have to show solidarity with our own Member States; this is our position.

Paul Rübzig (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, I should be interested to hear the Commission's strategy with regard to pipelines and LNG tankers. Many options are open to us for diversifying supply. What are the Commission's plans?

Benita Ferrero-Waldner, Member of the Commission. Together with the US, we intend to finance a feasibility study for a trans-Caspian pipeline which also includes the question of liquefied natural gas, LNG. This is a contribution to the diversification of energy supplies to Europe that we think is highly important at this stage.

Danutė Budreikaitė (ALDE). – (LT) Last summer Russia cut off supplies of natural gas to Lithuania through the 'Družba' (Friendship) pipeline; other instances have also been mentioned here. This means that alternative supply routes must be found. Does the Commission not agree that action on infrastructure in the Baltic Sea should be coordinated, and that before construction of any new pipelines is started there, the first step should be an independent assessment of the effects of the North European Gas Pipeline?

Benita Ferrero-Waldner, Member of the Commission. Let me say that what you are referring to is a technical interruption. Of course we have to keep talking to the Russians in order to ensure that these interruptions do not last and so as to prevent them altogether in the future. I think that is for the time being what we are doing and I hope that this current energy dialogue will genuinely result in a building of trust in the future. We have just held a Troika meeting with Russia, and the questions relating to energy in general were discussed. By the way, President Putin has officially said that he accepts the principles enshrined in the Energy Charter: accessibility, free and equal access to the markets, and particularly transparency. This is a matter of transparency.

President. Question no 43 by **Rodi Kratsa-Tsagaropoulou (H-0054/07)**

Subject: The peace canal in the Middle East

On 10 December representatives of Jordan, Israel, the Palestinian Authority and the World Bank examined a feasibility study on the construction of the 'Peace' or 'Two Seas' canal, which would run 180 kms from the Red Sea to the Dead Sea. The economic significance (irrigation of the Negev desert, supplying hydroelectric plants and desalination plants, providing one billion cubic metres of potable water annually), the diplomatic significance (dialogue and cooperation between Israel, the Palestinian Authority and Jordan) and the environmental significance (tackling the danger of the drying out of the Dead Sea by 2050) of this enterprise are enormous.

The overall cost is calculated at US\$ 15.5 million which have been committed by the World Bank.

Given that the construction of this canal is important from many points of view, will the Commission contribute to the implementation (planning and financing) of this ambitious project within the framework of Euro-Mediterranean cooperation? If not, does it intend to make a financial contribution to the next stage during which US\$ 3 billion will be spent on completing the project over the next five years? Could the European Investment Bank be used also as an investment instrument to ensure the necessary funding?

Benita Ferrero-Waldner, Member of the Commission. The level of the Dead Sea is falling by one metre each year. The Commission is strongly in favour of forward-looking projects which address the water needs and environmental needs of the region, and it supports all the initiatives which involve cooperation between the neighbours on specific issues, particularly on water, a very important resource in the region, in order to find mutually satisfactory solutions. But we also have to say that the construction of the 'Peace' canal would be a huge undertaking, a huge endeavour, which could have a significant impact on the local environment without necessarily addressing the causes of these lower Dead Sea levels.

We think, therefore, that a somewhat cautious approach is necessary. The Commission notes that a feasibility study including an environmental and social impact assessment has recently been commissioned. A multi-donor trust fund has been established, with France, the USA, the Netherlands and Japan making firm commitments of support.

The contract for the feasibility study is expected to be awarded in July of this year, and then it could last for over two years. The Commission will then examine the outcome of the feasibility study very carefully when it is published and will consult with the European Investment Bank in the light of its recommendations. At that time, we will also keep Parliament closely informed of our reflections.

Rodi Kratsa-Tsagaropoulou (PPE-DE). – (EL) Thank you for your reply, Commissioner, and for the care and efficiency with which you are addressing development issues in the Middle East.

You are quite right to say that a feasibility study is needed for such a large project, so that we know just how far the European Union will commit itself. I wanted to ask you if we have any final reports on the programmes applied to date, so that the causes can be addressed, because we see the state of the River Jordan and the degree to which water is a cause of dispute between the countries in the area. Do we know if our programmes have been applied and can we evaluate how they performed, both from the economic and from the diplomatic point of view, from the point of view of cooperation between countries?

Benita Ferrero-Waldner, Member of the Commission. I do not know of any other studies at this moment. I can only say that this feasibility study seems to be a study involving EUR 15 million, where the Commission is probably also participating, and the volume of the whole project is EUR 3 billion. It is a huge project and therefore I think it is worthwhile to study things carefully before we really go into something. All of that is in the context of the political environment and the political solution and at this very moment we are cautiously optimistic because there is the outline at the horizon of a national unity government in Palestine. Hopefully we can start to have a sort of regional cooperation again – at least between a few countries and the Palestinian Authority. So let us keep our fingers crossed and hope, but I think there is a positive momentum at this moment.

Part Two

President. Question no 44 by **Alain Hutchinson (H-1072/06)**

Subject: Full liberalisation of postal services on 1 January 2009

On 18 October 2006 the Commission adopted the draft directive COM(2006)0594 final amending Directive 97/67/EC concerning the full accomplishment of the internal market of Community postal services. This proposes full liberalisation of postal services, that is, to include small postal items weighing less than 50 grams. Two aspects are often criticised: that the Commission has chosen to maintain the date of 1 January 2009 for the directive to enter into force, although it is well known that many Member States will not be ready by that date, and that it has made insufficient provision for financing the universal postal service, which 10 traditional postal service operators have criticised.

What is the Commission's response to these criticisms? Has the Commission examined carefully and in detail the impact of full liberalisation of postal services in Sweden, where it had been expected for many years? In Sweden, was there an increase in the cost of stamps for small postal items, and were there public sector job losses? If so, in what proportion? How satisfied are the Swedes following this liberalisation? The Swedish experience is a concrete example and not the result of a study or theoretical or ideological speculation. Has it been a clear success?

Charlie McCreevy, Member of the Commission. Mr President, honourable Members, both the state of preparation of postal markets for full opening and the financing of the universal service in an open market have been analysed with great care and attention by the Commission.

The Commission's analysis, which was based on several years of studies and continuous and transparent discussions with all stakeholders, is presented in considerable detail in the Commission's preparatory documents. The proposal for a directive and its supporting documents are now under discussion in both the Council and the European Parliament. It is up to you and the Member States in the Council to make your own evaluation. The Commission took into account the Swedish experience to which the honourable Member refers, as well as all other market and regulatory developments in the postal sector. It is not a question of attributing a particular value judgement to any or all of these developments or to suggest that the Swedish model, or indeed another model, should be copied elsewhere. It is rather a question of showing that various solutions exist. These solutions can be implemented according to the specificities of each national market in order to conduct the necessary postal reform while guaranteeing the provision of an efficient universal service.

It is worth noting that in Sweden the opening of the market was completed, guaranteeing the provision of the universal service, without the need for additional financing. The Swedish Government recently presented a detailed study on the opening of the Swedish postal market, and its findings do not seem to confirm the fears expressed by the honourable Member.

In conclusion, and as I said earlier, the Commission believes that completing postal reform is vital for securing further improvements in efficiency and quality of service and for ensuring the long-term viability of the postal sector and the business opportunities and employment potential it generates.

Alain Hutchinson (PSE). – (FR) Commissioner, thank you for your answer, which, in my view, is closer to waffle than to a real answer to the questions I have asked you on the liberalisation of postal services. In one question, I alluded to the solutions being studied by the Committee of Enquiry into post liberalisation. When we talk about solutions, that means there is a problem, but we can see at the moment that, when it comes to the delivery of small mail items – which is the topic on the agenda – there is no problem. The people are happy, and deliveries are running smoothly. In contrast, where the delivery of small items has been liberalised, such as in Sweden, stamps are more expensive and the service is worse.

Commissioner, why is the Commission ruling out retaining the reserved area with which we are familiar, which enables and safeguards the universal service for all Europeans, as would certainly not be the case with the projects you are proposing, as previous experience has demonstrated?

Charlie McCreevy, Member of the Commission. According to my information, the situation in Sweden has meant that performance is better now than it was, and that has been due to competition. Furthermore, the average price of mail (of which mail sent by consumers only represents a small part), including mail by business to consumers, has sharply decreased.

In the proposal we have put forward, there is a large menu of options allowed to Member States as to how they can deal with the universal service obligations. It will be noted that I made no change at all to the universal service obligation and have allowed the Member States a large menu of options as to how they go about financing it.

Our package should come as no surprise to anybody who has been following this debate, because this debate and the opening-up of the markets have been ongoing for 15 years, and this is the final step in that particular process.

Piia-Noora Kauppi (PPE-DE). – Mr Commissioner, I come from Finland, where we have also opened the postal services market, as has happened in Sweden. I have to say that it was very good that someone from a country where they have not done the same is putting the Swedish and Finnish model forward as an example of the positive consequences that postal market liberalisation has had.

The only problem we have seen in those countries where liberalisation has happened earlier than other Member States is that the old monopolies from the Member States that still have a monopoly market have tried to come to our markets and use the liberalisation on their behalf. That has been a very negative consequence of an early opening of markets.

So I would like to ask if the Commission intends to keep the deadline and *really* open the markets before 2009. If so, it will get all our support for that.

Charlie McCreevy, Member of the Commission. I am pleased that Ms Kauppi has spoken on this subject, because Finland is a country which is very sparsely populated, and the universal service obligation has been fulfilled there, and so too in Sweden. These markets have seen the benefits of open competition, and, it is fair to say, so too have the other markets that have opened up their postal area.

It is our intention to stick to the time frame of 2009, which is expressed in the 2002 directive on opening up markets, which further said that, by the end of 2006, the Commission would come forward with its proposals confirming, or not, the opening of the market in 2009 and whatever other further steps are necessary, and that is what we have done. But the matter is now in the hands of the co-legislators at Parliament and at the Council of Ministers.

Hélène Goudin (IND/DEM). – (SV) I come from northern Sweden. Liberalisation in Sweden has done a fair bit of good for our cities, but the Government does need to step in and cover other places. For example, in the northern Swedish town of Pajala, where I live, we have a 270 km-long route with only 200 households on it. Is the Commissioner able to guarantee that, if we were to have a common directive, those households would still receive their post?

Charlie McCreevy, Member of the Commission. Yes, I can, because we decided in bringing forward our proposal that we would make absolutely no change to the obligations under the universal service obligation. That is left exactly as it is in the proposal that is currently before the codecision authorities.

Dimitrios Papadimoulis (GUE/NGL). – (EL) Mr President, Commissioner, apart from the bad experience in Sweden, there are numerous other Member States reacting to the Commission's haste and there are ten major traditional postal agencies that have pointed out serious risks in writing.

I ask you directly: will you take account of these objections or will you insist dogmatically on a deadline of 1 January 2009?

I also have a second question: what will you do to ensure the concept of a universal postal service accessible to all citizens is not damaged, when we know that there are already problems with this in Sweden?

Charlie McCreevy, Member of the Commission. I have repeatedly said in reply to questions that we will make absolutely no change to the requirements under the universal service obligation. When we brought forward our proposal, some people were lobbying for the universal service obligation requirements to be changed and watered down. I decided not to do so and the requirements on the universal service obligation are exactly as they are now. To the best of my knowledge, and as repeated by Mrs Kauppi, the impact in Sweden has been entirely positive.

President. Question no 45 by **Georgios Toussas (H-1085/06)**

Subject: Unethical banking practices

Generally unpopular EU and Member State Government policies have emboldened banks to charge exorbitant and illegal interest rates, unethically extracting enormous sums of money from borrowers and working people in general. This is illustrated by the fact that the Bank of Greece has fined credit institutions € 25 million for lack of transparency and unethical practices while, at the same time, introducing more flexible penalties for unredeemed checks and refusing to identify the banks which have been fined.

What view does the Commission take of identifying to the mass media banks which have been fined by the Member State supervisory authorities for unethical and illegal practices, with a view to providing information and a degree of protection for borrowers and depositors in general?

Charlie McCreevy, Member of the Commission. First, I would like to thank the Honourable Member for drawing our attention to the retail banking problems which consumers in Greece are facing.

We are aware of the concerns about the level of interest rates charged in Greece and have responded to several written questions on the subject. In our answers, we have highlighted a series of initiatives that could have an impact on the level of retail interest rates in Europe. They include initiatives on mortgage credit and consumer credit as well as the competition sectoral inquiries launched in June 2005 in the areas of business insurance and retail banking. These initiatives, together with others presented in the White Paper on Financial Services Policy for 2005 to 2010, should improve the competition and efficiency of retail financial services markets and provide practical benefits for European consumers.

As to the honourable Member's specific question, we support initiatives that encourage and promote transparency in European financial markets. Transparency is of particular importance for consumers, who need full and accurate information to be able to make an informed choice. In the competition area, the Commission names banks against which a decision concluding an anti-trust infringement is addressed. However, there are no European rules requiring the naming of banks which the Member States' supervisory authorities have fined for unethical and illegal practices.

We will continue to monitor the level of interest rates as our initiatives on retail financial services progress to ensure that the benefits from integration provide practical benefits for European consumers.

Georgios Toussas (GUE/NGL). – (EL) Mr President, illegal, abusive banking practices, according to the media denouncing them on a daily basis, are now becoming widespread.

This is one aspect of the problem. However, there is another aspect: the European Central Bank increased interest rates twice in 2006. The banks in the Member States also increased their interest rates accordingly.

What do we conclude from this? That the gap between interest rates on savings and interest rates on borrowing is widening, at the expense of borrowers and the workers in general.

What measures does the Commission intend to take to reduce the gap between interest rates on savings and interest rates on borrowing?

Charlie McCreevy, Member of the Commission. As I said in my reply, we are aware of the concerns about the level of interest rates charged in Greece and have responded to several written questions on

this subject. But the definition of retail interest rates is mainly a matter for financial institutions and it is not as such the subject of EU rules and regulations.

However, as explained in earlier responses, we have undertaken a series of initiatives that could have an impact on the level of retail interest rates in Europe, including initiatives on mortgage credit and consumer credit. In June 2005 we also launched sector-specific competition inquiries in the areas of business insurance and retail banking.

Yes, it is known to us that the level of interest rates charged in Greece are very high, but we do not have particular responsibility to make any change in that, nor is it likely that the Union will have responsibility in this area in the future. In other Member States where the winds of competition have blown, the interest rate charged to consumers has come down dramatically. I have personal experience in this regard from my home Member State. When a retail financial institution from another Member State announced that it was coming to set up shop in the Member State I know best, interest rates contracted overnight.

David Martin (PSE). – The Commissioner will be aware of reports saying that the European Commission has paid millions of euros in bank charges in order to bypass the Hamas-led administration in Palestine. In the interests of the transparency he claims that the Commission is in favour of in relation to the banking sector, will he publish why the Commission has run up such large charges and which banks these charges have been paid to?

Charlie McCreevy, Member of the Commission. I am not in a position to answer your specific question, Mr Martin, but I will have it investigated.

Robert Evans (PSE). – Commissioner, still on the question of unethical bank charges, could I ask you what you feel about the exorbitant fees charged by some banks for cross-border money transfers into the eurozone? For example, it costs up to ten times more for a British person to transfer money to a eurozone bank, which is obviously just at the touch of a computer button. Do you agree that this is exorbitant and do you think the whole question of cross-border money transfer needs some regulation to be consistent with the principle of free movement of capital within the EU?

Charlie McCreevy, Member of the Commission. Well, as the honourable Member is aware, the big European project in this area would be the SEPA project for the single European payments area. Of course, this will apply in the initial stages in the eurozone. Good manners prevent me from advising what should be done in Britain about the eurozone, but of course I am sure that the answer to your question is ‘more competition’.

President. Question no 46 by **Sarah Ludford** (H-0007/07)

Subject: Money laundering

It has plausibly been claimed recently by the City of London Corporation that the European Union's fight against money laundering – and therefore potentially terrorist financing – through creation of an effective regime to deter and detect criminals is being hampered by Member States' inconsistent, uneven and inadequate implementation of the 2001 Second Money Laundering Directive.

With the third Money Laundering Directive due for implementation in 2007, what strategy does the Commission now have for enforcing prompt, proper and uniform implementation of EU law on this vital subject across all Member States, one which maximises the chance of hunting down suspicious transactions while minimising unnecessary cost and red tape for businesses and honest customers?

Charlie McCreevy, Member of the Commission. As you are aware, Member States are required to have fully transposed the third anti-money-laundering directive into national law by 15 December 2007 at the latest.

This directive reinforces our actions in the fight against terrorist financing. It provides for harmonised rules under which the obliged entities and persons can apply customer due diligence procedures, taking into account the risk of money laundering and terrorist financing. In order to help Member States ensure a timely and proper transposition of this directive, we are following a threefold strategy.

Firstly, in November 2006 we held an initial transposition workshop. The objective of this meeting was to exchange views and provide clarity on issues of interpretation or any other problem linked to transposition.

Secondly, we have set up a European platform between the Financial Intelligence Units. These are the national authorities competent to prevent and counter money-laundering and terrorist financing by receiving and analysing suspicious transaction reports filed by credit and financial institutions, as well as by selected non-financial businesses and professions. The FIUs are directly involved in the enforcement of the directive. Within the European platform, regular meetings are organised to exchange information, notably on the provision of feedback to reporting entities.

Thirdly, we support the work carried out by the joint Anti-Money-Laundering Task Force which the Committee of European Banking Supervisors has created in association with the European insurance supervisors and the securities markets supervisors. The objective of this task force is to enable the sharing of experience and best practices between financial services supervisors. This is crucial for a consistent implementation of the directive across the European Union. The Commission participates as an observer.

Sarah Ludford (ALDE). – Thank you, Commissioner. It sounds as if you are going to get a lot of information. However, are you going to issue some guidelines to secure more consistent application? Because it seems to me at the moment that we have the worst of all worlds: no level playing field for businesses, and therefore different costs; and no consistent consumer protection, for instance on whether or not the right of customers to obtain access to information under the data protection directive is being overridden by the tipping-off provisions under anti-money-laundering laws, and whether banks are slipping in commercially useful questions under the cover of ‘know your customer’ principles.

I appreciate what you are doing, but why not issue some guidelines, which would go some way to getting some consistency? Otherwise there is going to be even more of a mess when the third anti-money-laundering directive is implemented.

Charlie McCreevy, Member of the Commission. I think that what the honourable Member says is quite reasonable. From my knowledge of previous directives, practice varies from Member State to Member State. Furthermore, within Member States, it probably varies between financial institutions – I am aware of that too, but you must remember it is quite early days. I know that we are now on the third anti-money-laundering directive, but people are learning and, hopefully, with the processes we have set up, such as the bodies I have just referred to, best practices can be established and then people can learn from one another.

