

THURSDAY, 26 OCTOBER 2006

IN THE CHAIR: MR SARYUSZ-WOLSKI

Vice-President

1. Opening of the sitting

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

2. Documents received: see Minutes

3. European Central Bank Annual Report (2005) (debate)

President. The next item is the report (A6-0349/2006) by Mrs Berès on behalf of the Committee on Economic and Monetary Affairs on the 2005 Annual Report of the European Bank (2006/2206(INI)).

Pervenche Berès (PSE), rapporteur. – *(FR)* Mr President, Mr President of the European Central Bank, ladies and gentlemen, the annual report of the European Central Bank always offers an opportunity for the European Parliament to review monetary policy and to supplement the work carried out by the Committee on Economic and Monetary Affairs through the monetary dialogue conducted four times a year with the President of the European Central Bank. You will all remember that last year we rejected the report, as it did not correspond to the guidelines advocated by this Parliament.

The year 2005 was an unusual year, in which the Central Bank initiated a movement raising interest rates five times, the first of which was on 1 December. These successive rises took place in an unusual economic context, determined by both the rise in oil prices and a disadvantageous exchange rate for euro zone exports, and in the context of an upturn in economic growth considered by more acute observers as fragile.

In these circumstances, this report specifically invites the Central Bank to analyse carefully the conditions in which it conducts its monetary policy. I am pleased that this report also emphasises that euro-dollar parity is important to growth in the European Union and that it draws from this a number of conclusions, which have been drafted in a spirit of compromise, bearing in mind the need for each monetary authority to exercise in full its responsibilities in terms of exchange rates. I hope that this compromise will still be present at the time of the vote.

I should like to express my regret, nonetheless, that it was not possible in this report to include both the subject of household debt and the improvement needed in the coordination of economic policies. Allow me, Mr President, to mention a number of points on which I believe this report provides original and valuable insights.

Consider, for example, the invitation made to the Central Bank to examine closely the use of EUR 500 notes and the possibility of freezing the issue of these notes. Let us come now to the key issue for this Parliament, namely the conditions in which democratic control is exercised and the way in which the Central Bank operates as an institution. From this point of view, we wanted to make our contribution, before the next renewal of a member of the Executive Board, to the necessary debate that must take place among the institutions in order that the members of the Executive Board may represent the interests of the euro zone in the best way possible. We believe that, to this end, the best approach would be to apply to the ECB the arrangement seen on the executive boards of all other central banks, namely a variety of backgrounds and a balance of portfolios. We are in agreement within this Parliament on requesting that the balance between nations should not be enshrined as an eternal status quo, and we believe, moreover, that a variety of backgrounds should enable the contributions and plurality within the Executive Board to be enhanced.

I also hope that this Parliament will advocate that the Council, when giving its opinion on approving a nomination to the Board, should exercise its decision-making power in full by making its choice on the basis of a number of different candidates. I am familiar with the argument used frequently by yourself, Mr President of the European Central Bank, and also used by Jean-Claude Trichet from time to time: having several candidates would damage the careers of those not accepted for the position.

Allow me to say that, as observers of international nomination procedures, our assessment is entirely different. At international level, the only post that is filled without competition or without a variety of candidates – and I come from a party that, as you know, is currently experiencing this process and all its virtues – is the Presidency of the World Bank. This process does not apply in the case of the International Monetary Fund, the Organisation for Economic Cooperation and Development or the World Trade Organisation. That is why we believe that, from this point of view, the euro zone as an integrated area should allow a number of different candidates.

Obviously, we also request that the European Parliament should finally be given the power to approve the appointment of the members of the Executive Board, which, in my opinion, would only strengthen the Board's authority and legitimacy and ability to embody a strong voice for the euro zone, on the international stage also. This is the primary objective of this Parliament, namely that, on the international stage, the Central Bank, alongside the Council and the Eurogroup, should be the key legitimate spokesman that we need for Europe's voice to carry loud and clear on such important subjects as you have wanted to raise, Mr President, and on which this Parliament would like to make a contribution. I am of course thinking of the question of the alternative funds, on which, I hope, the compromise drawn up by the Committee on Economic and Monetary Affairs will be supported by all the groups at the time of the vote.

Jean-Claude Trichet, *European Central Bank*. (FR) Mr President, ladies and gentlemen, it is a great honour and a great pleasure to speak to you today. I am here to present to the European Parliament the 2005 annual report of the European Central Bank. However, as you know, relations between Parliament and the European Central Bank go beyond the specific obligations imposed by the Treaty. In fact, as Mrs Berès has just said, we have over the years established a very close dialogue, which, I should like to emphasise, has been enhanced once again this year. Honourable Members, it is therefore the third time that I have spoken before you this month. Furthermore, my colleagues on the board of the ECB have been in close contact with the European Parliament regarding various issues such as reform of the International Monetary Fund, payment systems and clearing and settlement systems. For our part, we attach great importance to the contacts on these issues.

(DE) I would like to start by giving you a brief overview of the economic and monetary policy developments of 2005 and by outlining the European Central Bank's monetary policy measures. I would then like to make some comments with regard to points and proposals that you have raised in your draft resolution on the ECB's annual report for 2005.

Mr President, Let me first of all welcome the assessment of the Economic and Monetary Affairs Committee as regards the ECB's monetary policy in 2005 and beyond. As recognised in the draft report, the ECB's monetary policy – which is designed to fulfil our primary objective of maintaining price stability – has continued to be successful in anchoring inflation expectations at levels consistent with price stability, despite a number of challenges mentioned by Mrs Berès, relating in particular to the continued strong surge in oil prices until the most recent period.

As already emphasised on several occasions, such anchoring is a prerequisite for monetary policy to make an ongoing contribution towards supporting sustainable economic growth and job creation in the euro area, fully in line with Article 105 of the EC Treaty.

In this respect, let me emphasise that the ECB's open and transparent communication is a key element in guiding market expectations. In particular, my introductory statement at the press conference after the first Governing Council meeting each month provides a clear view, on the part of the Governing Council, on the current monetary policy stance in real time. Hence, we make the outcome of our deliberations public. As such, the introductory statement is comparable with what other central banks call 'summary minutes'.

In 2005, the ECB's monetary policy operated in an environment of increasingly improving economic conditions. While real GDP growth remained moderate in the first half of the year, in an environment of heightened uncertainties surrounding domestic demand, the pace of economic activity gradually strengthened during the second half of the year, from around 1.2% year-on-year on average in the first half of 2005 to around 1.7% year-on-year on average in the second half. Overall, real GDP in the euro area grew by 1.4%.

As regards price developments, annual HICP inflation averaged 2.2% in 2005, compared to 2.1% in each of the two preceding years. While annual HICP inflation eased to 2.0% in the first half of 2005,

mainly reflecting base effects, HICP inflation rates accelerated to levels significantly above 2% in the second half, reaching a peak of 2.6% in September, mainly on the back of substantial increases in energy prices.

Thus, reviewing the ECB's monetary policy decisions in 2005 and early 2006, it is useful to split this period into two parts. In the first half of 2005, against the background of subdued inflation developments and with inflation expectations for the euro area solidly anchored at levels in line with price stability, the Governing Council concluded that it remained appropriate to keep interest rates at their historically low levels. At the same time, the Governing Council was constantly alert with regard to the materialisation of upside risks to price stability, as signalled by both the ECB's economic and monetary analyses.

In the second half of 2005 and early 2006, the likelihood that average annual HICP inflation could remain above 2% over the medium term increased and a spill-over to inflation expectations had to be avoided. This scenario of elevated inflation rates remained subject to previously identified upside risks, notably further increases in oil prices and indirect taxes and, more particularly, potential second-round effects in wage and price-setting. It was also confirmed by the monetary analysis, given strong monetary growth, robust credit expansion and ample liquidity.

As a consequence, by the end of 2005, the regular cross-checking of the ECB's economic and monetary analyses indicated that an adjustment of the very accommodative stance of the ECB's monetary policy was clearly warranted in order to contain upside risks to price stability and preserve the firm anchoring of long-term inflation expectations in the euro area. The Governing Council of the ECB therefore decided in December to raise the key ECB interest rates by 25 basis points, after two and a half years of maintaining these rates at historically low levels. Since then the Governing Council has continued to withdraw monetary accommodation, thereby establishing the minimum bid rate of the main refinancing operations of the Eurosystem at 3.25% by now.

Turning to recent developments, all the main indicators of economic activity in the euro area that have become available in the course of 2006 confirm the Governing Council's assessment that economic growth has gained momentum and, in addition, become more broadly-based and sustained, mainly supported by domestic demand.

With regard to consumer prices, annual HICP inflation rates, notwithstanding their decline in most recent months, will remain elevated, at levels above 2% on average in 2006.