I would not rule out making some guidelines in the future, as the honourable Member referred to. Perhaps that will be done in the future, either by the Commission or some agency on our behalf through all these processes. However, as the honourable Member will understand, we have gone for the risk-based approach, which leaves a fair degree of flexibility in the hands of the entities, and that leads to some of the problems we have just outlined.

On the other hand, if you went for the more prescriptive approach, line by line, it would probably take ages to get agreement between the different Member States because of the different cultures in this particular area. Hopefully, we are learning, and I do not rule out any future initiative that would bring greater consistency in this area, which is what, I believe, everybody desires.

President. Questions 47 and 48 will be answered in writing.

President. Question no 49 by **Carl Schlyter** (H-1081/06)

Subject: Ban on imports of raw materials extracted in contravention of international law

The people of the Black Mesa the Dineh and Hopi indians have fought against coal mining on their territory, and all that it entails, for more than 30 years.

At the beginning of this year, the coal mine and pipeline which use the indians' only water reservoir were closed down. Unfortunately, the joy was short-lived. There are now plans for a re-opening and an expansion with the ensuing forced displacement of the population.

Black Mesa Mountain is sacred to these people and the operation would be akin to a company quarrying stone from Notre Dame in Paris (the mountain is considered to be a woman). Is breaking up the sacred symbols of a religion not a violation of religious freedom?

Does the Commission intend to ban imports of raw materials extracted in contravention of international law and, further thereto, also introduce a ban on imports of the products of the companies involved if they go ahead with an expansion of mining operations?

Peter Mandelson, *Member of the Commission*. I should like to thank the honourable Member for asking this question. The European Union seeks to uphold the universality and indivisibility of human rights – civil, political, economic, social and cultural – as reaffirmed by the 1993 World Conference on Human Rights in Vienna.

The Commission understands that the Dineh and Hopi Indians would like to preserve their identity by controlling mining activities on their territory. While the Commission is not convinced that the functioning of the coal plant would breach any relevant instruments of international law protecting religious freedom, it nonetheless takes the rights of indigenous peoples very seriously, as set out in the Commission's May 1998 working document on indigenous peoples.

However, the production of coal in the United States is subject to environmental rules, and the overall issue of rights in this instance falls within the competence of the US Government. On the more general issue of whether import bans of coal would be effective in upholding the rights of people in specific localities, it would be difficult to determine the specific origin of coal being imported into the European Union. Consequently, a ban of this sort would be difficult to implement in practice.

Carl Schlyter (Verts/ALE). – *(SV)* There is also United Nations Human Rights Council resolution number two, from 2006, which clearly emphasises the rights of indigenous peoples to sacred sites. In this case, it is the whole mountain, and especially the water it contains, that constitutes the sacred site. Large quantities of water are used to convey the coal in a pipeline, which means that both the coal and the water from this sacred site are being extracted in a way that deprives the Indians of their rights as indigenous peoples. I do not know whether we in Europe currently have any coal from this mountain. An investigation is under way right now into a possible extension of mining activity.

Peter Mandelson, *Member of the Commission*. Mr President, the Commission understands very well that the region where the Dineh and Hopi Indians live is very important for their religious beliefs, and I do not contend otherwise. We also understand that their rights are protected in the US Constitution, and so it is principally a matter for the US courts and not for us to intervene. I would just repeat what I said, that import bans of the sort being envisaged are really not a desirable way, in the Commission's view, of dealing with such issues. An import ban would have no effect if the coal in question were exported to countries other than the European Union, which would no doubt be the case, so any sanction that we introduced would, in our view, make no material difference to the objective situation of these indigenous peoples.

President. As the author is not present, Question No 50 lapses.

President. As they deal with the same subject, the following questions will be taken together. Question No 51 by **Brian Crowley**, replaced by Sean Ó Neachtain (H-0030/07)

Subject: World trade talks

Can the European Commission make a statement as to the likelihood of a serious resumption of the Doha round of world trade talks in the near future?

and

Question no 52 by **Pedro Guerreiro** (H-0069/07)

Subject: WTO negotiations

Various UN reports have condemned rising income inequality in recent years in social and economic terms, both between and within countries, in circumstances where poverty and unemployment figures remain high or are rising while the big multinationals' profits and the concentration of capital increase - developments which are obviously not unconnected with the marked trend to greater liberalisation of trade and capital worldwide.

In the light of the recent contacts between the Council Presidency, the Commission and the US Administration, can the Commission provide information on its proposals and negotiating timetable

regarding the WTO talks, which are currently stalled, with particular reference to agriculture, non-agricultural products (including textiles and clothing) and services?

Peter Mandelson, *Member of the Commission*. Mr President, I want to give this House a substantive assessment of where things stand on the world trade talks.

The Davos meeting of WTO trade ministers in January signalled the formal resumption of work in Geneva across all the negotiating groups. What lay behind this was an injection of new political commitment to the negotiations at senior levels, including from President Bush. I believe this is sincere and that there is, therefore, a new level of political investment in the process, which creates a fresh opportunity for finding success. On this basis, the Director-General of the WTO announced in the Trade Negotiating Committee on 31 January that negotiations in Geneva should restart at multilateral level in all the negotiating groups.

Farm subsidies remain the gateway to a deal. But a breakthrough inside agriculture must trigger a meaningful commitment to reductions in industrial tariffs and, further down the line, specific market-opening commitments in trade in services. In these areas, we are looking for meaningful and substantial moves by emerging economies in the G-20 group, without which it will not be possible to conclude the round.

In the meantime, US negotiators have started to turn the corner, but they have not reached the point of showing to us what new reduction of trade-distorting farm subsidies they intend to table. This is indispensable to the progress we are seeking. Susan Schwab, the US Trade Representative, is reaching out to the Democratic Congressional leadership in order to prepare the ground and to see how she can meet some of their requirements for an extension of the Administration's fast-track negotiating authority, the Trade Promotion Authority, but she has not, so far, been ready to make the necessary jump either to agreement with Congress, or convergence with the US trade partners on key aspects of the current negotiation.

The Administration's preliminary proposal last week for a new farm bill was welcome but somewhat disappointing in this context. If we are to have a successful outcome in the WTO, the US will need to align the new farm bill with more ambitious cuts and disciplines in trade-distorting subsidies negotiated as part of the Doha Round.

On timing, however, the US roadmap is somewhat clearer. A breakthrough on core issues in the Doha Development Agenda is the platform on which the Bush Administration says it will request a new or extended TPA before its expiry in June. That implies a breakthrough in the next few months on the big numbers in the key parts of the negotiations.

It is in our interest to try to seize the opportunity that now exists to reach a conclusion. I do not, myself, think that postponing a push for a deal into the summer or later is a realistic option. Given all the uncertainties in the United States and elsewhere, we would risk losing the fragile momentum that has been created, and this judgement accords with that of the European Council as reflected in the Presidency's summing-up at the General Affairs Council on Monday. A DDA outcome would be very worth having, economically, politically and for the sake of the international system, and therefore we will continue to negotiate constructively but toughly for a deal.

Seán Ó Neachtain (UEN), *Ionadaí don údar*. – Ba mhaith liom ceist a chur ar an gCoimisinéir, an bhfuil i gceist aige agus ag an gCoimisiún níos mó gearradh siar a dhéanamh ar an dleacht a chuirtear ar tháirgí feola a thagann isteach san Aontas Eorpach chun an Margadh Trádála Domhanda a luaigh sé a bhaint amach?

Peter Mandelson, *Member of the Commission*. The Commission tabled a substantive offer concerning all aspects of the agricultural negotiations in October 2005. Subsequently, in the summer of 2006, I indicated what further flexibility we would have within our mandate to improve our offer, should that be matched by offers from our negotiating partners both in agriculture and in other parts of the negotiations.

Our firm view is – and in this I speak under the guidance of my colleague, Mrs Fischer Boel, Commissioner for Agriculture and Rural Development – that such a strengthened offer, should it be justified by what others do in these talks, would be within the mandate which is provided by the reforms to the common agricultural policy that were agreed in, and have been implemented since, 2003.

Pedro Guerreiro (GUE/NGL). – (PT) I should like to ask the following question, which ties in with the last answer. Does the Commission envisage fresh concessions on agriculture, so that an agreement can be reached at the negotiations in Geneva – which I believe, given that their opening has been announced, are ongoing – on a global package including, as you mentioned, the issues of industrial goods and services?

I was also wondering whether the Commission could comment on how the Council-level agreement establishing future free trade areas with the emerging economies of Asia is to be reconciled with the current opening of WTO negotiations.

Peter Mandelson, Member of the Commission. Concerning the last point, that is not currently being negotiated within the WTO round. In answer to the earlier question, my view is very clearly this: in order to advance to the other stages of negotiation, to those sectors of the talks which will yield the greatest economic and developmental benefits to the global economy and in particular to developing countries – namely industrial tariffs, liberalisation of services, the strengthening of trade rules, and in particular trade facilitation – we need first to break the agricultural deadlock in which these negotiations have been stuck now for very many months.

To do that, we need a clear sense from the United States of the direction of its policy concerning trade-distorting farm subsidies. Until that is clear, it will not be possible to clarify for the United States the answers to its questions concerning agricultural market access, because inevitably, when asked by the United States and others in the competitive agricultural economies how far they will open their markets to farm goods from the US and elsewhere, the developing countries will reply: ‘Well what are we importing? What are you expecting us to give you access for? Farmed goods or US Treasury subsidies?’

This is not an unreasonable question for developing countries to ask and therefore it is only when we get greater clarity and firmness about US intentions on farm subsidies that other questions will be easier to answer within the other agricultural pillars of the negotiation – market access and export competition – thus also allowing us to move on to the substantive negotiations in the other sectors of these talks.

My view, as I said in my opening remarks, is that the United States is making a reasonable engagement. It is making a good effort vis-à-vis the US Congress and its negotiating partners to take these talks forward, but we have yet to see on the table any clear, firm new offer on farm subsidies and, until that is the case, it will be difficult for others to match what the United States does by making further offers of their own.

David Martin (PSE). – Firstly, let me congratulate you, Commissioner, on your persistence and doggedness in getting these talks back on track almost from beyond the grave.

While you have rightly concentrated on market access for agricultural products, non-agricultural products and services, do you accept that this might also be the time to launch an aid-for-trade initiative to connect the developing countries you have talked about to the global trading system? Many of them, as you have rightly said, fear that opening up their markets would be a one-way process of importing more, but not necessarily exporting more. To reassure them, should we not do more to assist them in terms of their ability to trade in the global trading system?

Peter Mandelson, Member of the Commission. I am grateful to the honourable Member for raising this, because it is fundamental to the confidence with which developing countries, particularly poorer, more needy developing countries, can approach their step-by-step integration to the international economy. I think rightly it will be a condition for their support for a final result – an outcome of these negotiations.

So right from way back the Commission, on behalf of the European Union, has been pushing very strongly the case for aid for trade. I am glad to say that at the Hong Kong Ministerial, a clear commitment – independent of the single undertaking – was made and entered into. I hope others in the developed world will clearly be able to match what we are putting in order to make that programme and the resources that need to support it a reality.

In this context, I would also emphasise the importance of duty-free, quota-free access to others’ markets by the least-developed countries in the WTO. This is a commitment that we have made of very long standing and which we want others, both in the developed world and amongst the emerging economies

insofar as they are able, to match. A proportionate effort from these World Trade talks would make a very big difference to creating fairness and a proportionate benefit for those who need it most in the developing world.

President. Questions 53 and 54 will be answered in writing.

President. Question no 55 by **Bernd Posselt** (H-1067/06)

Subject: Rural development in the Bavaria-Bohemia border region

How does the Commission rate the prospects for rural development in the border region between Bavaria and Bohemia, which particularly suffered in the second half of the 20th century, with regard to both the German and Czech sides? To what extent would rural development programmes include cultural projects?

Mariann Fischer Boel, *Member of the Commission*. In Bavaria, in the programming period between 2000 and 2006, EUR 1.6 billion was allocated from the European Agricultural Guidance and Guarantee Fund. In the next programming period between 2007 and 2013, the amount will be approximately EUR 1.3 billion in contributions from the European Union. It will be available for granting support to Bavaria's rural areas.

Among the measures implemented are: village renewal, support for different tourism activities, and support for farmers working in less-favoured areas.

In the past, and in the next programming period, those in the border areas with the Czech Republic have benefited and will continue to benefit substantially from the implementation of these and other measures in the context of Bavaria's rural development programme.

The new draft ERDF Operational Programme 2007-2013 for Bavaria pays particular attention to the rural and structurally weak areas bordering the Czech Republic. The Bavarian authorities have proposed to concentrate in these areas more than EUR 300 million out of the ERDF contribution, which totals EUR 575 million, including a special allocation of EUR 84 million for the border areas alone. These funds shall be used for co-financing projects destined to promote, inter alia, tourism and different cultural activities.

In the period between 2004 and 2006, a total of almost EUR 85 million was spent under this EAGGF with Czech contributions in the Czech border regions, and this shows that there is actually a very big absorption capacity. Thus the Commission believes that this trend will continue in the next programming period from 2007 to 2013.

The draft rural development plan of the Czech Republic includes measures to support cultural heritage, and it will be funded with approximately EUR 50 million from the ERDF. Furthermore, the Czech/Bavarian INTERREG cross-border programme – that started this year on 1 January 2007 – has a budget of EUR 115 million. That programme, which has just been officially submitted to the Commission, includes both rural development and support for different cultural measures.

Bernd Posselt (PPE-DE). – *(DE)* I should like to thank the Commissioner for her very precise comments. I should just like to raise two brief supplementary points. Firstly, what are the Commissioner's views on the issue of the architectural cultural heritage? Does this programme also include the restoration of historic buildings, that is, architectural heritage, in the Czech border region? Secondly, what are the Commissioner's views on cultural and youth exchanges across borders, particularly with regard to people in the border region and to minorities? After all, we have the Czech-German Future Fund. Can the Commissioner envisage cooperation on this?

Mariann Fischer Boel, *Member of the Commission*. First of all I think I made it clear in my first reply that there are funds available to support cultural heritage. I think that it is a very important issue and one that has been taken into account by the two regions. There are possibilities under subsidiarity, which we consider very important in our rural development policy, and the third axis of that policy could take into account any desire specifically to support these sectors in the different regions.

Justas Vincas Paleckis (PSE). – *(LT)* I believe that is a truly important question, given that the Czech Republic, Bohemia and Germany were separated for half of the twentieth century; I think that the regions which were cut off during the Cold War need special attention and special funds to enable them to grow back together again. The same could be said about the Lithuanian-Polish border, which throughout the

twentieth century was cut off and separated two countries that had been a united country in the Middle Ages.

How would you respond to the proposition that special attention must be paid to the reconsolidation of those regions that were cut off during the Cold War?

Mariann Fischer Boel, *Member of the Commission*. I think it is very important that we maintain the subsidiarity in our rural development programmes, as it provides a clear possibility for the Member States themselves to decide which are the priorities. We are currently looking into the new programmes for the next financial period (2007-2013), and we will then have a very clear overview of the importance that is given to these specific areas. You are quite right that in some border regions there are specific interests, and I am quite sure that these will be taken care of by the programmes from the different Member States.

President. Question no 56 by **Georgios Papastamkos** (H-1084/06)

Subject: Review of the regulatory framework governing 'de minimis' aid

On 12 December 2006, the Commission announced a review of the regulatory framework for 'de minimis' aid, extending its scope to the sale and processing of agricultural products.

What are the 'specific conditions' under the de minimis rule for the allocation of aid to undertakings selling and processing agricultural products? How does this regulatory framework relate to individual provisions regarding agriculture (which to date excluded agriculture from the scope of the 'de minimis' aid rule)? What are the conditions for accumulating de minimis aid with state aid? What are the anticipated effects of a more flexible regulatory framework on the development of the agricultural sector in the EU and, in particular, in Greece?

Mariann Fischer Boel, *Member of the Commission*. Undertakings that are active in the processing and marketing of agricultural products listed in Annex 1 to the Treaty may be granted 'de minimis' aid of up to EUR 200 000 over a period of three fiscal years, provided of course that a series of conditions are fulfilled.

Before 1 January 2007, the 'de minimis' aid for processing and for marketing was governed by the provisions of Commission Regulation (EC) No 1860/2004 and limited to EUR 3000 per beneficiary over any period of three years, within a maximum global ceiling established for each Member State.

Processing and marketing of agricultural products have been included within the scope of the new regulatory framework because of the similarities between those activities on the one hand and processing and marketing of non-agricultural products, on the other.

In the field of processing and marketing of agricultural products, 'de minimis' aid may be accumulated with state aid, provided that this does not exceed the maximum aid intensity laid down for measures supported by state aid.

With the new and much more flexible rules for the 'de minimis' regulations, Greece, like all other Member States, will have more scope for granting aid in a much more rapid way, as the 'de minimis' aid will not have to be notified. There will be more advantageous conditions than those laid down in other rules applicable to state aid. This flexibility will enhance the development of the agricultural sector in Member States within the European Union.

Georgios Papastamkos (PPE-DE). – (*EL*) Commissioner, I should like to congratulate you on the proposed new regulatory framework. I consider the exemption rule in favour of small and medium-sized undertakings producing agricultural products to be extremely important.

Could you shed more light on the points relating to the maximum limits for de minimus aid for small agricultural units in remote areas and on the Aegean Islands and the points relating to the faster granting of aid to farmers who suffer losses caused by bad weather?

Mariann Fischer Boel, *Member of the Commission*. The idea of making the same conditions available for products within agricultural processing and marketing has clearly been that we think that there can be certain similarities to other production areas and, therefore, we introduced this possibility of EUR 200 000 over a three-year fiscal period.

We do not make any distinction between smaller and larger companies. The only condition is that it is not primary production. So this EUR 200 000 cannot be used to support a primary producer or farmer. Farmers are still subject to the present rules, with 'de minimis' aid of up to EUR 3 000 under the same conditions over a three-year period. However, we will be looking into the old ruling on 'de minimis' aid for the agricultural sector at the end of 2008.

Paul Rübzig (PPE-DE). – (DE) Mr President, Commissioner, one of our real challenges is the energy policy objectives set for 2010. Proposals have been made on the addition of 10% bioethanol, on biodiesel and on renewable energy. Processing plants are urgently needed for these. Does the Commissioner believe that the de minimis rules could also be applied to this progress?