As regards 2007, inflation risks remain on the upside. These risks include, in particular, a stronger than expected rise in wages on the back of improving labour markets and a stronger than expected pass-through of past oil price rises. The assessment of upside risks prevailing is confirmed when cross-checked with the monetary analysis, given the ongoing dynamism of monetary and credit growth, ample liquidity and, from a medium-term perspective, a persistent upward trend in the underlying rate of monetary expansion. This has been noted in the Commission report. Monetary developments therefore require enhanced monitoring, in particular against the background of improved economic conditions and strong property market developments in many parts of the euro area.

As I said publicly on behalf of the Governing Council after our last decision, if our assumptions and baseline scenario are confirmed, further withdrawal of monetary accommodation will remain warranted. The Governing Council will therefore continue to monitor all developments very closely, so as to ensure price stability over the medium to longer term.

As regards fiscal policy, budgetary developments in 2005 and 2006 and plans for 2007 point to further, albeit slow, improvements in budget balances. However, this should not give rise to complacency. It remains of the essence that budgetary consolidation is strengthened in the current upswing and that pro-cyclical policies are avoided, which would boost the confidence of both the markets and the public.

As regards structural reforms, I welcome the view of the European Parliament that comprehensive structural reforms are needed to raise the potential growth rate of the euro area and underpin the momentum of the ongoing economic recovery. In this respect, the reform measures initiated in the context of the renewed Lisbon Strategy were a welcome additional step in the right direction. The successful implementation of national reforms aimed at removing rigidities and inefficiencies in euro area countries would improve the smooth functioning of EMU and facilitate the conduct of the ECB's single monetary policy.

In your motion for a resolution you raise a large number of issues of relevance to the ECB and I would like to assure you that we will consider them with great care. I should like to share our assessment on two issues straight away, in view of their topical nature and the exchanges of views I and my fellow members of the Executive Board had with you on those points.

In the motion for a resolution, the ECB is called upon to carry out further analysis in the area of hedge funds – a point you have underlined. Amid the increasing attention being paid to the activities of hedge funds, I think that it would be unfair not to mention their role as regards enhancing market liquidity, providing significant diversification opportunities for investors and fostering financial innovation. That being said, it is clear that there are potential risks for financial stability from their very rapidly growing presence in the financial system and it has yet to be tested whether they would amplify market volatility or pose greater counterparty risks in a less benign financial market environment. Against that background, the ECB will definitely follow up on your request for further analysis. It is possible that we will conclude that there is a real case for enhancing the current framework, which relies essentially on the vigilance of the financial institutions that are themselves under supervision as regards their counterparty risks on the hedge funds. But I also note that any such enhancement should be agreed upon at the level of the international community and, in particular, on the basis of an appropriate transatlantic discussion.

As regards payment and settlement issues, let me first thank the European Parliament for the support expressed for the implementation by November 2007 of the TARGET2 system. Being an integrated large-value payment system, TARGET2 will provide for efficiency gains and improved liquidity management by banks. In this regard, I should like to refer to the increased pressure also to have an integrated platform for the settlement of securities transactions in euro. The Eurosystem is therefore currently examining, in coordination with the European Commission and in close cooperation with the market, the feasibility of setting up a Eurosystem infrastructure for the provision of securities settlement services in central bank money. A decision on whether to offer such a service, referred to as ‘TARGET2-Securities’, is expected early in 2007. In the field of retail payments, we strongly support the efforts to establish a Single Euro Payment Area – SEPA. We welcome the European Commission’s initiative for a directive on payment services and I warmly welcome the European Parliament’s contribution to a swift adoption of this directive to assist the banking industry in its implementation of SEPA payment instruments as from 1 January 2008.

I thank you very much for your attention. I am now available to answer your questions.

(Applause)

Kurt Joachim Lauk, *on behalf of the PPE-DE Group.* – (DE) Mr President, allow me to begin by saying that – as can be seen from the report – we generally endorse what the European Central Bank has done over the past year. It is particularly important that the independence of the ECB has been, and remains, secure.

It has proven to be the case that the Bank’s moderate interest rates policy has contributed to the invigoration of the economy, even though that same policy has very often been criticised in recent years. That being the case, we believe that it would be absolutely right to raise the current level of interest rates, which is very low in historical terms, a little, if the situation so requires it, in order to control inflationary trends.

We also welcome the ECB’s comments with regard to the necessary structural reforms in the Member States that it is constantly calling for. It is quite right to do this, as inflation would hit those on middle and lower incomes particularly hard. Higher inflation would make these people poorer. We are opposed to that.

We also welcome the clear statement by the President of the ECB in relation to the development of European stock exchanges. It is imperative that we ensure that European stock exchanges are consolidated within Europe and are not simply taken over from abroad – from the US, for example. That is the only way that we can prevent the US Securities and Exchange Commission regulations and the Sarbanes-Oxley Act being implemented in Europe via the back door. We have sound and transparent market regulations in Europe that are suited to our European situation, and they should not be undermined.

As regards the report, we have resolutely advocated that the ECB does not become politicised. We, the Group of the European People’s Party (Christian Democrats) and European Democrats, are thus very clear in our rejection of the publication of ECB voting results. Doing so would lead to politicisation,

because voting results would then be discussed. We are also opposed to a publicly debated nomination process, as qualified candidates would be discussed to death. We thus do not feel that we can support these two elements, as they would mean politicisation of the ECB.

We would, on the other hand, like to point out that, if the ECB becomes a market operator in the areas of settlement and the clearing of payments and instalments within the framework of TARGET 2, it must also subject itself to appropriate corporate governance. Corporate governance of this nature still has to be developed. The independence of the ECB will then be ensured and that will result in a stable economic policy that will call for structural reforms in Europe.

Ieke van den Burg, *on behalf of the PSE Group*. – (NL) Mr President, I shall refrain from dwelling, on behalf of my group, on the first part of Mr Trichet's account or on what Mr Lauk stated a moment ago. Suffice for me to say that I welcome such a political dialogue – as Mr Lauk's viewpoint is also a political viewpoint obviously – with you on a regular basis. We have ourselves conducted such a dialogue only recently, and I think we should persevere with it. The report that is now before us reflects, in my view, just how mature this dialogue has become, touching, as it does, upon very serious subjects, including the link between monetary policy and macro-economic policy, which is of huge importance to our group. Allow me to single out two or three items which have been subject of discussion.

First of all, I am delighted with what Mr Trichet had to say about hedge funds, his commitment to better analysis of them and to the adoption of a much more serious stance with respect to them. Whilst we stated this in very specific terms a few weeks ago during the dialogue, he was a little more hesitant back then. I am therefore pleased that this has now been spelled out much more clearly – I have referred to this in a different connection as the black hole of the financial markets – because that black hole is widening all the time and must be plugged very deliberately by monitoring financial markets, not least with stability in mind.

The second point is the appointment of the members of the ECB's Executive Board. In the spring, we debated this very subject further to Mr Stark's appointment. We then said quite clearly, because we did not have anything against Mr Stark himself, who was well-qualified, but wanted to talk about the procedure, that we would not dwell on the appointment procedure and would come back to it in this report, which is what we are doing now.

I regret that the Group of the European People's Party (Christian Democrats) and European Democrats refuses to help improve – by making it more fully-developed – this appointment procedure, and also the role we in this House can play in this. I am pleased, though, that at least the Liberals and other groups are prepared to lend their support. I hope that we can make the necessary progress in time for the next appointment, which, as it happens, will not be until 2009/2010. This is very important, because it should not be the case that large countries have a qualified seat and that it is, in this case, only in the Federal Chancellery in Berlin that it is decided who is a good candidate.

Finally, I should like to turn to the subject of Target II. We have clearly decided not to speak out on this, or on the code of conduct that is being prepared by the Commission for that matter, but to closely monitor your next move instead. What we would say at this stage is that if, and only if, the ECB and the euro system are to have an active decision-making role in this, this should involve sound monitoring and democratic decision-making; that much we agree on.

Jules Maaten, *on behalf of the ALDE Group*. – (NL) Mr President, this report does, in any event – and indeed, as has already been indicated – represent an opportunity to take another good look at not only the ECB's annual report but also at where we as Parliament stand in the debate on monetary policy. I have to say that this time round, as indeed in recent years, my group has taken a traditional line. First of all, our viewpoint on monetary policy is clear. The ECB's independence may not be affected, there should be no political pressure and we must prevent monetary policy in the euro zone from being politicised.

We believe that there is a need for confidence in the European Central Bank to be restored. In September 2005, when the rate of inflation rose by 2.6%, the European Central Bank responded well by increasing the historically very low interest rate. Price stability is the ECB's Number One priority and that is how it should stay, as described in the Treaty. Having said this, we also take the view, and will do in future, that more transparency is possible. This is, in fact, what Mr Huhne said as long as six years ago, when he produced a report on this. I also value the ECB's efforts on this score, and the President's being present in this plenary is a very different matter – although the same people are involved – from his

visits to us in the Committee on Economic and Monetary Affairs; this is also very much appreciated; and I also think that this has not been done before.