Mariann Fischer Boel, Member of the Commission. For the primary producer of the renewable energies, namely the farmers, we have a specific incentive which is equal to the value of EUR 45 per hectare if one enters into a contract producing renewable energies. We discussed this with the new Member States and they have been introduced into this scheme from 1 January 2007.

If one wants to invest, for example, in bio-energy at the farm level, one can look into the possibilities in the first and the second pillar of the rural development policy on competition and on the environment. So there are different possibilities of looking for specific support for energy purposes.

President. Question no 57 by **José Manuel García-Margallo y Marfil** (H-1088/06)

Subject: Proposed reform of the COM in fruit and vegetables

The draft regulation on the reform of the COM in fruit and vegetables is designed to amend the current aid scheme for the processing of certain types of citrus fruit (Regulation (EC) No 2202/96⁽²⁾) and to convert it into decoupled aid related to land area and included within the single payment (Regulation (EC) No 1782/2003⁽³⁾). When the resulting amount of aid is applied to the total land area devoted to citrus fruits in each Member State, one hectare of citrus fruits in Italy will be eligible for approximately EUR 700, one hectare in Greece for EUR 600 and one hectare in Spain for around EUR 300.

Since the level of aid received by the fruit and vegetable sector is minimal (and is lower than what other Community sectors receive), has the Commission calculated whether or not there is an adequate margin within the overall average level of support offered to the fruit and vegetable sector to enable coupled aid to continue in its current format? If that margin genuinely exists, on the basis of which technical reports is the amendment to the current scheme and the conversion thereof into decoupled aid proposed?

Has the Commission assessed the impact which the decoupling of aid will have on the Community juice industry and the possible effects thereof on prices and on the quantities of juice imported from non-EU countries, in particular Brazil?

Mariann Fischer Boel, Member of the Commission. The Commission would like to remind the honourable Member of the need to adapt the fruit and vegetable sector in order to be in line with the reformed common agricultural policy, the reforms that started in 2003. The inclusion of the fruit and vegetable sector into the Single Payment scheme will lead to an even more market-oriented sector and it will give producers a certain stability of income.

The honourable Member has predicted a distribution of aid in the Single Payment scheme that nobody could access at this moment, since it depends on the system applied for Member States from one Member State to another. The allocation of aid depends on the rights granted by the Member States according to objective and non-discriminatory criteria.

The proposal has been preceded by different initiatives. In 2004, the commission presented a communication which resulted in the Dutch Presidency of the Council establishing the line to follow. There was also the own-initiative report of the European Parliament in May 2005.

Today, the Commission has received several evaluation studies in relation to the sector. An impact assessment document has also been drawn up. The impact assessment includes wide public consultation.

(2) OJ L 297, 21.11.1996, p. 49

(3) OJ L 270, 21.10.2003, p. 1

Most of the organisations that responded wanted continued support for producer organisations. Better promotion of the consumption of fruit and vegetables is also considered to be very important.

On decoupling, opinions differ depending on the different products concerned. Certain contributors consider that it is the right response to the problem of management and differences in treatment that we see in the sector today.

The Commission is fully convinced that the reform proposal will have a positive effect on the whole fruit and vegetable sector.

José Manuel García-Margallo y Marfil (PPE-DE). – (ES) Commissioner, I regret that I do not share your opinion. The Commission's proposal has been born with two original sins. Firstly, it does not distinguish between citrus and other horticultural products, it does not distinguish between trees and plants, and secondly, it rewards those who do not work and penalises those who work well.

In addition to these two original sins, it has not taken account of four proposals by the Government of Valencia and the Government of Murcia: the creation of a crisis fund to help maintain the market, the prohibition of new planting, an increase in controls of the origin of citrus fruits from other countries and finally to promote, with Community funding, a global restructuring plan for citrus fruits to adapt production to market demands.

Mariann Fischer Boel, Member of the Commission. If we had another half an hour, I would be very happy to explain the details and different elements of the fruit and vegetable reform. I am completely sure that we will be coming back to this on the basis of our new reform proposal, on which I had a very interesting and in-depth discussion with the Agriculture Committee.

First of all, of course we want to make a reform that makes the sector stronger. Why should we not try to get that solution? I am quite sure that what is in the proposal will deliver a stronger, much more market-oriented sector in future.

The proposal also includes a strengthening of the producer organisations because, when we have been looking at the different Member States to see how they have managed this producer organisation possibility, there are huge varieties. In some Member States where the fruit and vegetable sector is strong, there are not so many producer organisations and the level of organisation from producers is very high indeed. That makes the sector strong in competition with the retail sector, and this will be crucial in the future.

The proposal also includes a crisis management tool in the toolbox of the producer organisations. This is to make the producer organisations more attractive for producers to enter.

We have also simplified the system with a new proposal because all the land for fruit and vegetables, for apples and for potatoes for consumption will now be included in the single farm payment system, which is a huge simplification because, today, there are different types of entitlements.

So, yes, it will be an advantage for the sector, and I would be happy to come back and discuss this subject in more detail.

President. Questions which had not been answered for lack of time would receive written answers (see Annex).

That concludes questions to the Commission.

10. Announcement by the President: see Minutes

(The sitting was suspended at 7.05 p.m. and resumed at 9.00 p.m.)

IN THE CHAIR: MRS MORGANTINI*Vice-President***11. Common organisation of the market in wine (debate)**

President. The next item is the report (A6-0016/2007) by Mrs Batzeli, on behalf of the Committee on Agriculture and Rural Development, on the reform of the common organisation of the market in wine (2006/2109(INI)).

Katerina Batzeli (PSE), rapporteur. – (EL) Madam President, as you said, today's debate in the European Parliament on the reform of the COM in wine introduces a cycle of speculation on the future of one of the most important productive, economic and commercial sectors in the European Union.

What we need to focus on today in this review is the objective of keeping the European sector at the top of the world league, the simplification of Community legislation, compatibility with other European development policies, product recognition, the proportionality of products and the cohesion of all wine-growing areas.

This was also the message from discussions in the Committee on Agriculture and Rural Development and from the opinions of the Committees on International Trade and Regional Development and from our consultations with operators in the sector at national and European level.

The reform of the sector must take account of the specific characteristics of wine production at regional and national level, the structure and organisation of the sector, its export capacity and the fact that it may be the only product to which Community legislation applies with a high degree of subsidiarity.

The arrangements under present policies and funding for the current COM, which have often distorted the market and the competitiveness of the product, should be converted so that the Community budget of EUR 1.3 billion under the first pillar is allocated to policies which will aim in the long term at:

- maintaining and strengthening European vineyards;
- reinforcing and improving the competitiveness of the sector at European and international level;
- a territorial approach that takes account of environmental protection and protection of natural resources by financing agricultural cultivation practices;
- balancing supply and demand by controlling production with the by-product and potable alcohol distillation mechanism and by modernising the vineyard register;
- the compatibility or adaptation of COM policies with CAP policies;
- maintaining the recognition at international and cross-regional level of quality European wines and wines with geographical indication and designation of origin, the classification of which must be decided in principle by the Council, with scientific opinions from the International Organisation of Vine and Wine;
- strengthening cooperation between all wine agencies from the level of production to the level of movement through operational programmes;
- strengthening rural and regional wine-growing with additional structural interventions.

In order to achieve these strategic targets, the Committee on Agriculture proposes certain measures, which include:

- firstly, having a transitional reform, so as to give a chance for producers to adjust, so that they can abandon market support measures and move towards structural measures, cultivation practices and commercial action;
- secondly, standard Community policies need to be integrated into national development and support programmes for the sector, depending on the priorities and orientations set by each Member State following consultations with operators at national and regional level.

The funding for these programmes, by which I mean the national envelopes, will need to be decided at Community level on the basis of standard objective criteria so that there are no distortions or inequalities between the Member States and the regions.

Commissioner, the market is at its most vulnerable and sensitive stage. It is at a dangerous turning point. However, with your proposals, you have spun your car off the road. You are ousting European wine and vintners from the market.

The Wine Spectator has published a study showing that, in 2010, the USA will be the biggest consumer of quality and expensive wines. However, with your aggressive financial interventions in grubbing up, distillation and enrichment, all the measures on the basis of which you are saving EUR 760 million euros, you would measure much smaller quantities in figures, but we would be driving European wine out of the market, even though this is not warranted by its development. In essence, there would be a radical redistribution of Community resources for the benefit of rich, high-yield wine areas to the detriment of regional and mountain areas, to the detriment of the diversity of European wine, and a redistribution of the market for the benefit of imported wines.

However, I should like to state my position on the amendments tabled in plenary. The views of my fellow Members are understandable and I am sure that they wish to express local and national interests and demands.

This report, as passed by the Committee on Agriculture, is a balanced and integrated report and can go as it stands to the negotiating table for the preparation of the legislative text. Watering down the positions expressed in this report would mean watering down the position and the credibility of the European Parliament. We cannot call in a loud voice for a radical reform and, in essence, propose a radical status quo. We cannot condemn the Commission for liberalising views and respond with nationalisation.

Finally, our proposals should aim to organise the future, not de-organise everything achieved in the past.

(Applause)

Mariann Fischer Boel, *Member of the Commission*. Madam President, I am very grateful to the European Parliament and in particular to the rapporteur, Mrs Batzeli, and the Committee on Agriculture and Rural Development, the Committee on International Trade and the Committee on Regional Development for their work in preparing an own-initiative report on the Commission's communication 'Towards a sustainable European wine sector'.

I knew before I started the reform process that it would be difficult and complex. These last few months have certainly confirmed this impression. My debates in the Committee on Agriculture and with a number of Members in the Intergroup on Wine here and in their constituencies have shown me that we are dealing with difficult and sensitive issues.

I therefore welcome the report. It is an ambitious report that covers the whole range of aspects addressed in the communication. I believe that I am not saying too much by noting that Mrs Batzeli has grasped the many conflicting concerns that we need to reconcile in the course of the reform. It has been a valiant effort and we will now study the report carefully.

I shall make a few initial observations tonight based on our first reading of the report. Firstly, I should like to express a little regret. The report initially states that the Commission, by advocating the need for the reform within the European Union, is not paying sufficient homage to the image of European wines. Let me, therefore, be completely clear. The European Union's wine sector is second to none: it delivers the best quality wine in the world, it is extremely diverse and it is an important part of our cultural heritage.

However, some parts of the sector are struggling. Millions of hectolitres go into crisis distillation every year. That is hardly a sign of a sector that is in good shape, which is what I want it to be. I want the sector to be able to compete so that Europe will continue to be the world's leading producer of wine. That is why the current regime simply has to be changed. It is no longer sustainable.

I think we can agree that it has resulted in a structural imbalance. Stocks are high and, as a result, prices for many wines are low and income for wine-growers has been reduced. These developments, combined

with falling consumption, changing lifestyles and increasing imports from third countries, have forced changes upon us. I think this is widely accepted.

The direction we all want to take is described in recital K of your report. It suggests that the principal aims of the reform should be to strengthen the dynamism and competitiveness of the sector without losing its market share in international markets, but, equally, to take account of the interests of producers and consumers, while respecting the objectives of maintaining tradition, quality and authenticity.

It goes without saying that you are critical of certain elements of the communication, including matters such as the consumption forecast and the alerts, and the contradiction between the policies of grubbing-up and competitiveness.

The Commission agrees that one of the main challenges is to revive demand, but profitability is even more vital and the pattern of structural surplus leading to lower prices and negative incomes needs to be stopped first. Profitability is not a question of concentrating production in a few hands and then standardising the wine. There are small producers who make wine of a wonderful quality and who are also very profitable and I see no reason why this should not still be the case in future. However, grubbing-up allows those wine producers who are never going to be able to be competitive and who are not able to respond to consumer demand to leave with dignity and compensation. Surely no one here wants to force those producers who have no profitable, predictable future in the sector just to remain because they cannot afford to leave. I fully understand that grubbing-up is a sensitive question. I therefore particularly appreciate the constructiveness that the European Parliament has already shown on this issue. I welcome your recognition that the decision to grub up must lie with the grower and, having said this, I have also studied your different suggestions very attentively.

You also state very clearly that the decision to grub up cannot, and should not, be taken in a vacuum. I completely agree. You have put forward suggestions on how to ensure that grubbing-up complies with a certain number of social and environmental aspects and I can assure you that these will serve as a useful inspiration when we consider how better to frame grubbing-up within our legislative proposal.

I have also noted that you propose to operate a reform in two stages. We will have plenty of time to discuss the timing and how to calibrate the various instruments at the different stages, but I agree on the concept that we need initially to address the structural imbalances that weigh heavily on our sector today.

One issue that you come back to in the report, and which was also a key factor in our earlier debates, is your strong preference for maintaining the wine budget within the first pillar. First of all, I believe that this is at odds with the Community position that rural development measures can make a substantial contribution to the required improvements in the wine-growing regions. Let us not forget that we can ring-fence funds for wine regions in the rural development budget. But I also believe that your position on this issue rests on a false perception that I want to shift considerable funds away from the first pillar, and this is not the case. I have said on several occasions, and will repeat tonight that in the future the majority of funding to the sector will continue to come through the first pillar, but this should not prevent us from drawing on the obvious benefits of also having recourse to the second pillar.

I know that in this Parliament there is a strong push for more Community efforts on promotion. It is indeed important that we improve information about the advantages of moderate and responsible wine consumption and that we promote opportunities in third countries more aggressively. I think that you will agree with me that we need a more progressive and a more modern approach. This is something to which I will certainly give due attention in the legal proposal.

Finally, I would like to say that I have worked with this Parliament for two and a half years. You have clearly demonstrated your ability to be progressive and creative, even on sensitive matters such as the sugar reform, in the pursuit of balanced reform solutions that properly prepare the European Union's agriculture to face up to its present and future challenges. But when I look at many of your positions, notably on enrichment, distillation, and private storage, I must admit that I find you to be a little more timid than usual in your zeal for reform. I do not expect us to agree on these issues now, but these are areas where I believe we will need to be innovative and creative.

Much difficult work therefore lies ahead of us, but I look forward to your continued and very valuable input. I welcome this opportunity for a debate here tonight. My apologies to the Chair for being more

lengthy than usual, but this is a very important issue which is the focus of huge attention in all the regions of Europe and that is why I took the liberty of speaking for a little longer than usual.

Béla Glattfelder (PPE-DE), draftsman of the opinion of the Committee on International Trade. – (HU)

In its opinion, the Committee on International Trade emphasised that in the course of reforming the wine sector, the most important thing is for us to make European wine more competitive on international markets as well as on internal markets. This is by no means a simple task, since regulating the wine market is exceptionally complex, and European wineries are struggling with numerous difficulties.

One of the very important points in the recommendation by the Committee on International Trade is that support for grubbing up cannot be the central element of the reform. A much more complex regulation is needed than this. In my view, insofar as support is to be given to grubbing up, this must be concentrated on those regions where surplus is currently being produced.

For it can be seen that in those regions where production is in deficit – in other words, where they consume more than they produce – or where it is in equilibrium, the growth of imports comes not primarily from wines of other European Union Member States, but from wines of third countries. Therefore, if grubbing up is carried out in those areas which until now have been able to produce enough for their own consumption, but which from now on will no longer be able to do so, it is not at all certain that this will lead to a decrease in the surplus produced within the European Union. It is much more likely that it will lead to an increase in imports from third countries.

In addition to these considerations, it is the opinion of the Committee on International Trade that we need to act forcefully in international forums, within the framework of the WTO, that is, in bilateral trade agreements, in the interests of securing protection of geographical indications.

Iratxe García Pérez (PSE), draftsman of the opinion of the Committee on Regional Development. – (ES)

In our opinion, we in the Committee on Regional Development have wished to stress certain issues that we believe to be important from the point of view of territorial cohesion, when it comes to implementing a reform that will have a significant impact on certain European regions.

Vineyards and wine production play a crucial structural role in certain regions as a motor for rural development and, therefore, when it comes to adapting the rules regulating the wine sector, aspects such as the increasing depopulation that is threatening many European regions must be taken into account.

We therefore wish to draw attention to the system of grubbing-up proposed by the Commission, which would seriously prejudice the economic and social situation of certain regions in which the wine sector is the main source of employment and prosperity. We believe that the Commission must propose measures to modernise wine-production techniques and marketing methods.

Finally, this reform must be applied gradually and include transitional periods and a constant assessment of the effects of the reform on the economic and social situation of the regions of the European Union.

Elisabeth Jeggle, on behalf of the PPE-DE Group. – (DE) Madam President, Commissioner, ladies

and gentlemen, I should like to start by emphasising once more that what we are discussing here is an own-initiative report that represents the response of the European Parliament to the Commission Communication regarding the reform of the common organisation of the market in wine. In my capacity as rapporteur for the Group of the European People's Party (Christian Democrats) and European Democrats, I can say that the Commission is right to regard strengthening the innovative capacity and competitiveness of the wine sector in Europe and worldwide as the primary objective of this reform. Promotional and information campaigns to encourage responsible consumption of wine form part of this.

We consider it indispensable for the intensive pursuit of these objectives that the entire funding of the wine sector remain under the first pillar. In this connection, we warmly welcome the fact that the new rules will be applied according to the principle of subsidiarity by transposing them into national programmes approved by the Commission. Grubbing-up and permanent abandonment of vineyards may form part of this reform, but they must not be the central part. Likewise, before assigning new planting rights, the situation in the individual wine-growing regions with regard to illegal plantings should be examined.

If we are to achieve an ambitious, forward-looking trade policy for wines, we must take a tailored approach in thinking about the present funding. The present distillation, representing EUR 600 million

out of a total of EUR 1.4 billion, is certainly not an option for the future. Nevertheless, we believe that support for the distillation of wine by-products and potable-alcohol distillation should be retained.

The compromise on the wine-growing traditions of the individual Member States consists in respect for the various traditions – and enrichment with sucrose also ranks among traditional oenological practices. In addition to its economic value, wine-growing forms part of the cultural heritage of the various regions of the EU. The new challenges necessitate rules that enable sustainability and also sustainable competitiveness. We should make these things our objective.

Rosa Miguélez Ramos, *on behalf of the PSE Group*. – (ES) Madam President, I would like to begin by congratulating the rapporteur, Mrs Batzeli, on the immense amount of work she has done.

Secondly, I would like to say to the Commissioner that, according to her own analysis, consumption of wine is falling in the European Union, our trade balance with third countries is deteriorating and we have a production surplus that the Commission puts at 15% of the total for 2011.

Nevertheless, while I agree with the Commissioner that this reform is necessary, I hope that she has understood this Parliament's message, which is that grubbing-up cannot be the central element on which the reform pivots, but rather one more instrument of structural adjustment, subject to control by the Member States.