Despite this, much of the ECB's decision-making is done in what appears to us to be dark backrooms. It is, of course, not the case that we want the whole of the European Parliament and the BBC to attend the meetings of the ECB's Executive Board, but we would like to know the arguments in favour or against any decisions taken and whether these were taken unanimously or not, so that the market can gain a better insight into monetary policy.

Finally, we would ask that the procedure for appointing members of the ECB's Executive Board be reviewed. We think the current *de facto* division of ECB seats according to the size of Member States should be abandoned. This should not involve a major public debate, but choosing from various candidates really strikes us as being a better system.

Jacky Henin, on behalf of the GUE/NGL Group. – (FR) Mr President, ladies and gentlemen, since we are discussing the European Central Bank's report, allow me to address these few words to its president.

Mr Trichet, you really are the reviver of a very poor system for all the peoples of Europe. As such, you have probably been – inadvertently, otherwise it would have been common knowledge – the best campaigner for the 'no' vote of the French and Dutch people on the European Constitutional Treaty, and we thank you for it.

The principles on which the European Central Bank is founded are already in themselves an obstacle to growth in the euro zone, but when there is growth, in spite of your actions, it creates few or no jobs and only benefits the richest in society. The European Central Bank claims to have stopped inflation. In reality, the working and middle classes have seen their purchasing power plummet, while the rich have never been so rich. You champion the worst kind of capitalism, that of shareholders and the pauperisation of the middle and working classes. Day after day, your inertia faced with the weak dollar policy pursued by the United States destroys thousands of qualified industrial jobs creating added value in the euro zone. You represent the bank of discontent and mass unemployment.

For all these reasons, we must break with a European Central Bank controlled by the financial markets and with no link to the will of the peoples of the Union. We urgently need a new treaty entrusting the European Central Bank with responsibilities in the field of employment, training and research, all under the strict control of our Parliament and the national parliaments. This new treaty must, imperatively, replace the financial stability pact with a social progress pact for employment and growth, reviving public spending throughout the Union on health, training, education, social housing, culture, transport and infrastructure.

Through these decisions we will be able to restore the confidence of the European people. If this were not the case, the gap would continue to widen between our institutions and the various peoples. The differences in wealth between the peoples of the Union and between citizens of a single country would continue to increase. This would therefore encourage the rise of extremism and anti-European nationalism.

John Whittaker, on behalf of the IND/DEM Group. – Mr President, here we are again telling the European Central Bank how to do its job! Not only is this against the spirit of the Treaty, which states that the ECB is independent, it is also largely a waste of time, because, as always, the ECB will listen politely but, quite rightly, take little notice. Indeed, the ECB has enough trouble of its own, without listening to this Parliament, in finding an interest rate that suits 12 different economies, soon to be more.

The one-size-fits-all problem does not go away. At the moment, the larger euro zone economies are enjoying slightly higher growth but, as Mr Trichet accepts, this is fragile. When it falters, his problem of choosing the right interest rate will become more critical. Effectively, the ECB will be forced into a choice between inflation in Germany or recession in southern Europe, with all the dire implications for government debts that this will entail.

I wonder what advice this Parliament will be giving then.

Jean-Claude Martinez (NI). – (FR) Mr President, Mr President of the European Central Bank, in this Chamber yesterday we were debating breast cancer, and no one appeared worried about the fight against inflation. That is to say that in situations of life and death our priorities change: we discover what is truly important.

However, is the fight against inflation really the most important thing in economic life? Beginning our resolution with a reference to the Father-like status of the independence of the Central Bank, followed by the Son-like status of price stability, in the hope that the Holy Spirit of prosperity will descend from the United States may be good for the independence of the Central Bank, but it is bad for the people. Personally, Mr Trichet, I fully appreciate that you are bound by monetary aggregates one, two and three and by the need for fine-tuning and for steering interest rates. Yet even in the country of Milton Friedman, Chile is left to practise a budgetary surplus of 1%, while the United States itself takes a budgetary overdose. I must therefore conclude by asking the real question: just because our German grandmother had inflationist diabetes in the 1920s, should that mean that, 80 years on, the whole of Europe should go on a sugar-free budgetary and monetary diet?

Alexander Radwan (PPE-DE). – *(DE)* Mr President, Mr President of the European Central Bank, the Group of the European People's Party (Christian Democrats) and European Democrats endorses the European Central Bank's position on currency stability. We should not succumb to the temptation to add to the ECB's responsibilities areas in which the nation states refuse to act, in other words the areas of economic and social reforms. The ECB cannot pay for such reforms alone, nor can it afford to. In this case it is essential that the nation states finally fulfil their obligations.

We also support the independence of the European Central Bank, its political independence and the independence of its monetary policy, and all of this right from the selection procedure for its members. I do not know what the results of today's votes will be. I can only tell you that the European People's Party supports the idea of non-politicisation, starting with the selection procedure, and believes that the form of transparency proposed is not helpful. The European Central Bank has numerous other tools in its dialogue and does make use of them, just as other central banks around the world do. There is broad support for this in this House.

On the subject of independence, I would like to add that we are fighting for the independence of monetary policy. I also hope, however, that the European Central Bank realises that it should not overplay the subject of independence. We have had an on-going discussion with the European Central Bank for years now on the subject of 'clearing and settlement', in particular with Mrs Tumpel-Gugerell, and I would just like to remind the House that the European Central Bank has begun a dialogue with the Committee of European Securities Regulators (CESR) on this subject and is now entering into a dialogue with those involved in the market.

I would like to state clearly that we are not opposed to dialogue. Perhaps the route that the European Central Bank is proposing, and that it is taking, will be the right one in the end. For us, this is not about a material assessment, but the route by which the European Central Bank becomes a part of the market cannot be chosen unsupervised and in a vacuum cut off from politics. That is why we have been calling so urgently for this – and we hope that the vote today will proceed as we had all envisaged – we need governance, we need a regulatory framework for this area.

We cannot have a situation where Parliament and the Commission are deliberating about whether to create a directive, whether to produce with a suitable framework, and the European Central Bank then comes out and claims that none of that affects it and that it will take the route it thinks is right. Do not overdo it here; where monetary policy is concerned, we are on your side.

Robert Goebbels (PSE). – *(FR)* Mr President, since its creation, the European Central Bank has fulfilled its primary mission, namely the fight against inflation. Rates of inflation in the euro zone have thus remained below those in the United States and Great Britain. The public is mistaken in believing that the euro has made prices soar. Admittedly, there was an inflationist surge during the transition to the euro, mainly in the catering and retail sectors, where prices were rounded up a little too high. That said, since this surge of initial excitement, underlying inflation has in general remained under control. The price boom on the oil and gas markets represents an external shock over which the Union has very little control. However, because the euro has risen against the dollar, which remains the currency in which raw materials are listed, the shock has been less severe for the euro zone than for the Americans.

The euro is in fact a shield that has protected the whole of Europe during events such as the war in Iraq, the war in Afghanistan or even 11 September 2001. Without the euro, many European currencies would have been under pressure and would have threatened the internal market with collapse. As Mr Zapatero pointed out, Spain would never have been able to withdraw its troops from Iraq if its currency had been the peseta instead of the euro. Although the euro has served Europe well, and although I congratulate

the ECB on the work accomplished, I remain convinced that the ECB could do better. President Trichet and his colleagues attach too much importance to the fight against inflation, while inflationist risks remain very limited.

On the other hand, the ECB refuses to lend its support to the Union's general economic policies and justifies its position by arguing that the Constitutional Treaty stipulates that maintaining price stability represents the only possible support for Europe's general economic policy. The ECB is independent and will remain so, even without Mr Radwan's support. This is another reason to be open to dialogue. Those who are independent, Mr President, can allow themselves to maintain a more active cooperation with the Eurogroup, for example with a view to achieving more sustained economic development for Europe. Growth and stability are the two feet moving Europe forward.

Wolf Klinz (ALDE). – (DE) Mr President, I would like to thank Mr Trichet and his colleagues for their solid cooperation thus far. The ECB annual report is a very important document for this House. It forms the basis of the debate on fundamental monetary policy issues. Not for nothing has the chairman of the Committee on Economic and Monetary Affairs taken personal responsibility as rapporteur for this issue.

There is, however, always controversy when we debate appointments to the ECB and the primary task of the Bank. We have just experienced this once again. It is therefore no surprise that it was only through innumerable compromise proposals that it was possible to achieve something like a common view in the committee. Personally speaking, I find it regrettable that the Socialist Group in the European Parliament abstained from the final vote in committee, despite all these compromises. Their decision shows the difficulties the Socialist Group still has with a handful of points in the report. The Group of the Alliance of Liberals and Democrats for Europe supported the independence of the ECB without ifs and buts.

The primary function of the Bank is, and remains, to ensure the stability of the euro. Thus far, it has performed this job admirably. We cannot go soft on independence or on price stability under any circumstances. There must thus continue to be an absence of political pressure in future, and the members of the Executive Board must be chosen purely on the basis of their expertise and not according to nationality.