We need a reform that preserves the best of what we are. It should not be a question of producing less in order to leave room for third countries, but of making the changes necessary to improve our own production and processing structures and above all, as the sector is demanding, our marketing structures.

With regard to funding, this Parliament unequivocally supports the maintenance of the current budget, within the first pillar of the CAP. Its *a priori* distribution amongst producing States, according to the historical data, by means of the so-called 'national packages', will promote a more appropriate application of the reform.

With regard to the liberalisation of planting rights, I believe that it must be carried out prudently and at all times under the supervision and control of the Member States.

I would also like openly to express my support for the amendment by Mrs Fraga, who recommends that, for enrichment, musts produced within the European Union should be used.

Anne Laperrouze, *on behalf of the ALDE Group*. – (FR) Commissioner, Mrs Batzeli, ladies and gentlemen, the European Union's wine-growing sector represents an extremely important economic activity, particularly in terms of exports. The European Union is the world's premier vineyard. Global wine consumption is on the increase, and yet the European wine sector is in crisis: it is a very paradoxical situation.

We here in Parliament have been working passionately on the outline of a reform of the common organisation of the market in wine. Wine producers are using their know-how to keep traditions going in modern viticulture. These men and women are passionate about their work, and it is our responsibility to be passionate in defending them, in helping them to face economic realities and in showing them our support. The Commission's response to passion, however, is a cold 'large-scale grubbing up, liberalisation of planting rights and abolition of distillation mechanisms'.

In my opinion, this report on which we will be voting on Thursday shows that Parliament is responding with a proposal for reforms, admittedly, but progressive reforms. I think we need to leave the Member States, and particularly the regions, considerable room for manoeuvre in this matter: no one can deny that, in some regions, nothing grows except grapevines; nor can anyone deny the contribution that wine producers have made to the structure of the countryside.

Through their competences in town and country planning, the Member States and the regions therefore have the necessary capabilities to assess plantation or grubbing-up policies, in close cooperation with producers and representatives of the sector.

It is true that some of the instruments in the current common market organisation are now inappropriate, or are not being used properly, but I nevertheless expect the Commission to take the time to work with the Member States to analyse the consequences of the abolition or replacement of those instruments,

particularly distillation mechanisms. I expect the Commission to propose instruments to regulate the market and to manage potential crises.

The recipe is simple: quality wine, and promotion. Global wine consumption is on the increase, and the economic and cultural boom in certain countries is being accompanied by an interest in drinking wine. It is important for the Community's wine sector to be made more competitive, by means of actions instituted at all stages of production and marketing. In terms of oenological practices, the new wine-producing countries have more flexible regulations. I think we need to be careful to avoid the character of our wines becoming globalised. We certainly need to relax the restrictions imposed on European producers and enable them to adapt to demand and improved competitiveness. I support a ban on the vinification of imported grape must, and on mixing it with Community must.

I would like, by way of conclusion, to remind you, Commissioner, that wines have a flavour of the land on which they are grown, the colour of the seasons and the spirit of the wine producers. They have the flavour of the country, of the European Union. It reminds me of an anonymous quotation: 'to make a great wine, you need a passionate fool to grow the vines, a wise man to regulate them, a lucid artist to make the wine, a lover to drink it and a poet to sing of its glory'.

Sergio Berlato, *on behalf of the UEN Group*. – (IT) Madam President, Mrs Fischer Boel, ladies and gentlemen, above and beyond its role as an agricultural and economic product, wine represents our history, culture and traditions. Thus, we cannot accept a reform primarily aimed at resizing a sector that currently uses only 3% of budget funds, as compared with added-value production of 7%.

The Commission is proposing to reduce production and to grub up approximately 400 000 hectares of vines over five years, on the grounds of the need to reduce management costs on production surpluses and to improve European competitiveness through the principle that 'only the strongest will remain on the market'. It is strange to observe that, while Europe favours a policy of grubbing up vines, other countries, such as those in South America and southern Africa, support planting them.

In view of the fact that worldwide demand is not falling but increasing, it seems that the Commission intends to restore a balance in the European Union's internal market without taking into consideration worldwide demand and the balance of the world market, and without considering that in the hasty reduction of European wine production there is a risk of eliminating some vines which, while not producing products that are extremely strong on the market, are regional holdings of quality, with strongly-rooted historical traditions that still today act as the social fabric for entire regional areas.

The truth is that the new world wines are gaining market share thanks to a growing improvement in product quality, together with the competitiveness of their prices. The new intervention methods ought to make it possible for the whole sector to meet the new challenges imposed by an increasingly globalised market. The winning formula is still to invest in the quality and individual characteristics of European wines, in cost reduction, in the promotion of wine in order to enlarge its market, and we fear that the spread of new oenological practices may lead to a deterioration in the image of wine and therefore compromise the relationship of trust between the consumer and the product, with very serious consequences for consumption.

Mrs Fischer Boel, the wine sector needs a reform that promotes greater competitiveness in European wine, by continuing with the restructuring of vines to make them more competitive and by promoting the maintenance of viticulture to act as protection for the land and the environment. Geographical labels and designations of origin should be understood to be vital tools in guaranteeing and protecting European producers.

To conclude, Mrs Fischer Boel, what we ask of a new EU wine policy is the recovery and development of the sector on the world market.

Friedrich-Wilhelm Graefe zu Baringdorf, *on behalf of the Verts/ALE Group*. – (DE) Madam President, Commissioner, the rapporteur really is a staunch champion of European wine. I disagree with her in many regards, but one really has to give her credit for her commitment. Even though I am inclined to welcome the Commission's proposals, I must point out that many regions perceive the liberalisation carefully implemented by these proposals as a rather unfeeling policy from Brussels. This is something that should be taken seriously – the rapporteur also points it out. When she invited us to a Greek wine evening, I fully agreed with her – and I hope I was not alone in this – that it would not occur to anyone

to make the wine proffered to us there into pure spirit. That is exactly the problem. We must market wine as a quality product, and we must also give vintners the opportunity to do so.

On the subject of grubbing-up – which, it must be emphasised time and again, should not be compulsory, but should instead consist in offering vintners the chance of ceasing operations if they see no future in the wine market – the Commission should take measures to shape a better future for the market. That is, vintners should first be made an offer, and then told that, if nothing can be done, they may leave viticulture with the help of public funds.

Then there is the matter of the regions. Commissioner, this is a question of money. The regions have been receiving money, and to discontinue a given measure now will deprive them of this money. The fight is for purely material things, therefore. The regions should be assured here, too, that these funds will remain at their disposal – according to specific social and environmental criteria and with regard to the market – so that these regions can continue to be wine-producing regions. Taking this course would remove a great deal of the tension and also enable agreement with the rapporteur.

Diamanto Manolakou, *on behalf of the GUE/NGL Group.* – (EL) Madam President, the last reform of the CAP set as an objective faster cutbacks in the agricultural sector and support for it, so as to save resources for other anti-grassroots policies.

At the same time, the elimination of small and medium-sized farms is being promoted so as to concentrate land, production and trade in a few hands. Wine is not exempt from this objective.

What if Europe is first in production, consumption and exports in the world thanks to the good quality wines that it produces? For Europe, the main thing is competition and the liberalisation of wine and must imports to the detriment of European production, thereby also undermining quality.

That is why mass grubbing up is being imposed, with strong incentives and sales of the rights of small and medium-sized vineyards to companies in the sector, thereby fostering the creation of cartels, using as their pretext the structural surpluses and the need to balance supply and demand on the Community market in order to safeguard better prices.

This pretext is a joke, because the liberalisation of imports from third countries of must and wine and the legalisation of the practice of mixing them with Community must and wine, together with the recognition of wine-making practices which use foreign materials in vinification, thereby converting wine from an agricultural to an industrial product, mean that imports of cheap wines are facilitated and quality is undermined.

What is certain is that European vineyards will shrink, small and medium-sized wine-growers will be wiped out and imports will triumph. Moreover, the grubbing-up measure has been applied in the past, a decade ago.

In Greece, over 200 000 decares were grubbed up. Surpluses were reduced temporarily, but the problem reappeared with mass imports and in fact resulted in the distillation of even high-class wines.

However, thousands of small and medium-sized vineyards were wiped out. That is why the Commission proposal cannot constitute a basis for discussion, because it does not address the problem of wine-growing.

Nor can I agree with today's report, because in essence it proposes a longer transitional period for the application of the new regulation, with certain amendments to the proposed measures in order to blunt the consequences.

Hélène Goudin, *on behalf of the IND/DEM Group.* – (SV) Madam President, producers in other parts of the world have succeeded in making wines that are to the taste of European consumers as well as being cheaper than European wine. According to the rapporteur, we must counteract this state of affairs by pumping more money into agricultural policy, at the same time as implementing various types of campaign.

There is no doubt that Europe produces some terrific wines. The interesting question in terms of principle is that of whether poorer countries are to be allowed to be squeezed out in order to favour European wine production.

Certainly, the New World consists not only of economic giants such as the United States and Australia but also of recently industrialised countries such as South Africa, Chile and Argentina, where the wines

are often produced in poor, neglected areas. The social safety nets to be found in the EU Member States do not exist in the same way in the aforesaid countries. If wine production in these areas were to be impeded, there would be major repercussions for the populations.

It is important to take an overall view, and thus also to adopt a public health perspective, when debating this issue. In the long run, the protectionist features of this report would be to the disadvantage of both the EU's and the New World's wine producers. When all is said and done, wine is an alcoholic drink, and the EU should not, therefore, sponsor campaigns that encourage more wine drinking.

Jean-Claude Martinez, on behalf of the ITS Group. – (FR) Madam President, Commissioner, since 22 July 1993, the date of the first draft reforms of the wine sector, we have been told that we need to grub up our vines, with figures to support it.

In 1993, for example, we were told that consumption in 2000 would fall to 115 million hectolitres, but in fact it was 127 million – the Commission was out by 12 million. We are also told that there is overproduction, but where? On the global market in potable alcohol, there was a shortage of 9 million hectolitres in 2002 and 11 million in 2003. And we know full well that the time has come for wine producers in China, in particular, where Chairman Mao said 'let the people drink wine'.

So what is lurking behind these reforms on free plantation, the addition of sugar, distillation, infusions of wood chippings, imports of grape must and, of course, grubbing up? In reality, the Commission is pursuing two aims with this grubbing up of 400 000 hectares, the most violent episode in the global history of wine, because we have to go back to the Emperor Domitian in 92 to find an equivalent: first of all, abandoning our exports of wine to the southern hemisphere by 2015, in exchange for its services market; and secondly for the pensioners of northern Europe to settle gradually in southern Europe. Europe therefore needs a land reserve, and that reserve can be found in the 400 000 hectares that will be grubbed up and replaced by houses – four million houses on four billion square metres, with a turnover of a thousand billion euro.

It is this, this land grabbing, that is the true tragedy, because wine is not just a common market organisation: it is more than agriculture, and even more than culture, despite the painters, the 275 poets of wine, and the structures of the 5 000 wine-producing villages of Europe – wine is the interface with the divine. At the wedding in Cana, Jesus' first miracle was to turn water not into whisky and coke, or into Nokia mobile phones, but into wine. Abandoning that, therefore, is not like abandoning New Zealand's sheep or Brazil's chickens – it is abandoning Europe's identity.

That, Commissioner, is why you must hold fast to wine, which the Argentinean Jorge Luis Borges called the deep patriarchal river that flows through the history of the world.

Giuseppe Castiglione (PPE-DE). – (IT) Madam President, Commissioner, ladies and gentlemen, I would like to thank my fellow Member, Mrs Batzeli, for the work she has done, as well as Commissioner Fischer Boel, for the listening abilities that she displayed during the communication. We hope that the legislative proposal to be put before us will be consistent with the many wishes expressed both by Parliament and by European producers. The challenge is a very important one: to place European viticulture in a position to renew the vigour of the market, to regain competitiveness and, above all, to allow our wines to compete with non-EU countries, by reconquering old markets and also acquiring new ones.

Some proposals do not convince us at all, Mrs Fischer Boel, and, above all, the keystone of the reform cannot be definitive grubbing-up. This step would translate into a wholesale and uncontrolled abandon of difficult holdings which, as well as having a productive function, also play a part in protecting the environment and the countryside. Grubbing up, then, just as new producer states are planting, would mean handing over large new slices of the market to them. It is a question of making a choice of spheres, and our choice can only be that of high-quality wine, not a so-so beverage. In promoting our wines we must promote our traditions, our land, our culture, our added value, and the expression of a great historical and cultural heritage.

For this reason, I am not at all convinced by the proposal to allow the use of imported musts to enrich our wines or blending them with the wines of non-EU countries. Even less am I convinced by the idea of indicating on the label the vintage of the species in the wines without any geographical indication, making it possible to use varieties linked to the territory and, above all, running a major risk of misleading consumers.

On the subject of liberalisation we should, instead, protect the efforts and the investments made by the winemakers, promote our geographical designations internationally and prevent them from being devalued economically. There are two words that we should remember: flexibility and market-orientation. 'Flexibility', though, does not mean sudden, total and indiscriminate abolition of all the current management measures. In addition, Mrs Fischer Boel, I believe that resources should be distributed on the basis of historical criteria, namely in line with the same criterion used for all the other reforms adopted to date.

Vincenzo Lavarra (PSE). – *(IT)* Madam President, Commissioner, ladies and gentlemen, I believe that the Batzeli report on the CMO in wine is a preparatory stage in a dialogue that will lead us to the legislative report, and therefore to final decisions within the course of this year. I do, however, think that it would be a good idea for Parliament to take decisions on some of the proposal's main conclusions, and this should certainly include grubbing-up.

Like others of my fellow Members, I disagree with this proposal if seen as the only and exclusive option for rebalancing the market. We must compete with each other on the world market, and the strength of European wine lies in emphasising quality and traditional practices, and also in its connection to the land and age-old practices that are used in this sphere.

To this end, I am also opposed to the importation of musts: as the Socialist Group in the European Parliament, we have tabled an amendment on this point. I think that dialogue, including today's exchanges, will lead to positive results – including during transitional periods – against measures that, like distillation, if abolished immediately would pull away the safety net for many winemakers. I think that if we listen to each other we will be able to retain European wine production on the world stage.

Marie-Hélène Aubert (Verts/ALE). – *(FR)* Commissioner, ladies and gentlemen, it is a few months ago now since we were taken by surprise by the agreement on wine concluded with the United States, on which we had to call for an urgent debate and which already contained some of the bad ingredients of the reform you are proposing today: weakening of the European criteria for wine quality, confusion over geographical indications and designations of origin, acceptance of highly questionable oenological practices, greater opening of the market, which will benefit standardised products that are thought to be to the taste of the equally standardised world consumer.

Undoubtedly merchants and exporters will benefit, but the development of products with intimate cultural links to their local area certainly will not; neither will the diversity and the very rich flavours of European wines, nor the consumer, who will soon be forced to swill concoctions that hardly deserve to be called wine, and certainly not the winegrowers who work hard, sometimes in difficult regions and on small areas, to maintain a high quality of wine and the pleasure of drinking it.

Alright, let us put an end to the most absurd mechanisms that encourage overproduction and have too many perverse effects, but please, Commissioner, fight with us and put in place the resources to promote quality wines, to make the most of the variety of flavours and territories, to preserve the soil and biodiversity and to tell the whole world about the wonderful alchemy of European wine that has existed for over 2 000 years.

Vincenzo Aita (GUE/NGL). – *(IT)* Madam President, ladies and gentlemen, I believe that the figures speak for themselves: in recent years Europe has seen its production decrease, while other countries outside Europe are witnessing a constant increase in their production shares. Today, in launching a reform of the CMO in wine, Europe must take account of the fact that approximately 3 400 000 hectares and 3 000 000 workers are involved. Looking to grubbing-up as a tool for market balance means going along the route of previous changes to the CMOs in tobacco and sugar. We cannot continue along this path, which results in falls in employment levels and the abandonment of entire agricultural territories, often located in fragile areas from the viewpoint of hydrogeological capacity.

Any reform must thus take account, above all, of businesses, workers and environmental conditions, and it is only by protecting and maintaining a European agricultural system of production that we will be able to ensure quality and security for consumers. Of course, the efforts made by the rapporteur, Mrs Batzeli, have brought about an improvement with respect to the Commissioner's positions. Despite this, I believe that there are still points of concern.

Above all, we must abandon the grubbing-up scenario and use the crop reconversion levy for those holdings with market difficulties, to achieve high-quality production. As the latest European export data

show, we need to place the accent on quality and, as a result, production that should identify itself with the land and with our traditions. This is the road that we need to go down, not that of changing wine into an ordinary industrial product. It follows from this that we should not add sugar as a way of enriching wine, and that we need to lay down precise rules on vinification.

On this point, the use of musts of European origin for enrichment should not be penalised, since this is a traditional practice in European winemaking and is not detrimental to the quality of the wine itself. For this reason, it is important to retain support for funding musts. In the final analysis, it is essential for any reform to take into account the climate changes currently occurring, which will have dramatic consequences in some areas in southern Europe, throwing their agricultural systems into confusion. Now is the time for Europe to defend its land, its civilisation and its traditions.

Esther Herranz García (PPE-DE). – (ES) Wine is not manufactured, it is developed and nurtured. There is a subtle difference, but an important one, because it says a lot about the person who is talking and about their point of view and their sensitivity towards the sector. The European wine-making sector has problems. The fundamental problem that it is facing at the moment is the difficulty created by the increase in internal demand, because consumption is still increasing at international level.

That problem must be resolved, however, and in resolving it, account must be taken of its many implications, because the European sector is facing increasing imports. The problem is not therefore what we produce, but the price at which we sell it. Why do we sell at different prices? Essentially because European producers do not have to meet the same requirements as third-country producers, but rather they have to face many more, and they are not therefore competing under equal conditions.

We must make the sector competitive, not by tearing up 400 000 hectares of vines, but by controlling; not by liberalising indiscriminately, but rather by controlling, promoting and safeguarding the culture, tradition and quality of European wines, because wine is not manufactured, it is nurtured and developed. We must therefore support that culture and promote knowledge amongst consumers about which wine they are consuming and when a wine is a *vino de crianza* or a *vino de reserva*, a *gran reserva*, a table wine, a *vino de la tierra*, a *vino de añada* or however we wish to describe it. We must improve and supplement all of the qualities of wine, controlling wine-making practices, promoting responsible consumption and above all researching, developing and innovating. Not by manufacturing, but rather by developing the wine within a culture, a tradition and a quality which represents European wines, respecting our traditions and, above all, increasing demands in order to harmonise quality upwards, and never downwards.

We therefore hope that the Commission's proposal will at least show leadership and imagination and genuinely guarantee that the sector is competitive.

Luis Manuel Capoulas Santos (PSE). – (PT) I should like to begin by congratulating Mrs Batzeli on her outstanding work in difficult circumstances and to thank Mrs Fischer Boel once again for being here in the Chamber.

All of the political debates, the hearings, the meetings with representatives from the sector, the visits we have made to the winemaking areas of various Member States and the hundreds of amendments are ample evidence of the interest that the Members have in analysing this important issue for European agriculture.

There is consensus on the need for reform and it is right to point out that no alternatives to the Commission's original model have been put forward. There are, however, major differences between Parliament and the Commission as regards the timetable, the intensity and the manner of the implementation of the main measures. It is certainly necessary to grub up poor-quality vines, but this must happen with illegal vines first. Furthermore, it is vital that the final decision on grubbing up should rest with the Member States. It is certainly necessary to put an end to subsidised distillation, but it is essential to safeguard support for potable alcohol distillation; fortified wines, which are so important to European exports, need such support.

It makes no sense to promote the authenticity and tradition of European wines whilst at the same time advocating the free entry of concentrated must from third countries. This report is indicative of Parliament's good faith and commitment. I trust that the Commission will welcome our proposals so that we can implement satisfactory reforms in the sector.

Ilda Figueiredo (GUE/NGL). – *(PT)* As Mrs Fischer Boel's speech confirmed, the main purpose of her intended reform of the common organisation of the market in wine is to use the grubbing up of vines as a means of balancing the winemaking market. This means that the least developed regions and in particular family farms and farmers on low incomes would be worst affected, which would have a disastrous social environmental effect and would lead to the increased desertification and, in turn, abandonment of rural areas.

For vast areas of countries of the South, in countries such as Portugal, the consequences could be disastrous, on a par with the tragedy of the summer forest fires. We therefore place the emphasis on protecting vine and wine cultivation, which has played a central role in European, and in particular Mediterranean, civilisation. We want to see our farmers producing better and better wine and maintaining potable alcohol distillation. We are opposed to the downplaying of producing wine from grapes, replacing it with industrial wine resulting from the import of must from third countries. Commissioner, our high-quality wines must be defended.

Christa Kläß (PPE-DE). – *(DE)* Madam President, Commissioner Fischer Boel, ladies and gentlemen, as our Council President, Angela Merkel, said in her speech in this House on 17 January, 'what distinguishes Europe, that which constitutes its soul, is the way we handle our diversity' and 'Europe's soul is tolerance'.

In recent weeks and months, we have held many discussions on the proposals for reforming the market in wine. North and south, the individual wine-growing regions – a wide variety of opinions and interests have been represented. Each of us believes that, if we could have written the Batzeli report ourselves, we would have done it differently, made it more specific, more succinct. Nevertheless, we have managed to moderate all interests so that everyone can support them.

It is a compromise, then, which not only tolerates but also respects the diversity of the European wine sector, and develops it further – albeit in small steps.

The Commissioner has taken the trouble to visit many wine-producing regions in recent months, and for that I am obliged to her. She has seen how different the regions are. In the field of wine, in particular, we need more scope to determine things at national and regional level. We also need national budgets under the first pillar, on the basis of which the appropriate measures can be selected from an EU catalogue of measures for wine in the regions and subsequently implemented.

We agree that we do not want to give up, we do not want to grub up 400 000 hectares. We want to fight for market shares, for our jobs, our cultural landscape, the European lifestyle. Wine is part of Europe and we must maintain its traditions and thus also long-established oenological practices. Our competitors around the world are waiting in the wings to supply what we no longer produce.

There is one thing the discussion has made clear, and that is that Rome was not built in a day: we need staying power. Our policies need to be reliable. In the long term, however, our measures must be adapted in response to the market.

Béatrice Patrie (PSE). – *(FR)* Commissioner, ladies and gentlemen, our work has not been in vain. I would like first of all to thank Mrs Batzeli for her report, which makes far-reaching and very positive amendments to the excessively liberal proposals the Commission presented last summer.

Indeed, we need to send a strong message to the entire wine sector, which is in serious crisis. We know that the drop in consumption in Europe combined with increasing imports from third countries has resulted in falling prices and falling incomes for wine growers and that only a policy of proactive regulation, not all-out liberalisation, will get us out of the crisis.

We want to promote quality winegrowing that respects the nature and traditions of our winegrowing areas and the diversity of holdings, especially family holdings. The massive indiscriminate grubbing-up of 400 000 hectares, seen as a structural solution, must be clearly ruled out. Planting rights must be preserved, but at the same time controls must be stepped up to prevent illegal planting. The assignment of new rights recorded in the adjusted vineyard register must benefit young producers of quality wines most of all.

Trade organisations play a major part in the sector's competitiveness and they should be strengthened through national operational programmes. Finally, the promotion of sensible wine consumption together

with a dynamic export policy, including simplified labelling, will require a real allocation of substantial budget resources.

Ioannis Gklavakis (PPE-DE). – *(EL)* Madam President, Commissioner, we are on the point of approving the report on the Commission communication on the common organisation of the market in wine together with a series of amendments.

What is the basic message we want to give the Commission:

- firstly, no to uncontrolled grubbing up which can wipe out valuable production areas producing valuable quality wines;
- secondly, certain intervention measures – and I refer here to distillation – designed to balance the market and indirectly support producers' incomes should be maintained;
- thirdly, national envelopes should be created containing various actions from which the Member States can choose. However, in order for these envelopes to be effective, they must have adequate funding;
- fourthly, we will of course need to avoid transferring resources from the first to the second pillar as this would, in essence, weaken the COM.

We need to turn our attention to drastic solutions, of which I would mention two:

- firstly, above all we must seek to maintain high quality Community wine production. This we can rely on;
- secondly and more seriously, we need to aim for more intensive promotion of Community wines. Market shares do not increase by wishful thinking. Only an aggressive policy can achieve an increase in consumption inside and outside the European Union.

Clearly there are different opinions on various issues in the communication, such as, for example, wine enrichment. For us – for me – wine produced by adding sugar and water does not qualify as wine. Wine is a grape product, not a sugar beet product.

I know that the addition of sugar will be decided. If the addition of sugar is decided, then it must be stated on the label. We must be honest and protect both consumers and producers.

Bogdan Golik (PSE). – *(PL)* Madam President, first of all I would like to congratulate you on your election and on chairing this debate, and to thank you on behalf of all of us for your great patience in allowing us to exceed the time limit, which was necessary for all our sakes.

Madam President, Commissioner, I would like to begin by congratulating the rapporteur, Mrs Batzeli, for all the work she had done in recent months preparing her report on reform of the wine sector and the excellent way in which work on this document was coordinated in the Committee on Agriculture and Rural Development.

I agree with the need for fundamental reform of the common organisation of the market in wine, and for adjustment of the structure of wine production to ensure the European wine sector is competitive and balanced. Action must be taken to encourage a balance on the market as soon as possible, because lack of such a balance will swallow up increasing amounts of EU budget resources.

I would like to draw your attention to the need to support the development of rural areas in regions where wine-making, although insignificant in the context of the Community as a whole, is important for local tourism and diversification of farming in rural areas. These areas will all be equally affected by the reforms. We therefore need to adopt solutions to reform the market in wine which will not put undue economic restrictions on wine-growing at a local scale. Local innovation in wine-growing in rural areas of the new Member States, furthermore, is not directly related to the European wine market, and therefore does not need regulation on strict market principles. These regions have never created costly wine lakes, and any actions aiming to limit future over-production should not therefore apply to areas with a low level of wine production.

Carmen Fraga Estévez (PPE-DE). – *(ES)* Madam President, Commissioner, the lack of an agreed compromise before this report was adopted has led to a series of errors and contradictions which I hope will be resolved in the vote in this plenary.

Of these errors, I would like to point to the one contained in paragraph 18, relating to the distillation of by-products, which requests that the alcohol obtained by means of this kind of distillation be directed, at least in part, to the potable alcohol market.

This demonstrates a lack of knowledge of the different kinds of distillation and of alcohols produced by them, since potable alcohol, intended exclusively for the production of brandies, ports and liqueurs, is a high-quality product, something that can in no way be achieved by means of alcohol from the distillation of by-products.

For all of these reasons, I believe that we must vote against this paragraph in order to prevent any more confusion in relation to types of distillation and the alcohols produced by them.

Secondly, I would like to stress something that is crucial to any COM reform: the budgetary aspects. To date, all COM reforms have employed a distribution of funds based on an historical criterion. Surprisingly, in the case of the wine reform, the intention is to change to other formulae, which are not yet very clear, but which are creating great uncertainty in the sector.

In order to provide Mrs Batzeli's report with more clarity, therefore, I also propose that we vote for the amendments on employing the historical criterion for the distribution of the funds.

Csaba Sándor Tabajdi (PSE). – (HU) Dear Mrs Fischer Boel, believe me, we also want reform: thoroughgoing and radical reform, and in this regard the Commission and the European Parliament should be allies. Where we disagree with the Commissioner is that we do not wish to give as much weight to grubbing-up, as all parties are in agreement that changes in structure and modernisation are at least as important as grubbing-up.

I would like to draw the attention of the Commissioner that there is great danger for the new Member States that poor winegrowers will grub up too much, thereby only adding to the problems of the new Member States. That is why all payments must be made into the national envelope, and I wish to congratulate the Commissioner for this, because a national envelope can mean the future not only for wine but for the entire common agricultural policy: let us define the limits and then put it into the national envelope, in accordance with the principle of subsidiarity.

This is an excellent solution, but our grounds for determining the national envelopes is problematic, Commissioner, if it is true that we are to base them 20% on territorial and 80% on historical references. This would be serious discrimination against new Member States. Consequently, for the new Member States only a distribution of the national envelope on the basis of territory would be acceptable, if this information is correct – I hope it is not.

On the fifth aspect, that of distillation, you are right: it has to be stopped completely. Finally, in connection with rural development, we should make it possible to use additional rural development funds for the development of wine regions, beyond those budgeted for the winemaking sector.

Astrid Lulling (PPE-DE). – (DE) Madam President, Commissioner, first of all, it gives me great satisfaction to note that the women are setting the tone for this debate. Unfortunately, this report has been ill-fated from the outset. It is true that it has improved a little. Nevertheless, in my view, it is still much too confusing to send the desired clear signal to the Commission and make this institution, too, realise that things are not as bad as they seem in its Communication. I shall be supporting those parts of the report that continue to regard a specific market organisation for wine as indispensable. In my view, however, it is nothing short of a provocation that the Commission is now devoting its attention superficially to proposals for a single market organisation for all agricultural products, whilst here we have been racking our brains for months over the reform of the common organisation of the markets in wine, fruit and vegetables.

How seriously does the Commission really take us? What does it have at the back of its mind? Regarding the organisation of the CMO for wine, we need the funding to be under the first pillar. We need better use of funds to enable us to maintain and improve our production potential, regain old markets and conquer new ones, and promote moderate, healthy wine consumption. We need more subsidiarity and greater responsibility for the profession, so that funds can be spent more selectively at regional level. Nevertheless, when it comes to allocating national funding, the regions that have made the least effort to produce and market good-quality wine should not be rewarded once more, on the basis of 'historical criteria', for ploughing hundreds of millions of euro into the distillation of unmarketable wine. That is

unacceptable. It is also unthinkable that northern regions, which have marketed their quality wines without European funding, should be forbidden from producing their wines according to traditional methods. This is no solution to the structural problems in the regions that have slept through structural reforms on a bed of their distillation millions.

Europe does not in fact have a structural surplus of wine, but instead has a surplus corresponding exactly to the quantities planted illegally. If vintners want to give up their business early, they should be able to do so and the social effects should be cushioned, but they should do so without causing irreparable environmental damage by grubbing-up within the boundaries of quality-wine production. It must be possible to compete for markets worldwide on fair competitive terms. European wines should not be produced using water from Europe, or must imported from third countries. Blending European and imported wines is also out of the question. What was the Commission thinking?

(The President cut off the speaker)

Margrietus van den Berg (PSE). – *(NL)* Madam President, I would like to try a different approach. It would be short-sighted to think that, in this age of globalisation, European policy only impacted on our own citizens. If Europe changes policy with regard to its wine sector, then this will affect very many other people outside of Europe, people whose incomes will suffer as a result of unfair competition from the European wine sector. This is why it is necessary to integrate policy in different areas. The Commission proposals to reform the wine sector are a step in the right direction. As the Vice-Chairman of the Committee on Development and as a Social-Democrat, I am deeply disappointed that the report by the Committee on Agriculture and Rural Development has overlooked European development policy and fair trade. According to the report, it is necessary to keep the wine sector out of the negotiations in the world trade round.

After all, according to the report, the difficulties in the wine sector are caused by ever greater imports from third countries. Meanwhile, the Commission has to take all kinds of measures to protect our wine sector. Why would we in developing countries take away with one hand what we give them with European development policy? Why would we want to shut our markets to fair competition? Why not let the customer decide what wine they want to drink, whether this is a French Bordeaux, a South African Chardonnay or a Chilean Merlot? Fair trade with other countries does not rule out a competitive European wine sector, but protectionist wine policy does, however, exclude tens of thousands of people who depend on a fair wine trade with Europe for their daily crust. This is why I am happy to drink a glass of South African ‘Groot geluk’ when I say ‘To consistent European policy; the Commission receives my support. Cheers!’

Oldřich Vlasák (PPE-DE). – *(CS)* Madam President, Commissioner, ladies and gentlemen, The market in wine has in recent years struggled with surpluses, which the current policy on the common market in wine has been unable to resolve satisfactorily. The support for wine distillation, for example, is in my view a pointless waste of limited resources. The reformed market in wine today does not encourage producers of inferior quality table wines to move towards producing higher quality wine. This is why it is so important to reform the market.

What is needed is a substantial boost to the competitiveness of the European wine sector. In this context, Mrs Batzeli’s report offers many suggestions, and I, for one, feel it is a very well balanced report.

The key area on which we must focus our attention is budgetary reform. Support must be proportionate to the area of land being used for wine cultivation, and to the value of wine production. Funding should not be provided for the grubbing up of vineyards found to be in breach of the *acquis*. The export payments for table wine are completely unsystematic and certainly do not help enhance the good name of European wine.

Ladies and gentlemen, last but not least, we must understand that if we care about supporting the competitiveness of European products, we cannot persecute European producers. The geographical conditions in countries of the north are diametrically opposed to those in the south. Sweetening sugar beet is as much of a tradition in northern countries, as is acidifying wine in southern countries. Banning it would spell the end for many good families of winemakers in our countries, disrupting traditions and consequently also disrupting the solutions to problems of rural production. Thank you for your attention.

Françoise Castex (PSE). – *(FR)* Madam President, Commissioner, European winegrowing needs an ambitious reform. As you will have gathered, we want that reform to respect the European winegrowing tradition and to respect the men and women who work in that sector.

I would however like to draw your attention to the opinion of the Committee on International Trade, which is included in Mrs Batzeli's report. The reform of the common organisation of the market in wine must in fact take account of the commercial stakes. Europe remains the world's largest exporter of wine and while it is necessary to make it more competitive in the face of growing competition from New World wines, the vitality of this sector's exports rests above all on a quality and authenticity that are acknowledged the world over.

We therefore need an offensive commercial policy to promote the quality of European wines. It would therefore be absurd, and counterproductive, for example, to authorise the vinification of imported must and the blending of European wines with wines from elsewhere.

The European Parliament's report is therefore strongly against that. Likewise, it is necessary to secure better protection of protected geographical indications (PGI) and protected designations of origin (PDO) within the framework of the WTO negotiations and bilateral agreements. We want to defend wine production linked to local areas against wines that are largely unregulated.

I hope, Commissioner, that the European Commission will respect the opinions which appear in Mrs Batzeli's report, and I pay tribute to her and congratulate her this evening.

Armando Veneto (PPE-DE). – *(IT)* Madam President, Commissioner, ladies and gentlemen, we know that the reform that we are seeking to implement must be an appropriate response to the challenge of the competitiveness of the European wine market worldwide. We agree that Europe can only meet this challenge if it preserves and improves the quality of its wine, by enhancing its individuality. Not all the answers that we have found, however, fully correspond to this final aim. So we can say that the text adopted in the Committee on Agriculture and Rural Development is the best possible text, but it nonetheless requires further modifications.

It is therefore right to carry out prudent reform, in stages, that is properly managed, based on the principle of subsidiarity with a view to respecting individual national and regional features. For all these reasons, agricultural funding should be kept under the first pillar: we need to implement educational campaigns to promote responsible consumption; to retain distillation measures, at least for now, as a security net for producers; to permit the Member States to restrict the grubbing-up of vines on the basis of rigid environmental and social criteria, giving preference to the protection of small, high-quality production.

As for retaining the rules in force on practices permitted for vinification, sugar enrichment and musts, I would say that the strenuous defence of these practices by some national delegations raises the problem of national interests as compared with those of the Union as a whole and points to the need to strengthen the concept of a united Europe, avoiding the market distortions involved in excessive nationalism. If what is at stake is improving the competitiveness of European wines, the proposal to support the practice of adding saccharose and of using musts runs counter to this, because the use of such additives lowers quality and reduces differences, whereas these are, in fact, the best expressions of wine cultivation.

Perhaps we might have made a better effort on this aspect, by posing the question of Community interests and by asking, as I am doing, for all the EU countries – without exception – to agree that it is inappropriate and politically incorrect to place national interests before European interests and that it is vital to find a fair balance between these requirements.

Christine De Veyrac (PPE-DE). – *(FR)* Madam President, I would like first of all to congratulate Mrs Batzeli, the rapporteur, who, as we have heard, expresses a point of view widely shared in this Chamber.

Let us say it one more time, the Commission's proposals are not acceptable as they stand. Far be it from us to deny there is a problem; European consumption is falling, our exports are stagnant, but at the same time our wine imports are rising. The Commission's response to this is to propose a massive grubbing-up plan that really means the scrap heap for our winegrowers.

We are told there is overproduction; alright, but refusing to act on imports is to use European production as the market 'safety valve'. That is unacceptable. We can only agree to grubbing-up vines if it is based

on a voluntary approach, which means substantial financial compensation, and if we introduce the idea of temporary grubbing-up.

My second point is that the reduction in the budget for the common organisation of the market in wine is not acceptable either. The Commission mentions the possibility of transferring some of the budget to rural development. But without wishing to call into question the very principle of a specific common market organisation for wine, I find it hard to see how the already low level of credits can be reduced, especially when we have just welcomed two new States, which are themselves producers. As several of us have said, we are therefore against a transfer, any transfer, of credits from the first to the second pillar of the CAP.