Ashley Mote (NI). – Mr President, yet again it is necessary to draw attention to the fact that the ECB continues to print large numbers of 500-euro notes, which are only useful to those who are hoarding ill-gotten gains or laundering money. Indeed, the volume of printing has recently even gone up. Yet the *Sunday Times* in London recently published an extensive article detailing much evidence about the use of these notes in Spain, Italy and Greece, directly for money-laundering purposes. The only possible conclusion we can reach is that the ECB is actively involved in aiding and abetting money laundering.

Dariusz Rosati (PSE). – (PL) Mr President, I would like to express a favourable opinion of the activities of the European Central Bank in 2005. I would also like to categorically state that the Socialist Group in the European Parliament fully supports and respects the independence of the Central Bank. We believe that this independence is a *sine qua non* for conducting an appropriate monetary policy within the economic and monetary union. It also guarantees the value of our common currency.

I would now like to highlight three issues that have long been debated in this House. Firstly, the relative importance of the two pillars of monetary policy adopted by the ECB remains unclear. I refer here to monetary supply as opposed to other information on future inflation. As a result, we do not know whether, or to what extent, developments in monetary supply constitute a decisive factor for the ECB when setting interest rates. Laying down clear rules in this matter would improve the transparency and effectiveness of monetary policy.

Secondly, a clear interpretation of the ECB's mandate, as laid down in Article 105(1) of the Treaty, is urgently required. In particular, the ECB needs to state how it intends to fulfil its Treaty obligations to support the European Union's economic policy while simultaneously maintaining price stability, and what resources it intends to draw upon to do so. I would point out that the Treaty draws a clear distinction between these two aims, and that they cannot therefore be deemed to be interchangeable. If the ECB adopted a clear stance on this question, it would be possible to avoid misunderstandings as to whether or not the ECB is responsible for attaining aims other than price stability.

Thirdly, the ECB is mistaken in its interpretation of the inflation criterion applied in assessing how prepared new Member States are for entry into the euro zone. The Treaty clearly states that the point

of reference should be the average inflation rate of, and I quote: ‘the three best performing Member States in terms of price stability’. The Treaty makes no mention of the lowest prices. The ECB defined price stability as a rate of inflation under 2% but close to 2%. However, when assessing the degree of preparedness of the candidate countries, the ECB applies another definition, namely the average of the three countries with the lowest inflation. There cannot be two different definitions of the same Treaty provision, and I therefore call on the ECB to clarify the situation.

Antolín Sánchez Presedo (PSE). – (ES) Mr President, President Trichet, ladies and gentlemen, the presentation and debate in Parliament of the European Central Bank Annual Report 2005 is the annual account that makes the independence of the Central Bank compatible with its democratic control.

I would like to make three brief comments on the impact of the monetary policy, the need for financial integration and the future composition of the Management Board.

The objectives of the monetary policy are to control inflation and to contribute to economic objectives of a general nature. At the end of 2005, and following two and a half years without taking any action, the European Central Bank increased interest rates, inflation stood at 2 tenths above the 2%, and there was a modest growth in the euro zone of 1.4%.

Those are the macroeconomic data, but the results of the monetary policy require that a more precise approach be taken, which I believe requires, on the one hand, an examination of internal divergences, which are considerable in terms of inflation and growth, amongst the Member States of the euro zone. This is important in order to ascertain the impact of the monetary policy, and, in particular, to ensure that there are no persistent imbalances. Secondly, we also need to know how these monetary policy conditions translate to the market and, in particular, small and medium-sized businesses.

During 2005, the European Central Bank published its first report on financial integration in the euro zone, and I congratulate it on that. It makes a very significant contribution. Accelerated globalisation is creating changes in financial products and markets that bring new challenges. When the single currency was drawn up, the risks of the system could be dealt with by means of monetary policy instruments. Now we need new initiatives. This is why it is important to carry on making progress on the Economic and Monetary Union, in order to achieve new goals, but also in order to maintain the efficiency of the monetary policy in the face of new challenges.

Finally, on the composition of the Management Board, I am in favour of greater parliamentary control, in order to achieve more professionalism and competence, and also a gender perspective, Mr President. The group photo of its governing body contains just one woman.

Jean-Claude Trichet, European Central Bank (FR) Mr President, might I perhaps say a word or two, since a number of issues have been broached?

I should like first of all to thank the honourable Members. I have indeed been very alert to the precise nature of the remarks, observations and recommendations made to us.

On the subject of independence, I should like to say, on behalf of all the members of the Executive Board and the Governing Council, how important it is to hear so very many MEPs state how crucial it is for the European Central Bank to be independent. I must confess that we should certainly not have been able to give the European economy its particular monetary and financial environment without the credibility conferred on us by this principle of independence recognised by your Parliament, by the whole world and by all market participants, wherever in the world they might be. The Bank's independence is stated in the Treaty, it is a recognised fact and it is one of Europe's basic assets.

I should like once again to thank all the MEPs who expressed themselves so clearly on this point.

Let me now deal with some of the other points raised, which are certainly important in the eyes of a number of Members of Parliament. I have to say that the question of the appointment of the members of the Executive Board is one that should be addressed to the executive branches, particularly the Council, because they are responsible for such matters. We are appointed according to the Treaty provisions and, as you know, not only does Parliament give its assessment of the quality of the various persons concerned, but so do we in the Governing Council. I know that Parliament would like to have not only an advisory role but also responsibility for the decision itself. I respect that sentiment. I realise that the ECB has to let Parliament and the Council discuss the matter, provided full independence and absence of politicisation are totally assured, for, clearly, if the institution were to suffer from politicisation, it would not be able

to deliver what it has to deliver, namely, price stability, something which also depends on it enjoying sound credibility, so that inflation expectations can be firmly anchored.

As regards the various remarks on the dialogue between Parliament and the ECB, in my opinion this dialogue has improved in terms of both frequency and interaction and I will take good note of all the remarks made here, including those concerning the governance of our possible Target2 Securities system. On that issue, which is dear to your heart, Mr Radwan, and to that of other Members of Parliament, I would say that our aspiration – and it is really a work in progress – was to maximise the benefits of European integration following the successful introduction of the euro, since it is clear that the availability of a single settlement engine for securities denominated in euros would undoubtedly represent progress.

The second objective would be to maximise settlement efficiency and that would probably require cash and securities to be settled on the same IT platform, according to what is known technically as an ‘integrated model’.

The third issue, which is important from our own perspective, is how to maximise the Central Bank’s control over the bank accounts opened in our own book. We take a very strong line on this, believing that solutions which avoid forcing central banks to outsource the management of their accounts would not be good ones.

These are the three main reasons why we are working on this matter, through a dialogue with the market, which is very important, and, of course, with Parliament.

A number of other points have been mentioned. I will not return to the matter of hedge funds raised by Mrs van den Burg, in particular. As to the question of whether or not we are sufficiently transparent and open as regards communication, I reiterate that we do not take decisions alone behind closed doors. The Commissioner and the President of the Eurogroup, Jean-Claude Juncker, are invited to all meetings of the Governing Council. They are also invited every fortnight to our discussions and deliberations, so that they can be as close as possible to the decisions taken. I myself have the privilege of appearing before the Eurogroup every month. So there are three opportunities each month to exchange views and gain as full as possible an understanding of how the decision-making process really works. It seems to me that, from that standpoint, we have the most highly-organised system of contacts anywhere in the world. It is not new; it was the tradition of the Bundesbank, the Banque de France and a number of central banks. Let us not underestimate its significance. Some of the remarks made fail to take this into account.

As regards the transparency of our concept of monetary policy, we are in a position where we say that our primary goal is price stability, because that is what the Treaty stipulates. We give an arithmetical definition of price stability as inflation rates of below and close to 2%. Everyone is aware of this. We have a two-pillar strategy that is very clear. In that respect, we are much more transparent and precise. We provide a greater yardstick with which to measure our performance than other sister central banks do. I do not want to address myself to any of them in particular, but across the Atlantic there is a sister central bank which, for very good reasons of its own, has a different approach to the definition of price stability, with regard to the clarity of that goal. From that standpoint we are very transparent. The entire world knows that we are transparent and it is one of the reasons why inflation expectations are anchored in line with our definition of price stability, which is a fundamental result.

(FR) Mr President, I should like to reply briefly to a number of MEPs. The fact that we are credible and that our predictions concerning inflation correspond to our definition of price stability offer the European economy a particularly favourable financial environment.

I would ask those Members who have criticised our monetary policy, accusing it of being too orthodox, simply to remember what the rates of interest for the medium- and long-term markets in their countries were before the introduction of the euro. In reality, inflation predictions assumed a rate of inflation much higher than that which we ourselves are now able to guarantee to Europeans. It should be noted that low inflation represents, above all, a crucial factor for the poorest sections of our societies, preserving as it does their purchasing power. I noted, moreover, that many Members were asking us to remain very vigilant in this respect. I am, therefore, deeply convinced that there exists a very simple relationship between our primary objective, as assigned by the Treaty, and Article 105.

Meeting our primary objective is a necessary, but not sufficient, condition of our being able to move in the direction desired by everyone in this Chamber, that being, of course, the direction of growth and

employment. Price stability is a necessary condition for sustainable growth and for the creation of lasting employment.

If I have time I shall make two or three other remarks. Regarding the 500-euro note, I do not agree at all with the remark that was made suggesting that we would actively assist money-laundering. As you know, large denomination notes were a strong tradition in many of the countries forming part of the euro area and we decided not to change the various traditions drastically. So the note is used in some countries, but not in others. It remains an option and we decided not to eliminate that option for those countries and economies that were used to it.

I believe I have covered all the other questions that were raised. However, Mr Whittaker mentioned the 'one-size-fits-all' angle. Europe is a vast continental economy and, from 1 January next year when Slovenia joins, the euro zone will have 315 million citizens. This compares with 300 million in the United States and thus represents an economy of the same order of magnitude. When you measure the dispersion, the standard deviation of growth and of inflation at the level of various states of various different sizes, you will see that it is roughly the same for both economies. This is not widely known, but is worth pointing out, since it appears to be a characteristic of a vast continental economy.

This does not mean that we have to cater for persistent differences, and it is one of the things that we have discussed, particularly in the Eurogroup. We need to reflect on this question, but again, it would probably be wrong to forget that an element of dispersion is always associated with the size of the economy concerned.

(FR) Mr President, I think I have covered most of the questions put, but it goes without saying that I remain at Parliament's disposal.

President. – Thank you, Mr Trichet.

The debate is closed.

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

Written statement (Rule 142)

Jean-Pierre Audy (PPE-DE). – *(FR)* Mrs Berès's report on the Annual Report (for 2005) of the European Central Bank is disappointing as it does not sufficiently underline the need for political reflection on the use of the euro to support growth and employment.

In an ever more complex world, characterised by an extremely violent economic and social war, not to have an extensive and high-quality political debate on this subject is, at present, an error but may, in future, prove to have been an act of negligence. The European Central Bank and its President, Mr Trichet, must not lose sight of the fact that Article 105 of the Treaty establishing the European Community clearly indicates that, without prejudice to the objective of price stability, the European System of Central Banks shall support the EU's economic policies. At a time when increases in the prices of raw materials and of energy are giving rise to natural inflationary tensions in the world, we need to reflect on the impact of this situation on our internal market and our common currency, while seriously asking ourselves whether the time might not have come to develop the euro so that, as well as being a truly remarkable technical success, it is also a political currency.

4. Support for rural development by the EAFRD - Voluntary modulation of direct payments under the CAP (debate)

President. The next item is the joint debate on:

- the report (A6-0319/2006) by Mr Mulder, on behalf of the Committee on Agriculture and Rural Development, on the proposal for a Council regulation amending Regulation (EC) No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (COM(2006)0237 C6-0237/2006 2006/0082(CNS));

- the report (A6-0315/2006) by Mr Goepel, on behalf of the Committee of 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) 1290/2005 (COM(2006)0241 C6-0235/2006 2006/0083(CNS)).

Lutz Goepel (PPE-DE), rapporteur. – (DE) Mr President, according to the agenda, we were supposed to be able to have, and conclude, a debate about both Mr Mulder's report and my own this morning, before having the opportunity to vote on them.

We now have exactly 18 minutes until voting time. It is completely unfair to our farmers and agriculturalists to begin a debate of this nature and then perhaps conclude such an important subject as the 20% voluntary modulation – in other words, a policy whereby one-fifth of the existing direct payments to farmers are to be transferred or reduced – with some form of contingency vote this afternoon.

I request that this debate be postponed until November.

(Applause)

President. Are you asking for the debate or the vote to be postponed?

Lutz Goepel (PPE-DE), rapporteur. – (DE) Mr President, when are we to have this debate? Surely not now, in the 15 minutes that remain? On behalf of my group and of my fellow MEPs, I would like to bring forward a motion for the postponement of the debate. I do realise that under the rules of procedure such a motion must be brought forward at least 24 hours before the debate, but 24 hours before the debate I was unaware that Parliament would not be keeping to its agenda.

(Applause)

Katerina Batzeli (PSE). – (EL) Mr President, on behalf of the Socialist Group in the European Parliament, we absolutely support the proposal by the rapporteur, Mr Goepel, for the debate and vote to be postponed until plenary in November.

Niels Busk (ALDE). – (DA) Mr President, I am deputising today for Mr Mulder, who is unable to be with us for personal reasons, and I would very much like, on behalf of my group too, to support Mr Goepel's proposal. At the same time, I would like to direct some criticism at the Presidency. It is absolutely outrageous that this extremely important issue – which we needed to be able to deal with this week, partly from the point of view of timing considerations – should now be mishandled in this way and dealt with like this. I therefore support Mr Goepel's proposal to postpone both the debate and the vote.

Neil Parish (PPE-DE). – Mr President, I support Mrs Batzeli, Mr Goepel and Mr Busk. This is a very important debate: it is about the whole future of the common agricultural policy. It concerns all the countries in the European Union, but none more than the United Kingdom. As we have to catch planes this afternoon, it is simply impossible to debate it now. We really need to postpone the debate and the vote until November. I hope you will accept that situation.

Friedrich-Wilhelm Graefe zu Baringdorf (Verts/ALE). – (DE) Mr President, on behalf of my group, too, I would like to support the rapporteur's motion. Looking at the report, even the uninitiated would be able to tell that what we are dealing with here is rather a formal matter. Behind this facade, however, as Mr Parish has already pointed out, lies the fundamental consideration of the funding of agricultural policy in the coming years and the position of Parliament on this issue. For this reason, we must debate this issue at a proper time when there is sufficient time available so to do. We cannot dismember this issue in this way.

I therefore support this motion and ask that you agree to it and that you inform the Bureau of the significance of this dispute. Perhaps the Bureau was not already aware of it.

Ilda Figueiredo (GUE/NGL). – (PT) Mr President, I should just like to say that I agree with the proposal to postpone this debate and the vote until November, for the reasons mentioned, that is to say, because it is too important an issue to be dealt with in a hurry in 15 minutes or a little more.

Hannes Swoboda (PSE). – (DE) Mr President, firstly, I would ask that we simply vote on this motion so that you then also have the recommendation of this House. Furthermore, we could vote solely about postponement. The decision as to when this subject is put on the agenda again is of course a matter for the Conference of Presidents and ultimately for the entire House. Personally speaking, however, I would

be in favour of postponing both. Perhaps we could vote, and then you would see the clear will of the House.

Reimer Böge (PPE-DE). – *(DE)* Mr President, I would like to endorse the rapporteur's motion as well as what Mr Swoboda has said. As rapporteur on financial planning, I would also point out that this ill-starred proposal is based on the conclusions of the European Council and that the Commission was obliged to come up with a proposal for this so-called voluntary modulation.

In the course of the financial planning negotiations we explicitly reserved our position for the legislative process. That is exactly what the rapporteur is now observing. Given the significance of this matter, I find it reasonable to ask the Council to be represented at the next debate after any postponement and to confirm to us that this will be the case.

Janusz Wojciechowski (UEN). – *(PL)* On behalf of the Union for Europe of the Nations Group, I simply wanted to say that I also fully endorse Mr Goepel's suggestion. These are important reports and they deserve to be debated in a serious setting, not under the present circumstances. I fully support Mr Goepel.

President. I am convinced by the arguments. I propose, as President of this sitting, that we change the agenda by withdrawing the joint debate on the reports by Mr Mulder and Mr Goepel.

(Parliament agreed to withdraw the two reports from that day's agenda)

Lutz Goepel (PPE-DE), rapporteur. – *(DE)* Mr President, I would like to offer my sincere thanks to all the political parties and groups.

(Applause and laughter)

President. We have reached a reasonable solution. The debate will take place at a more convenient time, under more favourable conditions.

(The sitting was suspended at 11.20 a.m. and resumed at 11.40 a.m.)

IN THE CHAIR: MR BORRELL FONTELLES

President

5. Welcome

President. Ladies and gentlemen, before proceeding to the vote on the budget, I would like to inform you that the President of the Chilean House of Deputies, Mr Antonio Leal Labrín, is here with us in the official gallery.

(Applause)

Mr Leal Labrín is accompanied by Chilean MPs Mr Gonzalo Duarte Leiva and Mr Germán Becker Alvear. We welcome them and thank them for visiting us.

Bruno Gollnisch (NI). – *(FR)* Mr President, this is indeed a point of order and also a reminder of Rule 188 of the Rules of Procedure. We have just learned, following the meeting of the Bureau, that the Israeli Government would like to exclude Mrs Le Pen from the political discussions of the Israeli delegation. She is a member of that delegation in a spirit of debate, dialogue and openness.

I should like to express our thanks to Mr Brok for his perfectly correct attitude and to say very clearly that, when Mr Krivine was similarly excluded by a decision of the United States Government, we agreed entirely, whatever the difference of opinion between us, that it was not for the host government to determine how the European Parliament's delegation should be composed.