My third point, with which I shall conclude, is that, for our part, we really believe that European winegrowing has a future. We do not believe that the time of the winegrowers is passed. The future does not lie in the concentration of holdings as the massive grubbing-up plan suggests. We must build that future by making our wines more competitive, especially abroad. That is why we think that the first priority for a reform of the common organisation of the market in wine should be to make our wines more attractive through a major plan to promote and market them in the world.

I was glad to hear you say as much just now, Commissioner; we now want to see action.

Giorgos Dimitrakopoulos (PPE-DE). – *(EL)* Madam President, I should like to warmly congratulate my honourable friend Mrs Batzeli on her excellent work and express my satisfaction, because this report was undertaken by our honourable Member from Greece, which has a history of wine-growing going back centuries.

Wine, as an agricultural product, has always held centre stage in our life, in our customs, in our traditions, in our history, in our joy and in our sadness. In other words, it is an integral part of our civilisation.

It is therefore a very positive thing that this report reflects to a large degree the views of the Greek wine-growing sector. At the same time, Mrs Batzeli's report constitutes a clear stand by the European Parliament in light of the new common organisation of the wine market planned by the Commission and sets caution and logic against what are in my view the Commission's hasty and simplified initial thoughts.

I would ask that we vote for the report as it stands.

Agnes Schierhuber (PPE-DE). – *(DE)* Madam President, Commissioner, ladies and gentlemen, I should like to join in thanking the rapporteur and all the shadow rapporteurs for their work. This is the third reform of the wine sector in 12 years, and I am glad that a Commission Communication has now made it possible to reconcile the very different positions and objectives. The reason our points of view started out so divergent is that wine is a very emotional subject. I always say that wine is among the most elegant of agricultural products. This divergence is also evidenced by the tabling of almost 600 amendments. In my opinion, a great deal of this report can be seen in a very positive light. It contains many compromises. I should like to emphasise in particular that traditional oenological practices really have been taken into account. It must be made quite clear, however, that there is no option whatsoever for duplicate compensation or support for the regions, as we could not justify that to the European taxpayer.

One problem remains that is of significance to Austria. Proper account has yet to be taken of the issue of the labelling of table wines. At all events, we want to see table wines labelled differently from quality wines. There must be a clear distinction for consumers.

Finally, I would ask the Commissioner to read this own-initiative report carefully. I am convinced that she and all her staff will do so. It contains some good proposals, which the Commission will hopefully incorporate into its proposal on the new common organisation of the market in wine that it is due to present to us in the summer.

Mariann Fischer Boel, Member of the Commission. Mr President, I would just like to touch on some of the major issues that have been raised by many of you in this very important debate.

Grubbing-up was mentioned by almost all of you. I am not quite sure that you listened carefully to what I said in my introduction, namely that we need to ensure that grubbing-up does not disrupt important

and legitimate social and environmental concerns. Listen carefully, and I will take this into consideration when we make the legal proposals.

Mr Graefe zu Baringdorf said very clearly that grubbing-up should not be forced upon our winegrowers. Exactly. It should not be, because the decision on grubbing-up is one for winegrowers and winegrowers alone to take. It is not a decision for the Member States or for the Commission, but exclusively for the winegrowers. But we should not force those growers that are today struggling to be successful in winegrowing to remain in a business where they cannot make money year after year. So let us give them a possibility to leave the sector in a decent way.

On distillation, I have yet to meet anyone willing to tell me, off the record, that crisis distillation could ever make good sense. On the contrary, I think it gives our citizens an excuse to portray the common agricultural policy in the most negative way, referring to the old-fashioned methods and tools that we used in previous times. We cannot defend spending half a billion euros every year on getting rid of wine that nobody wants to drink. This does not work and I hope you will support me on this.

Therefore, we need promotion. It is something that the European Parliament has stressed over and over again and I am prepared to make a push on this. But promotion at European level must not be a cushion for the wine sector. The wine sector itself also needs to be much more aggressive.

In Ireland we have seen the consumption of wine increasing. And today 70% of the wine consumed in Ireland is imported from outside the European Union. Therefore, I simply did not understand why at the recent World Ploughing Championships in Ireland, which attracted 250 000 visitors, only two wine producers were present, neither of them from Europe. I can only ask why.

On imported must for vinification, I have said clearly from the beginning that we have to put everything on the table and I have taken note of the reactions from the European Parliament, from different Member States and from stakeholders.

Christa Klaß mentioned that there are huge differences within the different regions. I have been able to see this for myself and therefore I think we have to stress the importance of the idea of national envelopes in the Commission communication. I think it is an excellent possibility for Member States and for regions to allocate the different tools and the money as part of a national envelope completely tailor-made for the different regions. I think this is crucial.

Quite a lot of you stressed that we need to base our future in the wine sector on quality, quality and quality, and I can totally endorse that.

I am looking forward to holding discussions with you in the future on the wine reform that I will present to the Council, hopefully just before the summer break, and then I will be happy to come here to the European Parliament to present it at the same time, as the basis for our future discussions.

President. The debate is closed.

The vote will take place on Thursday at 12 noon.

Written statements (Rule 142)

Zita Pleštinská (PPE-DE), in writing. – (SK) The EU wine sector produces some of the world's finest wines and has enormous potential which must be further developed in a sustainable manner. The constant growth of the market in China, which is now beginning to actively produce wine, together with increasing production in other countries such as Australia, New Zealand, the USA, Canada and South Africa, has resulted in wines from the 'New World' gaining a considerable market share at the expense of European wines.

I agree with the Commission that supply and demand imbalances in the wine sector, and increasing challenges on European and international wine markets point to the need for reform in this sector as well. However, I completely disagree with some of the solutions proposed in the Commission's communication of 22 June 2006. The plans for a massive and indiscriminate grubbing-up of vineyards pose a particular threat to the environment, and constitute in my view an unjustified attack on Europe's wine heritage. Winegrowing, which primarily relies on natural resources, has a positive effect in terms of protecting soil against erosion. As the driving force of rural development, viticulture also holds out the promise of longed-for prosperity for many European regions.

With their tradition of viticulture, Slovakia's regions have focused on promoting enotourism by tapping the potential of the Lesser Carpathian, Kamenínska, Hontianská and Tokaj Wine Routes, and they are now expecting CMO reform in the wine sector to secure the dynamic growth and competitiveness of the European wine sector by allocating adequate financial resources and, above all, through fostering innovation.

Alessandro Battilocchio (NI), *in writing*. – (IT) I agree with the Commission on the importance of simplifying and harmonising the legislative measures and of making the European wine sector more competitive, at the same time as guaranteeing environmental sustainability. However, while, on the one hand, the support given to European farmers and the heavyweight agricultural budget need to be reduced gradually in favour of other policies, on the other hand, the EU needs to protect the fundamental sectors of its economy. The wine sector certainly counts among those, with an output that in 2005 yielded almost EUR 2 billion, and which in Italy alone involves more than 2 500 000 businesses. It must not be totally abandoned to the rules of the free market: free competition could have a harmful effect on the quality and diversity of our production, which is mainly based on the activities of small businesses, which are unable to compete internationally. I also regret the attempt – which has sadly been carried through – by the countries of northern Europe to alter the conditions of competition within the EU by offering aid to those who use sucrose as a means of increasing the alcohol content of wine, without maintaining aid for the production of must, which is a common practice in Italy and in other Mediterranean countries and which guarantees that our production is of a better quality.

12. Voluntary modulation of direct payments under the CAP (debate)

President. The next item is the report (A6-0009/2007) by Mr Goepel, on behalf of the Committee on Agriculture and Rural Development, on the proposal for a Council regulation laying down rules for voluntary modulation of direct payments provided for in Regulation (EC) No 1782/2003 establishing common rules for direct support schemes under the common agricultural policy and establishing certain support schemes for farmers, and amending Regulation (EC) No 1290/2005 (COM(2006)0241 C6-0235/2006 2006/0083(CNS)).

Mariann Fischer Boel, *Member of the Commission*. Madam President, this is the second time that we have had the opportunity to discuss the proposal on voluntary modulation, and I would again like to thank Mr Goepel for his report.

It is no big surprise that you have reconfirmed the views that were expressed last autumn and once again called on the Commission to withdraw its proposal. I know and I understand Parliament's concerns about voluntary modulation. My position is no secret to you, and a repetition of your arguments and of my arguments is not necessary, but we have to face reality. Turning to solutions other than voluntary modulation, I would have preferred to ensure sufficient funding in our rural development policy, but the European Summit decided otherwise.

One thing is very clear to me: the European Parliament's concerns do not fall on deaf ears. Although the Council has reaffirmed its wish to maintain its proposal, efforts are currently being made to accommodate your concerns. There have been concerns that voluntary modulation would unravel the common agricultural policy, but, as it stands now, all of the indicators are that voluntary modulation will only be used in a very limited number of Member States to boost their own rural development programmes.

As you will recall, we have proposed that the money has to be spent in line with almost all of the rules governing rural development. Furthermore, I believe that it is appropriate for Member States intending to apply voluntary modulation to carry out an impact assessment before its implementation, and we should also make sure to monitor carefully the implementation of the voluntary modulation, in particular as regards the economic situation of farmers. I believe also that this instrument should have a transitional, rather than permanent, character. Indeed, I am of the opinion that any future increase in the rate of compulsory modulation should lead to a corresponding reduction of the rate of voluntary modulation. Efforts to make such provisions within the context of this proposal would have the Commission's full support.

As you know, it is my intention to look at voluntary and compulsory modulation when we have a discussion on the health check of the common agricultural policy. All in all, the Commission remains

open to exploring feasible suggestions that may result in a compromise that is acceptable to Parliament, to the Council and to the Commission.

We want to be constructive, but you will also have to be constructive.

I want to close by raising an issue of great concern to me. We are on the verge of a new generation of rural development programmes. Member States have already invested in drafting sound national strategy plans and programmes to achieve the objectives to which the European Parliament is committed, i.e. competitive agriculture and forestry, environmental performance, creation of jobs and a lively social fabric in rural areas. We are at a crucial time for enabling a smooth start to these programmes.

The 20 % reserve in commitment and payment appropriations for rural development which the European Parliament has taken threatens to put this into danger. I am very concerned about this link and the fundamental problem it creates for the start of the new rural development policy. Mrs Grybauskaitė and I have outlined our concerns in detail in a joint letter to the chairmen of the Committee on Agriculture and Rural Development and the Committee on Budgets. The reserve impedes a proper implementation of rural development policy. As Parliament strongly supports this policy, I hope that you will understand the problem that the reserve will cause. The reserve creates additional uncertainties and difficulties for Member States to design programmes, and this against a background of the reserve cuts in the rural development budget decided at the summit in December 2005. Approval of the rural development programmes will be delayed and the Commission can only start approving programmes if the appropriations required for all the programmes in the Union are available in the budget. Consequently, if the Commission cannot commit the 100 % amounts, Member States will have to withdraw their programmes or their proposals and submit revised proposals that take into account the reduction of the 20 %. If the reserve is lifted later, all rural development programmes will then have to be adapted accordingly and you might understand that this risks hampering the uptake of the programmes in the delicate starting phase.

We want to find an acceptable solution on voluntary modulation, but, meanwhile, let us not take our rural programmes as hostages. I count on you in resolving these problems.

Lutz Goepel (PPE-DE), rapporteur. – (DE) Madam President, Commissioner, ladies and gentlemen, I do not know if it was such a good idea to mention the 20% reserve now, in the last major chapter, as we are discussing voluntary modulation, and that is the real purpose of this debate. We can of course discuss all the other aspects, but perhaps not just now.

The Commissioner is quite right in saying that it is not the first time that we have discussed the pros and cons of voluntary modulation in this House.

Since our last debate, not much has changed in terms of the legislative proposal. It is true that the Council and the Commission have sent us clear signals that they are willing to accommodate our concerns, but, until this is definite, we must reiterate our clear signal that we reject this proposal in its present form.

The total disregard for Parliament's political and budgetary codecision powers with regard to the final agreement in the Council is a further demonstration that, not only do the other institutions fail to take us seriously in important matters of principle, they fail to notice us at all. This has to change, Constitution or no Constitution.

Until the Council and the Commission make us a firm offer, therefore, we should be united in rejecting this proposal. This is the only way to achieve results, and I believe that, if we do so, this issue will help to strengthen the role of the EP and, in particular, to support European farmers.

At this point, I should like to reiterate my thanks to all the members of my committee for having joined me on this path thus far. I should also like to extend the warmest of thanks to the members of the Committee on Budgets and the representatives of all the political groups for supporting the Committee on Agriculture and Rural Development on its difficult path. On behalf of many, I should like to give particular mention to Mr Mulder and Mr Bösch, who have made a vital contribution to determining the position of this House.

I would appeal to my fellow Members to unite in voting against the Commission proposal tomorrow. Let us join with the Council and the Commission to seek ways of achieving a better solution. I would remind the House, however, that rejecting the proposal is a precondition for spurring the Council in particular, but also the Commission, into action. I hope for your unqualified support, therefore.

I should like to address the following remark of a procedural nature to the President. The second report on voluntary modulation confirms the first report, which also rejected the Commission proposal, and the matter was thus referred back to committee pursuant to Rule 52(3) of the Rules of Procedure. If we reject the Commission proposal again tomorrow, and the Commission does not withdraw its proposal – which I am assuming it will not – we shall also have to vote on the draft legislative resolution.

Agnes Schierhuber, *on behalf of the PPE-DE Group*. – (DE) Madam President, ladies and gentlemen, I should like to extend the warmest of thanks to the rapporteur and the shadow rapporteurs. Thanks to them, all the institutions now take the European Parliament and its Members more seriously. I am convinced that we shall be able to find a solution together. Indeed, the Commissioner has already dropped a good many hints. The Council, too, must budge at long last, however, and I think that that will indeed be possible as part of constructive talks.

As with the first vote, the principle applies that there should be no dilution of the common agricultural policy – which remains the only EU policy that has really been brought within the Community sphere – and no renationalisation of this policy.

Europe's existence is based on solidarity and respect, including respect for all individuals. In the last 15 years, European agriculture has undergone far-reaching reforms unparalleled in any other European policy. As the Commissioner has already mentioned, we are looking into the 'health check', the discussion on which starts next year, so that we shall be prepared for the years following 2013. It is particularly important that we in this House continue to take a consistent line across all committee and group divides, as this is the only way of ensuring that Parliament and its representatives do not continue to be ignored.

That is why I ask all my fellow Members to follow the recommendation of our rapporteur and the shadow rapporteurs tomorrow, as you did at the first vote.

Bernadette Bourzai, *on behalf of the PSE Group*. – (FR) Madam President, last November we rejected the proposal for a regulation on voluntary modulation by a very large majority.

As the European Commission has not amended its text, the stage is still set for that text to be rejected again; everyone knows the reasons, so I shall not repeat them: the cuts made to the second pillar, the omission of cofinancing, the fact that cofinancing introduces distortions of competition between States and the imbalance that creates in the structure of the common agricultural policy which, I might point out, is the only common European policy and is at risk of being renationalised as a result.

Rural development policy's need for funding is nevertheless real and I really do fear a growing depopulation of our rural areas if nothing is done to modernise farming structures, to renew generations of farmers, to improve the quality of life and the environment and to encourage economic diversity in the countryside.

That is why, Commissioner, I am asking you, instead of voluntary modulation, to propose an increase in the rate of compulsory modulation, making it identical in all Member States. I would also like to stress that, at present, compulsory modulation applies where a farm receives more than EUR 5 000 in aid a year, which means the vast majority of farms.

A proper tool for redistributing agricultural aids would also take account of other criteria, such as the size of the farm, its dependence on aid, the labour employed, the gross margin, etc. As well as that, there could also be a ceiling on direct aid to make for better distribution.

Unfortunately, even if the European Parliament rejects this proposal overwhelmingly for a second time, a proposal which would normally be an important legislative act, it is only an opinion, and I agree fully with Mr Goepel. I therefore believe we should keep up the pressure on the Commission and the Council while for the time being retaining the 20% budget reserve for the rural development funds for 2007.

Kyösti Virrankoski, *on behalf of the ALDE Group*. – (FI) Madam President, Commissioner, before us is Mr Goepel's second report on voluntary modulation, which would apply to direct payments for agriculture. I would like to thank the rapporteur for his excellent work, both in his defence of agriculture and for his role as watchdog regarding the competence of the European Parliament.

The Commission proposal is based on the decision by the European Council, when it compromised on multiannual financial frameworks. According to the compromise, a Member State could cut direct payments for agriculture by up to 20% and use the money for rural development in any way it wishes.

Voluntary modulation would therefore be an additional tax that the Member State could levy against its farmers. On top of this, of course, farmers would be burdened with the statutory taxes in the Member State concerned. The system would reduce their income without in any way compensating them. A Member State could use the modulated sum for rural development in place of its own contribution, so modulation would not even increase the funds available for that.

Voluntary modulation would upset the delicate balance that has been created between the different Member States of the European Union and the regions, and would give their farmers unequal status. It would distort the common market. On the other hand, voluntary modulation would move funds around within the EU budget. In particular, the amounts for, and the relation between, compulsory and non-compulsory expenditure would change. Moreover, the European Parliament would not have any say in this.

The classification of expenditure and the amounts set aside for it are precisely defined in an interinstitutional agreement, so the change would be contrary to this and would mean that the agreement would have to be amended. It is unthinkable that the Council should intend to breach an interinstitutional agreement a full month after it took effect.

The aim of the common agricultural policy is to guarantee stable, clear and equal conditions for farmers in the practice of their profession. Voluntary modulation would conflict dramatically with these principles. The EU's right to exist, its very legitimacy, relies on fair and balanced policies. Voluntary modulation does not meet these standards.

The EU's funds should be used for the purpose for which they were intended in the budget. If Member States start channelling EU money to patch up their own budgets, the entire EU budget policy will be undermined. The answer is now in the hands of the Council and the Commission, including the 20% reserve for rural development funds. We would have had the answer a long time ago if the Commission and the Council had negotiated with Parliament.

Andrzej Tomasz Zapalowski, *on behalf of the UEN Group.* – (PL) Madam President, for many members of the Committee on Agriculture, today's debate on voluntary modulation, that is to say, on restricting direct payments, is an occasion for a resounding NO to the European Commission's plans.

We say NO to attempts to discriminate against farmers and make them bear the cost of the rural development programme, for which sufficient funding should be found from the European Union's budget.

In this debate, there has been talk about the possibility of discriminating against farmers, which is against the treaties, re-nationalisation of the common agricultural policy, and distortion of competition. I would like to remind you that in many of the new Member States, farmers were subjected to discrimination during the accession period, and free competition was indeed restricted in farming. For many years the new Members received lower subsidies. These subsidies are only likely to become equal to those received by the old Member States by the time the general cuts in CAP expenditure come into effect. Excluding beneficiaries receiving less than EUR 5 000 from the modulation is hard to understand. These payments go to small farms. If at the end of the day some form of restrictions on payments is introduced, the ceiling should be raised to EUR 50 000. Larger farms are more easily able to deal with the loss of subsidies.

Friedrich-Wilhelm Graefe zu Baringdorf, *on behalf of the Verts/ALE Group.* – (DE) Madam President, Commissioner, Parliament has presented many good proposals on medium-term financial programming, but the Council has not adopted them. The Council has reduced the funds for rural development, against the recommendations of the Commission and Parliament – we had been in agreement on this – by EUR 20 billion. We do not now need to feel responsible for the Council's nonsense. If such proposals had come from Parliament, we would have been a laughing stock.

At that time, we said we wanted to contemplate cofinancing as a means of providing funds if they ran short. We want the first and second pillars to be treated alike in terms of Member States' payments. None of this has happened. The current situation is that, in Germany, for example, the second-pillar funds are being reduced by 40%, and naturally we have to ask the German Government to apply 20% voluntary modulation to compensate for this. We cannot accept such nonsense at European level, however, as there are better proposals.

When the Commission says – as the Council has also done – that putting this in the reserve will mean rural areas and development being taken hostage, that is incorrect. We are the ones defending the development of the rural economy and putting a stop to the Council's nonsense. If the Council does not present better proposals or adopt better proposals of the Commission's, we shall have to resort to other measures on which Parliament has powers of codecision, which we would not otherwise have had. Common sense is on the side of Parliament rather than the Council in this matter. I would ask the Commissioner to take our side, as we have taken her side, and remind the Council of its obligation to think and act rationally.

Kartika Tamara Liotard, *on behalf of the GUE/NGL Group*. – (NL) Madam President, I would like to approach things from a slightly different angle. Since the rejection of the Constitution in the Netherlands, a discussion has been unleashed in my country about Europe's unnecessary meddling in matters which the Member States are quite capable of sorting out for themselves. Nearly all Dutch parties have indicated that they think the Member States should be given more freedom in areas that need not necessarily be regulated by Europe. The Commission has finally tabled a proposal. Whilst it is not perfect, it is a good start in that it gives Member States more freedom in how they spend their agricultural funds, without jeopardising the income of small farmers. To my surprise, nearly all Dutch parties voted against this proposal the last time round. I urge all my fellow MEPs to vote in favour this time round and in so doing, to put their money where their mouth is.

Димитър Стоянов, *от името на групата ITS*. – Аз мисля, че Европейският съюз е съюз на суверенни държави, които са се събрали, за да си сътрудничат взаимно, а не да налагат една на друга какво да правят с плодовете на това сътрудничество.

Въпреки това, искам да кажа, че резервите на докладчика и на Парламента не са без основание, защото по наши данни 95% от земеделските производители в България нямат никаква представа как да кандидатстват за финансиране от Европейския съюз. Затова разрешаването на една доброволна модулация ще доведе до това, че тези 20% ще бъдат изцяло на разположение на Министерството на земеделието в България. А Министерството на земеделието от шест години вече е в лапите на турската етническа партия „Движение за права и свободи“, чийто лидер не се посрама да каже съвсем открито, че около неговата партия има обръч от фирми. И затова не храня абсолютно никакво съмнение, че именно този кръг ще се облагодетелства от доброволната модулация, която сега се предлага, а впоследствие той ще се отблагодари на своите благодетели чрез вноски в черната партийна каса.

Затова искам да кажа, че аз не мога да подкрепя този доклад, защото той орязва националните правомощия, но в същото време смятам, че трябва да има много по-големи контролни механизми относно общата политика на Съюза и, че вместо до развитие, липсата на такива механизми ще доведе до отчаяние, по-голяма корупция и социално разочарование.

Jim Allister (NI). – Madam President, I continue to oppose this regulation for five reasons that are important to my constituency. Firstly, voluntary modulation by its very nature amounts to a snatch and grab of farmers' resources by national governments. There is nothing voluntary about it.

Secondly, it accentuates inequality across Europe and distorts the market, with only the United Kingdom, it seems, committed to fleecing its farmers through voluntary modulation. Compulsory modulation is bad enough, but at least it is evenly spread.

Thirdly, unlike the previous scheme, this proposal does not compel Member States to produce matching funding so, in reality, in my constituency, the anti-farming UK Government will not produce such funding. The result is a double deficit to UK farmers, extra top-slicing of their single farm payment and no matching funding from the Exchequer into the rural economy.

Fourthly, it stifles essential local variation by prohibiting regional approaches, something which the outgoing scheme permits. Both pillar one and pillar two policies are in the main devolved matters within the United Kingdom, hence the logic of permitting local variation in the modulation rates.

Fifthly and finally, the Commission proposal continues to have a franchise provision which allows some to escape paying, leaving others to have to pay more. So, for those reasons, just as I voted against this tawdry regulation in November, I will do so again.

Neil Parish (PPE-DE). – Madam President, I think the Commissioner now finds herself between a rock and a hard place.

Commissioner, you know very well you do not like the Council proposal, and you know that, under the institutional agreements, you have to put it forward. Now, we are listening to what you are saying, but we dislike the voluntary modulation intensely, so we are waiting for a new proposal to come forward. I think the best way we can deal with this is to get on with it, to reject it again and for you to come forward with a proposal very quickly, because we are all interested in rural development but we are also interested in a level playing field.

On the point that Mr Allister made, this is not voluntary modulation to all those farmers that lose their payments. Perhaps we should actually offer it to them and say ‘will you voluntarily lose 20 % of your payment?’ I suspect not many of them would come forward and say ‘yes’. So this is very much compulsory modulation, but probably only done to two Member States, the United Kingdom and Portugal.

Not only will it not be voluntary, but it will not even be uniformly applied across the UK, because our present Government wants to have different levels of modulation throughout the UK. So, in the area that I represent, South-West England, which borders Wales, there is a good chance that there will be a totally different modulation on one side of the border to the other. Probably English farmers will be at least 20 or 25 % worse off than their Welsh counterparts. As you quite rightly say, we need an impact assessment; we actually want that on the table. That should have been brought forward by the Council and perhaps we would have looked at this more sympathetically. Therefore, as I said, we are ready to negotiate.

It is also good to see Brian Simpson here tonight, because last time we debated it there was nobody from the Labour Party here to defend the Council’s position. At least, perhaps, they are listening to us.

I look forward to the new Commission proposals.

Herbert Bösch (PSE). – *(DE)* Madam President, I support the rapporteur’s position, as, I believe, does Parliament’s Committee on Budgets. The Commission is always saying it wants to be an efficient institution with an efficient administration. The Commissioner has slept through the last three months. We first voted on this Goepel report three months ago. She knows what Parliament wants. She knows the rights of this House, and she is simply denying this. I would have expected her to produce an acceptable proposal today. One of the Directors in her Directorate-General, Mr Sivenas, announced to the Council yesterday that there would be a short-term proposal to do away with the 20%. I should have liked her to tell us this today; but there is nothing. Consequently, I see no reason for any change whatsoever in the course we have chosen.

Jan Mulder (ALDE). – *(NL)* Madam President, I should like to start by thanking Mr Goepel and Mr Bösch. They have done an excellent job, as someone already said. In this debate, it is not just about the subject of voluntary modulation but mainly about parliamentary democracy, in other words what are this Parliament’s rights in the area of rural development, and suchlike. I should also like to thank Commissioner Fischer Boel. She has always approached Parliament with an open mind and even in the individual talks, she invariably spoke frankly.

A great many things have been said. Why am I opposed to the system of voluntary modulation? Firstly, because it strikes at the roots of the common agricultural policy, which is wrong, and, secondly, because it trifles with Parliament’s budgetary rights.

The Commission has to steer a course between the Council and Parliament. In May, we drew up financial perspectives, in which Parliament clearly stated its opinion on this voluntary modulation. The Commission proposals are no more than a reflection of the Council’s opinions, which is something I find reprehensible. Parliament’s wishes have hardly been taken into consideration. Something that is beyond me is that, at a time when everyone in Europe talks about involving the citizen in Europe more, the Commission completely ignores Parliament’s position!

I am pleased with the Commissioner’s words when she implied at the end that a compromise was possible. Of course, Parliament would be happy with a compromise. We too are in favour of rural development, but we are also in favour of these common markets. We need to find a solution on the basis of these two key concepts. Is it possible, as was the case in the past, to make an exception for certain countries?

Is it possible in future to make more intelligent use of the compulsory modulation and gear it towards certain wishes, as Parliament has formulated in the past? This could, for example, be done with this Health Check. If the outcome of tomorrow's vote is that Parliament's position is confirmed once again, then the time has come for the Commission to take the initiative for a compromise that is realistic and acceptable to the Council and Parliament. Indeed, the rights of Parliament and of the Council in the area of rural policy are exactly the same and the Commission would do well to take Parliament's views into account.

Zdzisław Zbigniew Podkański (UEN). – *(PL)* Madam President, ladies and gentlemen, the voluntary modulation proposed by the European Commission, and rightly rejected by the Committee on Agriculture and Rural Development and by the Committee on Budgets, is a result of the European Union's extremely low budget, which has been set at just 1% of GDP. In drawing up the 2007-2013 Financial Perspective, both the Council and Commission knew full well that cutting funding for rural areas from EUR 88 billion to EUR 69 billion would result in a painful shortage of funding.

Attempting to correct expenditure on the CAP and particular elements of it has only led to confusion and deepened regional imbalances. Trying to remedy this mistake by cutting direct payments – and impoverishing farmers in the process – is the worst of all possible solutions. The proposed nationalisation of the CAP through an additional voluntary modulation of 20% is further evidence of inconsistency in shaping the CAP, and an attempt to re-nationalise it. Ladies and gentlemen, we therefore have no choice but to reject the Commission's proposal.

Alyn Smith (Verts/ALE). – Madam President, in this my first speech as Scotland's representative on the Committee on Agriculture and Rural Development, I am delighted to find myself in agreement with a very clear majority of this House.

As others have said, voluntary modulation of agriculture payments is not voluntary at all for the farmers who lose out, only for the Member States who are fleecing their budget. The higher compulsory modulation funded across the EU has some logic but only the London Government would argue that Scotland's farmers should lose out by 20% against their continental colleagues and it is right that we reject this flawed proposal. If we do not reject it, we accept a poor proposal which has been brought before us today.

But in so doing I would stress to our Commissioner that we need to see as much subsidiarity as possible in any eventual package that is brought forward. The Scottish Parliament is not yet a full Member State parliament, but it is responsible for agriculture and food matters in Scotland and it is right that the Scottish Parliament, whoever is in charge of it, should remain the relevant authority for these matters, because whoever is in charge of it will do a better job than the London Government will.

Gerard Batten (IND/DEM). – Madam President, here we go again. The Committee on Agriculture and Rural Development keeps rejecting this proposal and the Commission keeps on batting it back. If nothing else this ping pong tournament clearly shows the pointlessness of this Parliament and its committees.

This Parliament is supposed to represent democracy in the EU, so why is it that the Commission shows it such contempt? Possibly because it knows that in reality this Parliament is a sham of democracy, a glorified talking shop with little or no meaningful influence over anything.

The UK Independence Party finds itself in the unusual position of being against giving the British Government more freedom, in this case to siphon off CAP funds away from food production and into nebulous rural development schemes which could mean anything from maintaining village greens to building theme parks or running animal reserves. We are, after all, supposed to be talking about the common agricultural policy and not the common rural development policy.

The British farming community needs support. It is not the healthy option for my country to move away from producing its own food. A country should not be reliant on imports to feed itself, and this is where Britain is heading if we take money away from genuine farming and instead pour it into feel-good environmental projects.

The UK Independence Party is no supporter of the EU and its subsidy regime. But while Britain remains a member, we might as well ensure that the funding we receive – which is merely our own money that the EU sees fit to return to us anyway – is spent in the right place.

Feeding the British people must take priority over what might, in some cases, be termed 'cosmetic environmental projects'.

Monica Maria Iacob-Ridzi (PPE-DE). – Doresc să susțin raportul colegului nostru Lutz Goepel care ne recomandă respingerea propunerii Comisiei privind modularea facultativă a plăților directe din agricultură din cel puțin două motive: în primul rând propunerea pune în dificultate statele care sunt în procesul de *phasing-in* al subvențiilor europene. Agricultorii români, de exemplu, beneficiază în prezent doar de un sfert din plățile pe care le primesc fermierii din vechile state membre, urmând ca în zece ani să atingă nivelul comun al Uniunii.

Modularea obligatorie, cumulată cu cea facultativă, vor face ca acest nivel comun al Uniunii să fie destul de redus în momentul în care agricultorii români vor putea beneficia de el. Această țintă mișcătoare poate destabiliza atât piața românească, cât și pe cea europeană, deoarece agricultorii nu pot planifica nici măcar pe termen scurt, necunoscându-și veniturile viitoare.

În plus, termenul de facultativ induce în eroare. O dată adoptată de către statele membre, modularea devine obligatorie pentru fermieri, putând duce la scăderea plăților directe la hectar cu până la 25%. Acest proces contribuie la renaționalizarea politicii agricole comune, adică la o modificare a acestei politici, simbol al solidarității europene.

În al doilea rând, propunerea Comisiei este injustă, întrucât ignoră participarea noastră la dezbaterile viitorului financiar al Uniunii. Vocea Parlamentului trebuie să se facă auzită convingător, atât înainte, cât și în timpul controlului de sănătate planificat pentru 2008-2009. Noi nu putem porni pe acest drum cu concluzii deja luate, iar introducerea modulării facultative duce tocmai la un rezultat cunoscut dinainte al controlului de sănătate. Mai mult, din câte știu, Comisia nu a efectuat studiul de impact necesar prevăzut în acordul interinstituțional cu Parlamentul European. Toate aceste elemente fac din propunerea de regulament a Comisiei un compromis nedorit de nimeni ale cărui victime vor fi însă fermierii europeni.

Luis Manuel Capoulas Santos (PSE). – (PT) I should like to reiterate my vehement opposition to the second Goepel report, about which I feel as strongly as the first. I cannot agree with the reasons given in the report, which lead to entirely different conclusions.

It is a pity that I do not have time to demonstrate this as thoroughly as I would like, but I should like to ask what better study there could be than the one in which the figures reveal the current injustice of the redistribution of the first pillar of the common agricultural policy (CAP). As for cofinancing, is it not the case that forcing the Member States with fewer resources to contribute with their own budgets to common policies is tantamount to renationalising the CAP?

I feel that this report is characterised by a conservative attitude, which I do not share. I must condemn the fact that it rides roughshod over the subsidiarity principle, and that it clearly seeks to protect the major beneficiaries of the CAP. I must also register my protest at Parliament's proposal, as revealed in the Goepel reports, to freeze 20% of the funds for rural development for 2007. Farmers must not be held to ransom by the disputes between the institutions. I therefore call for common sense and for a spirit of compromise so that this appalling deadlock can be broken as soon as possible.

Marian Harkin (ALDE). – Madam President, I fully support the rapporteur in rejecting these proposals. In effect, these proposals would mean the transfer of 20 % of funds from direct payments and market support of the CAP to rural development.

I fully support investment in rural development; indeed, I think it is crucial if rural areas are to contribute to the Lisbon Agenda. But this investment cannot come out of the pockets of farmers.

Commissioner, you said earlier tonight that you were afraid of the dangers to rural development if we reject this proposal. But what of the dangers to agriculture if this proposal were to proceed? And, speaking of the pockets of farmers, this proposal would be a drastic cut in some farmers' incomes. If we take the initial amount of the direct payments to farmers at 100 %, take away 5 % for compulsory modulation, a further 8 % approximately for the accession of Romania and Bulgaria – who are in no way responsible for the fact that we did not make proper funding provision – and if you are then to take a further 20 % for voluntary modulation, those farmers will have lost approximately 33 %, – one third – of their income as was promised in the CAP reform.

But this is not just about money. Voluntary modulation as proposed would distort competition between Member States. It would, in effect, be a renationalisation of the CAP and, in my opinion, jeopardise the security of food production in the EU.

Commissioner, I know we both agree that agriculture needs stability. When you came to the Irish Parliament last year you said, 'I wish to give farmers in Ireland and the rest of the EU as much stability as possible'. But this is a difficult and uncertain time for farmers. If they were just to listen to today's debates in Parliament, with Commissioner Mandelson speaking earlier of further flexibility in the context of the WTO and, tonight, the possibility of the renationalisation of CAP, they would be even more uncertain.

This House and European farmers are relying on the Commission to support them on this issue. You told us that you know and understand our concerns. Those concerns have been articulated very clearly here tonight and we await a positive response.

Jan Tadeusz Masiel (UEN). – (PL) Madam President, the late hour and technical difficulties will not prevent us from strongly criticising the Commission's proposal for a second time. This proposal could result in European farmers losing out on 30% of the direct payments they receive. For many farms this is a substantial amount of money. The Commissioner may have mentioned certain concessions, but such major changes need to be announced much earlier to allow people to make plans for the future. If not, we run the risk that farmers will lose confidence in the European Union and the CAP, confidence which is at its lowest level among Polish farmers. The fact that this change will not affect farms receiving less than EUR 5 000 is little consolation. If anything the sum should be of the order of EUR 20 000.

James Nicholson (PPE-DE). – Madam President, I listened to the Commissioner with great interest and, with the greatest respect, Commissioner, you were even less convincing tonight than you were the last time we debated this subject.

I know it is very difficult to defend a bad policy. I know it is almost impossible to defend a bad policy. In that you have my sympathy. But bad policies can never be made good ones. This policy rips the heart out of any semblance of a level playing field within the common agricultural policy for some time in the future.

Can I ask very straightforwardly Commissioner, have you made any side deals with the Council on what the future may hold as far as modulation is concerned?

I read with interest in my local regional press that the agricultural official responsible has said that he will have a deal from you and the Council by June.

Question number one, Commissioner, is can you confirm that such a deal has been made? If it is, what are the details? Within that deal, will there be regionalisation? And what percentage rate will be applied under that deal? These are but a few of the points I have the time to make tonight.

But can I appeal to you to tell the Council the truth? This is basically a downright bad deal and farmers will never accept it. Certainly I, as their public representative, will never accept it.