I therefore dare to hope that, in your capacity as guarantor of the rights of all Members of the European Parliament, you will be anxious to make this point to the Israeli authorities.

Martin Schulz (PSE). – *(DE)* Mr President, you should give the floor to Mr Brok first, as he has something he wants to say on the subject; I am quite happy to state my position afterwards, and so I ask to be given the floor after Mr Brok has spoken.

President. The Conference of Presidents has decided to postpone the visit of the ad hoc delegation to Lebanon, Israel and Palestine, and I hope that this is a satisfactory response to the concern expressed.

Thank you for drawing Parliament's attention to this issue.

Carlos Carnero González (PSE). – *(ES)* Mr President, as you know, I try to be serious when I speak and, since the Rules of Procedure state that all documents handled officially in this House must be available in all of the official languages, I would draw your attention to the fact that I am going to vote for amendments that only appear in three: English, French and German; these are three highly respectable languages, as are all the others.

Since this may create problems in the future, therefore, I would draw attention to the fact that this text is not available in all of the official languages; it is not available in mine.

President. The Secretariat's services inform me that they are sure that they appear in all languages, including yours and mine. If I have understood correctly, you are not referring to the texts on which we are going to vote, but to the voting list. This list is available in three languages, as usual, but the texts on which we are going to vote are in all languages. Our Rules of Procedure have not therefore been violated. Nevertheless, we shall look into the issue for later plenary sittings.

Elmar Brok (PPE-DE). – *(DE)* Mr President, since I wish to repudiate the utterances made by the group back there, perhaps I might be permitted to make a comment. The rights of all Members of this House are being safeguarded, all in the same way. If we are to undertake a journey to a region like this one, balance is essential, and every aspect of the trip must be organised professionally.

That it was not possible, on this occasion, to go at the time planned, was attributable to technical considerations. We should, however, be making the journey at a later date. We should not allow the Le Pen group to read something secret and mysterious into this that is not there, and I would like to repudiate what they say in the strongest possible terms.

President. The procedure has been as follows: the Conference of Presidents, having listened to you, has decided to postpone the visit of this ad hoc delegation. That is the fundamental procedure we have followed; anything else is a matter of opinion or interpretation and everyone is entitled to their own.

6. Voting time

President. The next item is the vote.

(For results and other details of the vote: see Minutes)

6.1. Draft general budget for the European Union - Financial year 2007 (vote)

President. Ladies and gentlemen, I would point out that, according to the Treaties, in order to be approved, draft amendments relating to what we call non-obligatory spending must be voted for by a majority of the members of the European Parliament, that is to say, 367 votes. In the case of proposed amendments relating to obligatory spending, a majority of the votes cast is sufficient.

Before the vote, Mr Elles wishes to propose certain technical amendments.

James Elles (PPE-DE), rapporteur. – Mr President, it is good to get the vote on the 2007 budget under way.

Before we start on the vote on Parliament's first reading, I should like to announce that a small number of technical adjustments need to be made. Rather than read out a very long list of numbers, the list of technical adjustments has been annexed to our voting lists. Following the vote those adjustments will be made by the relevant departments and included in the Minutes of the sitting.

(Parliament accepted the technical amendments proposed by Mr Elles)

(Before the vote on Section I)

Louis Grech (PSE), rapporteur. – Mr President, I should like to inform you that the resolution will be adapted according to the result of the vote on the budgetary amendments. Therefore, any technical corrections needed will be made by the session services.

(Parliament agreed)

6.2. Draft general budget for 2007 (Section III) (vote)

6.3. Draft general budget for 2007 (sections I, II, IV, V, VI, VII, VIII) (vote)

- Before the vote on paragraph 31:

Jacky Henin (GUE/NGL). – *(FR)* Mr President, because it has never been proved that, employee for employee and hour of work for hour of work, the *Manpower* solution to providing session auxiliaries was any cheaper, and because Parliament is constantly trying to make savings, we propose to help it by adding, at the end of paragraph 31, the following sentence: ‘reject as too expensive the solution of using a temping agency to replace session auxiliaries’.

(Applause)

(Parliament rejected the oral amendment)

- Before the vote on Amendment 7:

Louis Grech (PSE), rapporteur. – Mr President, I should like to propose that the text of paragraph 58 of the report be replaced by the following text: ‘Notes the improvement in monitoring of the implementation of the EU budget in its budgetary vote; asks the relevant committees to examine the setting-up of a structure and a procedure to carry out the implementation assessment exercise for 2007 with the specialised committees; in this way it will also help to prepare for the budget review in 2008-2009; asks the Secretary-General to facilitate the logistics to organise regular monitoring meetings according to the priorities that will be defined by the committees concerned’.

(Parliament accepted the oral amendment)

IN THE CHAIR: MR ALEJO VIDAL-QUADRAS

Vice-President.

6.4. Fishing fleets registered in the outermost regions (vote)

6.5. Commemoration of 1956 Hungarian Uprising (vote)

- Before the vote on Recital J:

Michael Cramer (Verts/ALE). – *(DE)* Mr President, ladies and gentlemen, although this resolution makes a connection between the Hungarian revolution and the other efforts at resistance in Eastern Europe, it makes no reference to the uprising on 17 June 1953 in the GDR, when, in over seven hundred cities and municipalities, people went on strike and mounted demonstrations, events that were put down by Soviet tanks. I would therefore like to insert the following in Recital J:

‘recognising the historical and political link between the Hungarian Revolution in October 1956 and various other forms of resistance and resistance movements, such as the mass demonstrations in East Germany in June 1953, the Poznań demonstrations in Poland in June 1956, the Prague Spring of 1968, the birth of the Solidarity Movement in Poland in 1980 and democracy movements in the former USSR, notably those of the Baltic peoples;’

(Applause)

(Parliament accepted the oral amendment)

6.6. Moldova (Transnistria) (vote)**6.7. Georgia (South Ossetia) (vote)****6.8. Export of toxic waste to Africa (vote)****6.9. Use of criminal law to protect the environment (vote)****6.10. EC-Syria Euro-Mediterranean Association Agreement (vote)****6.11. Nairobi Conference on Climate Change (vote)****6.12. Inland waterway transport (vote)****6.13. Public-private partnerships (vote)**

- *On paragraph 45:*

Charlotte Cederschiöld (PPE-DE). – (FR) Excuse me, but you have unfortunately forgotten the original wording of paragraph 45.

President. Thank you very much for your constructive observation, but we have voted on the corresponding amendment, and we did not therefore have to vote on the text to which you refer.

6.14. Posting of workers (vote)

- *Before the vote on Amendment 7:*

Ria Oomen-Ruijten (PPE-DE). – (NL) Mr President, it has been agreed between the rapporteur and the shadow rapporteurs that the text should read as follows: ‘considers that for ensuring’, etcetera.

(Parliament accepted the oral amendment)

6.15. European Central Bank Annual Report (2005) (vote)

- *Before the vote on Amendment 7:*

Alexander Alvaro (ALDE). – (DE) Mr President, may I make just a very brief interjection, since this report is not exactly an unimportant one, and ask just how legitimate a vote is when fewer than half the Members are present for it? I have no desire to waste the House’s time, since the previous President wasted quite enough of it already.

President. Yes, Mr Alvaro, I note your concern, but we have checked that there is a quorum in accordance with the Rules of Procedure and the votes are valid.

- *Before the vote on Amendment 11:*

Pervenche Berès (PSE), rapporteur. – (FR) Mr President, with regard to Amendment 12 on the subject of the post market and tabled by the Group of the European People’s Party (Christian Democrats) and European Democrats, we wish to table an oral amendment.

I will say it in English. Rather than ‘its own settlement infrastructure’, we should say, ‘a settlement infrastructure’.

(Parliament accepted the oral amendment)

President. That concludes the vote.

Neil Parish (PPE-DE). – Mr President, I should just like to thank you very much for the fast and efficient way in which you have organised business since you took the Chair.

President. Those are the kinds of speeches we like to hear when we are in the Chair!

(Laughter)

Brian Crowley (UEN). – Mr President, this is just to say that I was mistaken on my last vote. I thought we were voting on the amendment instead of the final vote on the Berès report. I voted against when I should have voted in favour. This is just for the record. Thank you for your efficiency.

7. Explanations of vote

Draft general budget of the European Union – Financial year 2007

Gerard Batten, Nigel Farage, Jeffrey Titford and Thomas Wise (IND/DEM), in writing. UKIP voted for every reduction or cancellation of payments, especially the ones concerning subsidies and propaganda, on the principle that these funds should not have been used for these purposes.

Concerning Euronews, this is blatant propaganda and the media should stay independent.

Catherine Stihler (PSE), in writing. Smoking kills half a million EU citizens every year. Smoking is the biggest cause of preventable illness and disease across the EU. It is disappointing that Amendments 376, 489 and 529 were rejected (232 votes for, 333 votes against). Subsidies for tobacco-growing in the EU need to end.