You appealed to us tonight not to let your words fall on deaf ears. You want us to be constructive. Very fine words! But, I have to say to you, how can we be constructive? How can we listen when you dictate from on high against our will what we have to accept?

This is not our problem. This is your problem, Commissioner, and it is your problem to resolve.

Marc Tarabella (PSE). – (FR) Madam President, Commissioner, ladies and gentlemen, I would like first of all to recall the overwhelming vote in plenary on 14 November last: 559 votes against, 64 in favour and 16 abstentions. With such a majority, the European Parliament rejected more than clearly the proposal for a Council regulation on the voluntary modulation of direct payments. I regret that the Commission has not therefore chosen to abandon it.

While I understand and agree with the need for better financing for the second pillar for rural development, I cannot accept that it should be done so brutally at the first pillar's expense and not at all voluntarily, because there can be no doubt that the effects of such a measure would be devastating. Indeed, to accept the Commission's proposal would be to jeopardise the survival of many farms and to introduce distortions of competition. Moreover, the proposal could result in the abandonment or renationalisation of the

common agricultural policy. Finally, it disregards Community objectives in rural areas. These reasons, which were why the Commission proposal was rejected last November, still apply today.

In the light of these considerations, which are fully detailed in Mr Goepel's report, I therefore fully support his position.

Wiesław Stefan Kuc (UEN). – *(PL)* Madam President, I am aware of the sharp criticism that the proposal for the regulation under discussion has been subjected to, but it is impossible for the proposal not to have at least one positive side. Never before has this House been so negative about something that not a single positive aspect of it could be found. For this reason, in looking for something positive about modulation, without going into details such as whether 20% is the right level or EUR 5 000 is the right amount, I have indeed found some positive features.

Firstly, introducing the modulation will give Member States greater flexibility in their agricultural and rural policies, which is very important. Secondly, it will take the wind out of the sails of critics of the EU. We recently heard how the EU wants to regulate everything, including the shape of bananas, the size of peas, and so forth. Here we would have at least 20% proof that we do not want to regulate everything down to such detail. Thirdly, implementing the modulation would make common measures to rebuild and modernise rural areas possible. But for these actions to be supported by farmers, we should firstly make it possible for rural authorities to decide on ...

(The President cut off the speaker.)

Brian Simpson (PSE). – Madam President, once again, given the importance of this dossier to the UK farmers and our rural communities, I cannot vote in favour of the rapporteur's recommendations to reject this voluntary modulation dossier.

I also take the opportunity to remind all British MEPs from all political parties that support for rejection will have serious consequences for the UK's rural development spending plans and, in effect, you will be voting for a massive cut of over EUR 1.2 billion in British rural areas over the next 6 years.

I also remind all Members of the House that, due to the low allocation of rural development money received by the UK compared to other Member States, the voluntary modulation system is not only needed but also essential in delivering ambitious and effective rural development programmes in my country.

I think we need to spend a little time assessing what all this means, just as a way of highlighting the importance of the issues.

Firstly, voluntary modulation will allow the UK to deliver a much broader range of environmental outcomes in line with stated EU policies.

Secondly, whilst appreciating the political sensitivities surrounding Parliament's right, we must surely focus on the potential of securing real and genuine development gains for rural areas. For example, we can give payments to farmers under agri-environment schemes designed to deliver environmental and biodiversity benefit; we can support hill farmers and farmers in the uplands; we can work on schemes to help mitigate the effect of climate change through support for energy crops and other renewable energy products and we can help protect our countryside in key natural resources.

All of this is put at risk by Parliament's attitude towards voluntary modulation and that is why Labour Party MEPs will vote against the committee's short-sighted recommendation. Without voluntary modulation, the UK will only be able to honour existing contracts, falling far short of what we would like to do.

Finally, I would like to ...

(The President cut the speaker off)

Thijs Berman (PSE). – *(NL)* Madam President, tomorrow, the Dutch Social Democrats will be voting against the Goepel report and against a continuing blockade of fresh agricultural policy. We must break the impasse between the Council and Parliament. New projects for European rural areas should not be put at risk. I would urge you to give the Member States an opportunity to make more funds available for this purpose within a European strategy for rural areas, landscape and nature. The future of European agricultural policy lies in phasing out income support, initially of the largest farmers, but at the same

time in investing in the rural areas. If Parliament once again opts for a barrier, with the lever of blocking 20% of the rural budget, it would be opting for a repeat scenario, while more than anything, it is fresh policy we need for all countryside dwellers. By blocking EUR 2.48 billion, many sound projects would be at risk of derailing. In the case of the Netherlands, EUR 14 million would be involved, a trifling sum, but amounting to a great deal for those concerned. All these plans for a vital countryside should not fall prey to a Brussels conflict. We must look for different weapons, and the Council must also make a move. The compromise may well involve more compulsory modulation for all Member States. This would amount to creaming off more funds from the subsidies for the largest farmers, for the benefit of investing in rural areas. No 5%, as is now the case, but 15%, if 20% proves too high for the Council. The bigger the farmer, the more modulation. That too only seems fair. This is something to which the Commission should turn its attention. The European rural areas cannot make plans now and farmers do not know where they stand. This is irresponsible.

Gábor Harangozó (PSE). – (HU) Last November the European Parliament rejected the proposal by the Commission of voluntary modulation of direct payments. Now we are here again, and have to confront a proposal we have already rejected once. However, we must vote against it not only because no substantial change has been made, but above all because several points of the proposal raise serious concerns.

First of all, because it leads to the cancellation of the common agricultural policy, given that it seeks to reduce the latter to the national level. Moreover, the various Member States would use this opportunity to different degrees, depending on their differing budgetary situations, and this would lead to serious distortion of competition. We cannot allow farmers, who are already struggling, to be disadvantaged as a result of certain Member States' tighter budgets.

Naturally, we are all aware that regulation has to be harmonised with the agreement reached by the Council in 2005, but we need to examine every option carefully, in order to be able to change the regulations in a consistent and appropriate manner. Therefore, the report in its current state is unacceptable. We need to find a solution that will make farmers' lives better, and not place them in a more difficult situation.

Mariann Fischer Boel, Member of the Commission. Madam President, honourable Members, the large number of contributions to this debate shows how important the issue of voluntary modulation seems to be to all of you. I agree that the proposal on voluntary modulation has to be seen in the broader context, which is about the whole financing of the common agricultural policy in general and the rural development policy in particular.

Voluntary modulation certainly is not the best tool to achieve the strengthening of the second pillar. I agree on that. But as I have stressed during the debate today, efforts are being made to try and accommodate the concerns that have been raised in the European Parliament. These efforts will be pursued in the coming days and weeks, as I spelled out in my introduction. The Commission is prepared to make its bid to ensure that the result achieved takes into account as many of the concerns that have been raised as possible. I hope that we will be able to achieve a compromise.

President. The debate is closed.

The vote will take place on Wednesday at 12 noon.

Written statements (Rule 142)

Kathy Sinnott (IND/DEM), in writing. – I get the impression sometimes that the Commission seems to dislike the CAP and would like to see the end of it sooner or later. I would remind the Commission that the CAP agreement is in place until 2013. As it is, the mandatory levels of modulation are already causing hardships in rural areas of my constituency. This proposal implies the re-nationalisation of agricultural policy, however, it takes no account of the fact the direct payments will then be at the discretion of Member States, with no way to monitor the spending of funds. Also, the proposal does not provide for any alternatives to farming, nor does it contain a procedure to ensure that a farmer's competitive position will not deteriorate disproportionately. In some countries, taking money from agriculture and giving it to rural areas may work, but in many parts of Ireland agriculture is the basis of rural life. Without agriculture, the men and women in rural Ireland experience depopulation or are forced to tolerate polluting industries to provide jobs and keep people in the area. In Ireland, the more

money we move from agriculture to rural, the more we damage both. An impact assessment would have predicted this.

(Written statement abbreviated in accordance with Rule 142(7))

13. Radio Spectrum (debate)

President. The next item is the report (A6-0467/2006) by Mrs Hall, on behalf of the Committee on Industry, Research and Energy, entitled ‘Towards a European policy on the radio spectrum’ (2006/2212(INI)).

Fiona Hall (ALDE), rapporteur. – Madam President, firstly I would like to thank all the people who shared their knowledge and expertise with me when I was preparing this report. I would particularly like to thank the Commission for its generous help, as well as my colleagues, the shadows from the other groups, for their very constructive and cooperative suggestions.

The basic theme of the report is that the current method of managing radio spectrum is no longer adequate in the face of constantly emerging new technologies. These new technologies need to make use of radio spectrum, but the quantity of radio spectrum will always be limited simply by the laws of physics, so we have to find ways of making sure that this precious resource is used as efficiently as possible.

Policy on radio spectrum may sound like an obscure matter of no interest to the citizen on the street, but the end result of that policy is of fundamental interest because it is a question of jobs and economic growth. If we fail to reform our approach to radio spectrum, we are failing European industry, which is poised to become a global leader in communications technology. All the innovation that the industry is coming forward with will fail to develop properly if no spectrum is available and if the industry is blocked from operating across the European market of 500 million people.

The Lisbon Agenda is the driving force behind the new approach to spectrum. But there is also the need for Europe to be forward looking in the way it makes services of public and general interest available. I will come back to that in a minute.

First, I should like to say a few words about the changes proposed. At present, spectrum is managed on an administrative command and control model whereby certain frequencies are allocated to certain specific uses. The report argues that this administrative model needs to be supplemented now by a more flexible approach which would include more unlicensed use of spectrum and the tool of spectrum trading.

An essential element of this more flexible approach is that spectrum should be made available without conditions being attached as to the service to be provided or the technology to be used. In other words, the market-based element of spectrum management would be service- and technology-neutral.

This freeing-up of spectrum would clearly raise issues for existing users, such as the question of potential interference. It is therefore very important that the changes take place within a clear legal framework and with pre-established dispute resolution mechanisms.

In several places, paragraphs 11, 13 and so on, the report emphasises the importance of maintaining services of public and general interest and supporting cultural and linguistic diversity. It is important not to get this political commitment mixed up with the technical issue of how such services ought to be delivered.

I believe it would be a big mistake to ring-fence the frequencies currently used by broadcasting services by insisting on their exclusion from any new approach to spectrum management. That is because we would actually be damaging our ability to support a broad range of socially useful services if we insisted that the delivery mechanism for providing those services remained exactly the same, frozen in time at the very period when all other uses of spectrum are evolving very rapidly.

To take one example, we face the challenge in the EU of stopping a rift opening up between the internet haves and the internet have-nots. One easy way to roll out internet access to the poorest regions of our poorest countries would be by way of wireless broadband, taking advantage of some of the broadcasting frequencies freed up by the switch from analogue to digital broadcasting, the digital dividend.

I use this as just one example of why we need to affirm our commitment to services of public and general interest, but also as an example of why we must not treat the frequencies currently used by broadcasting

as somehow untouchable. We need to make the most of opportunities to provide services in new ways by new technologies and to more people than at present. And it is vital to support the growth of a knowledge-based economy in Europe. So, it is important to open up the possibility of more flexible use across the whole of the radio spectrum without ruling out certain frequencies.

Finally, I welcome the amendment tabled by the PSE Group, which serves as a balanced summary of the key issues at stake.

Mariann Fischer Boel, *Member of the Commission*. Madam President, I have to compliment the European Parliament, in particular the rapporteur, Mrs Hall, for realising the importance of the choices Europe is about to make with regard to radio spectrum policy.

This is an area where political decisions have a direct impact on the quality of jobs and growth in the European economy. Services dependent on radio spectrum represent around 2 to 3% of Europe's GDP. There have been studies for the World Bank and for the OECD which clearly link the development of electronic communication services to economic growth. An econometric study made for the Commission tentatively associated better spectrum break relation with 0.1% of extra GDP growth per year. This would quickly cumulate to deliver real benefits.

The urgency of the matter can be summed up in the word 'convergence'. Practically all communications are quickly becoming digital and there is an increasing number of infrastructures competing to carry services. The old categories are disappearing and we need to respond with a regulation that permits the spectrum users to choose the mix of services and technologies that they prefer and that in many cases permits them to buy and sell spectrum rights to each other.

The reasons for regulation are still strong. We have to manage interference. We need to ensure that the rights to use spectrum are clearly defined and we need to ensure a level playing field. The report that we are debating tonight is in most aspects in line with this policy vision and I want to thank the rapporteur for her efforts.

One area of divergence concerns including spectrum for terrestrial broadcasting distribution in the planned reforms. We are not questioning the importance of the television companies' public service function, nor their contribution to cultural and linguistic diversity. We should, however, think very carefully before we privilege one specific form of broadcasting distribution without regard to the costs to our society in terms of opportunity.

A case in point: the report quite rightly highlights wireless broadband as a tool for rural development and for breaching the digital divide. This requires tough choices about the balance between broadcasting and other services. There are necessary decisions to be made to safeguard the resources and functioning of public service broadcasting, but we should not use spectrum policy as a substitute for real debate. The amendment gives a more balanced approach by mentioning the need to secure stability and security for media services and the importance of a level playing field for new entrants and new technologies.

I have one final point to make: on the basis of the full analysis, the choice of the national regulators is to award spectrum to broadcasters. These users must also have the same obligation as any other users to be good stewards of a public resource and use it as effectively as possible. We think that our reform proposal would help to implement this principle.

Etelka Barsi-Pataky, *on behalf of the PPE-DE Group*. – (HU) Technological innovation opens up tangible new opportunities for Europe. Switching to digital technology leads to a surplus in what has till now been a scarcity in frequencies available. It is therefore appropriate and necessary to make it possible for a part of that surplus to be used for new technologies, thereby opening up a dynamic territory for the European information and communications industry.

The regulation required for this purpose needs to be created in such a way that the traditional system, unlicensed use and frequency trading be part of an effective spectrum management. Clear rules are needed, which indicate what and how much we allow in the area of frequency trading.

The opinion of the Group of the European People's Party (Christian Democrats) and European Democrats is that we need very soon to make spectrum trading itself, as well as its guiding conditions, perfectly clear. In this regard we must handle broadcast frequencies with particular care. It must be ensured that frequencies cannot be accumulated, and that there be no monopolies. We have to promote the spread

of new technologies to less developed regions and rural areas, but in such a way that they not be made to bear the costs of this.

It is the firm opinion of the Group of the European People's Party that in the process of regulating this area, we need to bear in mind social, cultural and political considerations, in order to advance the expression of cultural and linguistic diversity. In the process of drafting the report, I mentioned time and again the various specialties of the new Member States, which will have to be taken into account when regulations are drawn up. I was therefore pleased with Mrs Trautmann's initiative in this matter, and I support it. Finally, Member States need to open up frequencies for the purpose of Europe-wide technological harmonisation, and this must be done on the basis of a consensual agreement.

Catherine Trautmann, *on behalf of the PSE Group*. – (FR) Madam President, Commissioner, Mrs Hall, ladies and gentlemen, we are being asked to express an opinion on the reallocation of radio frequencies.

This is a very important dossier and the Commission's reasons for wanting a proposal that seeks to optimise or maximise the benefits of this resource of course stem from changing technologies, the existence of the digital dividend and the desire, clearly expressed in the Lisbon objectives, to give everyone access to new services, be it the Internet, mobile telephony or many others besides.

We have just spoken of broadband in particular, which could help to reduce the digital divide from which the European Union suffers, especially in rural and thinly populated areas. We must therefore seek to ensure a rational use of frequencies that will guarantee universal coverage in the 27 countries of the Union with a view to sustainable development of all areas.

Frequencies are in fact a resource, a public good, common to us all and strategic for the Union, and we must ensure that the spectrum is used efficiently in the long term. Just as we speak of energy efficiency, I believe we can also speak of radio spectrum efficiency.

I would like to welcome the Commission's attempts to give a new European dimension to the use of this digital dividend and avoid a repetition of the very real problem we had, and which the companies concerned saw as such, when the UMTS networks were put up for sale. It proposes the creation of a market. We have to be able to find a way of providing greater flexibility, avoiding speculation and monopolies and making frequencies accessible to new services and new entrants.

I believe it is right to want to do so. We must find new opportunities for innovation there, but we must be careful how they are marketed, whether it be by licences, auctions or assignments, in particular of public or free-access services, even if on a temporary basis. These different approaches remain to be defined.

In our committee we had a debate on the place of broadcasters and I would like to say here most emphatically that for my part I have always defended the special nature of the information programmes, the cultural programmes provided by broadcasters, especially public broadcasters, who do not have the private capital necessary to pay for access to the market on the same terms as, let us say, ordinary companies.

Therefore, if we are to take account of this situation while being fair and impartial, that is why the Socialist Group has tabled an amendment seeking to take account of radio spectrum efficiency, the balance between respect for public broadcasts and respect for State broadcasts on safety, also the role of regulators and the role of business.

Rebecca Harms, *on behalf of the Verts/ALE Group*. – (DE) Madam President, I shall be brief. From the point of view of my group, which welcomes the Commission's approach in principle, there are five important points. We want to ensure that the new approach proposed by the Commission does not result in the formation of oligopolies. Germany has had bad experiences with the auctioning of UMTS licences. Our group wants services ensuring diversity to take priority at all times. I agree with Mrs Trautmann that broadcasters should always enjoy particular respect for the job they do, for our societies and the public. We want to see technical neutrality and interoperability. We want to really see blanket coverage. This is important to the Commissioner, too, since she bears co-responsibility for rural affairs. We in rural areas do not want to be disadvantaged any more, and we, too, want access to high-speed Internet connections. In addition, the procedures for auctions should be fully transparent and comprehensible in future.

Mariann Fischer Boel, *Member of the Commission*. Madam President, I presume an answer would be expected from the Commission, but I promise I shall keep it short.

I share the appreciation of Parliament regarding the vital role played by public service television and other media for democracy, diversity and for the encouragement for a public debate. It is necessary that future regulations continue to ensure that this programming can be distributed to the citizens in accordance with the public service obligations assumed by those broadcasters. However, assuming that these goals can be satisfied and keeping in mind the reality of convergence, we should carefully assess the need for the spectrum required to offer a public broadcasting service and to ensure its efficient use. In consequence, we need to provide broadcasters with the means and the flexibility to continue to develop their offer to the benefit of our society.

We have listened carefully and your comments will be taken into account during the revision of the telecommunication regulation, which will be proposed by the second half of 2007.

President. The debate is closed.

The vote will take place on Wednesday at 12 noon.

14. Climate change (motions for resolutions tabled): see Minutes

15. PNR, SWIFT (motions for resolutions tabled): see Minutes

16. Agenda for next sitting: see Minutes

17. Closure of sitting

(The sitting was closed at midnight)