- Report: Elles (A6-0358/2006)

Marian Harkin (ALDE). – I abstained on Amendment 3 because I was not quite sure of the intent of the study that was proposed in paragraph 23, but I fully support paragraph 23 itself.

Jan Andersson, Anna Hedh and Inger Segelström (PSE), in writing. (SV) We want the budget to contribute to sustainable social, economic and environmental development for the EU in accordance with the Lisbon Strategy. We have therefore chosen to vote in favour of those amendments that give priority to research, development and education and training. We do not, however, wish to support those amendments that give more money to direct agricultural aid and export subsidies for agricultural products, as such aid is already excessive and also results in inefficient agriculture that damages the environment and that, through the dumping of surpluses, helps increase the gap between rich and poor in the world.

Nor do we want to give money to subsidise tobacco cultivation, as this contributes directly to public health problems. We believe that such aid should quickly be cut back on and completely abolished before long. The money thereby saved could be used, for example, to fund measures designed to reduce the use of tobacco and dependency on it.

Brigitte Douay (PSE), in writing. – (FR) On Thursday 26 October, the European Parliament adopted the first reading of the European Union's budget for 2007. Amounting to EUR 120 billion, it reflects the first time that use has been made of the new financial perspective for 2007-2013, which was adopted in May 2006 and which the French Socialists did not approve, believing that it did not make it possible to respond to the great challenges of the future.

In this context, the 2007 budget has turned out to be very modest, corresponding to 1.04% of the European Union's GNI.

The many constraints, both internal and international, on the European Union have led Parliament to single out priorities that should enable Europeans better to perceive the added value supplied by the EU.

The Socialist Group in the European Parliament has therefore decided to vote in favour of this 2007 budget, having received assurances concerning their priorities in relation to the Lisbon and Gothenburg strategies. These priorities include, in particular, education, training, research and sustainable development. The revival of the communication policy and the emergence of new pilot projects are also encouraging in terms of the future of the European Union.

Edite Estrela (PSE), in writing. (PT) I voted against Amendment 811, which refers to the Committee on Budgets' rural development programmes, and against Amendment 3 to paragraph 23, because they restrict funding for rural development and block 'voluntary modulation' under the terms in which it is proposed by the Commission.

Glyn Ford (PSE), in writing. This budget again fails to find the money to meet our commitments, particularly in relation to our emerging common foreign and security policy and our development policy. The EU's ability to play a global role is being hampered by 'bean-counters' back in our national capital. For this they bear a heavy responsibility.

On two details I will be voting against the amendment from our ultra-nationalistic and Catholic fundamentalists from Poland urging opposition to forced or 'coercive' abortions. Of course I am opposed to such an idea, but the EU is not supporting such a programme. Rather it is an attempt to introduce US evangelical Christian bigotry into EU development policy and must be opposed for that very reason.

Second, I want proper control of spending and value for money. Yet some pursue these demands as a way of tying Commission staff into overly-bureaucratic regulations that hamper and hinder work, rather than assist.

Hélène Goudin (IND/DEM), in writing. (SV) The June List believes that the EU's budget should be limited to 1% of the Member States' average GNI. I have therefore chosen to vote against all the increases proposed by the European Parliament, at the same time as the June List has welcomed the few savings proposed in the form of amendments by either the Committee on Budgets or individual Members.

There are quite a few unfortunate budget headings, but the June List particularly regrets the large amount of aid for the EU's agricultural policy, Cohesion Fund and fishing industry, as well as the budget headings under which various forms of information campaign are to be subsidised.

The June List also believes that something must be done about the European Parliament's constant commuting between Strasbourg and Brussels and that the European Economic and Social Committee and the Committee of the Regions should be closed down.

This week (beginning 23 October 2006), the EU's Court of Auditors observed for the **thirteenth time in a row** that it could not guarantee that more than a small part of the EU's budget was being used correctly or for the purposes intended.

How can this madness continue whereby, year after year, financial resources are appropriated, only a small portion of which can be guaranteed to be used for the purposes for which they were intended?

Pedro Guerreiro (GUE/NGL), in writing. (PT) Whilst we wish to restate our opposition to key aspects of the negotiating strategy and of the priorities established by Parliament on the Community's 2007 Budget, we also feel we must advocate the adoption of some of our proposals, which are aimed at:

- increasing the appropriation earmarked for the European Social Fund convergence.
- promoting cooperation and the establishment of associations between micro, small and medium-sized enterprises;
- protecting and preserving the forests, with measures and actions to monitor and prevent forest fires;
- promoting, preserving and protecting cultural heritage, such as the Cistercian Route and UNESCO world heritage sites.
- promoting cooperation between farming organisations and other stakeholders in rural areas, with a view to revitalising those areas; and promoting family, small-scale and medium-sized farming, and farming among young people.
- carrying out studies or reports into child labour in the EU, relocations and employment, the single currency, the price of essential goods and bank charges and commissions, and the impact of new technologies on the work place and on work-related illnesses;
- providing information on, and clarification of, the rights of people employed in seasonal work outside their country of origin.

Jens Holm, Kartika Tamara Liotard, Erik Meijer and Eva-Britt Svensson (GUE/NGL), in writing.

We are opposing a continued expansion of the EU-budget, which today is already too extensive with a large part of the funds going to the wrong ends. Today there seem to be a reciprocal action between new objectives for the Union and demands on financing via EU. These mean new demands on payments from the Member States, but also that new funds are being transferred to a system which is bureaucratic, inefficient and complex. However, there are many desirable initiatives being financed via the budget, and we support reasonable changes of existing means. But our opposition to a constantly increasing budget is firm, and therefore we have chosen to vote against the report in the final vote.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) This vote is in response to an unacceptable multiannual budgetary framework. Detailed examination of the budget headings shows the blatant inadequacy of appropriations to many areas such as research, innovation, the big technological projects such as Galileo and the great trans-European networks. This budget will not encourage the stimulation of growth in Europe.

European aid to the countries of the South, Africa and the Maghreb is light years away from a development policy such as needs to be implemented as a matter of urgency in order to tackle extreme poverty and unbalanced migration.

It is urgently necessary to devise a European tax guaranteeing a high level of own resources for a European budget that is finally a match for what is at stake.

David Martin (PSE), in writing. Once again we are adopting a budget which does not meet the commitments entered into by the EU institutions. This is particularly true in relation to foreign and security policy and development policy. It is bound to increase the impression in the world that the EU is very poor when it comes to putting its money where its mouth is.

That said, I welcome the emphasis in this budget on proper control and getting value for money.

- Report: Grech (A6-0356/2006)

Astrid Lulling (PPE-DE), – (FR) Mr President, I regret that paragraphs 18 and 44 of the Grech report were not subject to a split vote, as I would have voted against them. A number of members of the Commission on Budgets continually mount rearguard actions against the decisions of Heads of State or Government regarding our Parliament's three places of work. It is true that having three sites gives rise to costs. To call such expenditure 'superfluous' is, however, inappropriate, to say the least. Decentralisation also has some very positive repercussions for MEPs and for Parliament. Moreover, to bring into question the need for our officials to be present in Strasbourg during plenary part-sessions is a veritable affront to the administration which, I know, is very careful in choosing the officials it sends out.

I would also have voted against paragraph 44, which takes a dim view of the 'Strasbourg experience'. I protest against the implications of this paragraph. By purchasing the three buildings in Strasbourg that it did not own, Parliament has, indeed, obtained real bargains. This is an extremely judicious piece of expenditure which, unlike expenditure on rent, will enable large public savings to be made. I should have liked a number of members of the Committee on Budgets to have made a more objective judgment, especially since they are required to respect decisions concerning Parliament's seat, whether they like them or not.

- Reports: Elles (A6-0358/2006), Grech (A6-0356/2006)

Bastiaan Belder (IND/DEM), in writing. (NL) Mr Grech and Mr Elles, the rapporteurs, are right to opt in favour of increased efficiency when discussing the 2007 budget.

Setting priorities is also a necessary and sensible component in Mr Elles strategy. This does not automatically mean, however, that more funds should be made available for priority budget lines. Instead, non-priority budget lines should be given a more critical evaluation. In the majority of the amendments, however, a decision has, unfortunately, been made to increase the budgeted means after all.

With regard to multilingualism, I welcome the fact that efforts are made to enhance efficiency in that area too. Cost-reducing measures should not lead, though, to multilingualism being under threat.

All in all, it is positive that, following the Council's position, there is now more attention for efficient and more economical budgeting. It is for this reason that Mr Grech's resolution receives my support.

Charlotte Cederschiöld, Christofer Fjellner, Gunnar Hökmark and Anna Ibrisagic (PPE-DE), in writing. (SV) We have today voted in favour of the reports on the EU's budget for 2007. We welcome efforts to ensure that taxpayers obtain more value for money. We also support the investments in research and development and the ambition to strengthen the EU as a global actor. We reject, however, the proposals to increase the appropriations for agricultural aid and regional aid. As always, we are sceptical about centrally devised campaigns and opinion-forming.

Astrid Lulling (PPE-DE), in writing. – (FR) I voted in favour of the report on appropriations to the European Parliament. I regret, however, that paragraphs 18 and 44 were not subject to split votes, as I would have voted against them.

A number of members of the Committee on Budgets continually mount rearguard actions against the decisions of the Heads of State or Government regarding our Parliament's three places of work, namely Strasbourg, Luxembourg and Brussels. It is true that this arrangement gives rise to costs, but to call such expenditure superfluous is rash, to say the least. For MEPs, as well as for Parliament, decentralisation - which a majority of the Committee on Budgets unfairly refers to as geographical dispersion - has some very positive repercussions. To bring into question the need for our officials to be present in Strasbourg for the plenary part-sessions is a veritable affront to the Bureau and, especially, the administration which, I know, is very careful in choosing the officials it sends to Strasbourg.

I would also have voted against paragraph 44 which asks the administration, after what it pejoratively calls the 'Strasbourg experience', 'to apply more stringent, water-tight and transparent procedures when purchasing buildings'...

(Explanation of vote abbreviated in accordance with Rule 163 of the Rules of Procedure)

- Proposal for a Regulation (C6-0295/2006)

Duarte Freitas (PPE-DE), in writing. (PT) In view of the structural, economic and social situation in the fishing sector in the outermost regions, and the adoption of the new European Fisheries Fund, it is crucial to extend the derogations laid down in Regulation (EC) 639/2004 on the criteria and conditions governing structural actions relating to the preservation and sustainable use of fisheries resources under the common fisheries policy.

The proposal for a Council regulation providing for an extension of these derogations for the outermost regions until 31 December 2006 and the practical implementation of measures adopted in the interim by 2008, must of course be adopted at the earliest opportunity, so that it can actually have the desired effect on the ground.

Although I agree with the thrust of the proposal and the content of this document, I am very disappointed that the implementation plan for renewing and modernising the fleets in the outermost regions cannot be put in place until the period of the next financial perspective, rather than the timeframe established for 2008.

In spite of this, and because this derogation represents positive discrimination in favour of the outermost regions, I shall be voting in favour of this proposed regulation.

Pedro Guerreiro (GUE/NGL), in writing. (PT) The purpose of this proposal is to extend the derogations granted to fishing fleets in the outermost regions until 31 December 2006, and subsequently until 31 December 2007. These derogations relate to the entry/exit schemes of the fleet capacity and the provision of aid for the renewal and modernisation of the fleet.

It was a matter of great urgency that this proposal be adopted, in view of the specific structural, social and economic realities of the fishing industry in the outermost regions, for example the Azores and Madeira, coupled with the permanent difficulties and constraints faced by these regions, such as their limited markets and their remoteness.

The crux of the matter is that the existing economic activities – in this case fisheries – of many of these regions are of major socio-economic importance, for example in ensuring that people have fresh fish to eat.

Given the need for these derogations, and in view of the fact that the situation facing the fleets is down to structural rather than economic factors, as the Commission and the Council have acknowledged, the derogations should be made permanent and be included in the European Fisheries Fund for 2007-2013.

Margie Sudre (PPE-DE), in writing. – (FR) Today, the European Parliament is voting under urgent procedure on a Council Regulation on the management of fishing fleets registered in the outermost regions, which extends the regulation currently in force by one year.

The main derogations authorised relate to the addition of fishing vessels to the fleet, public aid for the renewal of vessels and aid for modernisation.

This regulation takes account of circumstances in the fishing sector in the outermost regions, where there are still abundant fishery resources and significant potential for development. It would therefore be inconceivable and counter-productive to prevent the fishing fleets in these regions from benefiting from such facilities!

I hope that those involved in fishing in the outermost regions will be able to take advantage of this new extension to develop and modernise the fleet.

Nevertheless, I find it regrettable that the European Commission has still not put forward any longer-term guidelines. I have already asked on numerous occasions for these derogations to be extended beyond 2006. It would have been more sensible to accept this proposal right from the start, instead of coming to Parliament each year asking for the derogations, which are absolutely vital for fisheries in our regions, to be extended for another year.

- Motion for a resolution (B6-0548/2006)

Glyn Ford (PSE), in writing. I will be supporting this resolution. The tragedy of this failed revolution, brutally put down by Soviet imperial troops with the death of thousands, is that it closed down an evolutionary path out of Soviet oppression to engagement with the rest of the world, a slow but sure path to pluralism and democracy. Instead, tens of thousands fled as refugees.

I remember as a six-year-old schoolchild being sent to collect a Hungarian refugee child who was to join my class at my school in Gloucestershire, on his first day. Seeing the misery and distress of him and his family was probably my first experience of the consequences of oppression for the lives and future of ordinary people. I have never forgotten it.

Athanasios Pafilis (GUE/NGL), in writing. – (EL) We MEPs of the Greek Communist Party refused to take part in the vote on the 50th anniversary of the Hungarian uprising which developed into anti-communist hysteria.

The final resolution jointly signed and supported by the Group of the European People's Party (Christian Democrats) and European Democrats and the Socialist Group in the European Parliament and by the neo-liberals and other groups with the exception of the Confederal Group of the European United Left/Nordic Green Left adopts the anti-communist memorandum taken from the Council of Europe and reintroduced into the European Parliament.

They are calling events supported and organised by imperialism to overturn socialist regimes popular uprisings and democratic movements. They collectively consider everyone who furiously fought socialism to be resistance fighters and democrats. It is now clear that the political forces that support the EU are the same forces that morally and politically advocate the revival of fascism in the Baltic and other states and are urging and leading the ban on communist action, as in the Czech Republic and other countries previously.

The call by the servants of capitalist barbarism in paragraph 3 of the resolution on the 'democratic community' '... to unequivocally reject the repressive and undemocratic Communist ideology...' expresses their fear of it.

We want to remind all those dreaming of the ultimate prevalence of the barbaric, exploitative capitalist system that the communist ideology gave birth to the biggest social uprisings and will give birth to even bigger ones, precisely because it is fighting for a society free from the exploitation of man by man.

Luís Queiró (PPE-DE), in writing. (PT) One of the most positive aspects of the recent EU enlargement is that it has also led to an enlargement of our memory. For most of us, the 1956 Hungarian uprising is a distant memory in terms of time, geography and even in politics. The accession of countries like Poland, the Baltic States, Slovenia and Hungary itself has brought with it another memory that we have incorporated, and this memory has been a full part of our consciousness for a year and a half. This has led to a fresh geo-strategic perception of our place in the world, which we need to incorporate and to keep up to date, and has shed new light on the democratic struggles of the 20th century.

On the other hand, this moment should naturally serve to remind us that Communism was neither romantic nor utopian. The history of Communism is one of repression, violence and inhumanity, and we should not forget this.

- Motion for a resolution (B6-0537/2006)

Athanasios Pafilis (GUE/NGL), in writing. – (EL) The European Parliament resolution on the situation in South Ossetia is an expression of the EU's imperialist plans in the region. We know that Georgia is already one step away from joining NATO, while the imperialist lackey Saakashvili government has already agreed to the installation of American basis on its territory.

The EU's ambitions to encircle and exert pressure on Russia, with one eye firmly on the Russian market, especially the energy market, within the framework of the vying and infighting between the imperialists are hiding behind self-righteous pronouncements about respect for the sovereignty and territorial integrity of Georgia and condemnation of the independence movements in Abkhazia and South Ossetia.

With the same ease with which the EU is allegedly defending the territorial integrity of Georgia today, it can undermine it tomorrow by supporting the secessionist movements which it condemns today, if the strategic interests of the monopolies in the area so require. The peoples in the area have a great deal of experience of Community interventionist policy, with incitement and support for all manner of 'domestic uprisings' and the 'carrot and stick' policy. That is why they need to draw their own conclusions and to stand up and resist and overturn the policy of the EU and the other imperialist forces and governments which serve it.

- Motion for a resolution (B6-0545/2006)

David Martin (PSE), in writing. I welcome this vote on the export of toxic waste to Africa. The recent incident involving a Dutch company dumping waste in the Ivory Coast demonstrates that many in Europe still see Africa as a dumping ground.

I hope the Dutch authorities leave no stone unturned in bringing those responsible to justice.

- Report: Hieronymi (A6-0337/2006) (vote of Tuesday 24 October)

Luca Romagnoli (NI). – (IT) Mr President, ladies and gentlemen, the Hieronymi report stems from a worthy aim, namely that of supporting European audiovisual production against the crushing competition exerted by US productions, as well as others.

In order to reach that goal, it seeks to encourage coproduction, support coordinated marketing strategies and promote the distribution of the Union's products on the internal and international market. However, the budget allocation appears fairly limited. Moreover, precisely because of the fact that resources are limited, it by no means seems a good idea to open the programme to participation by non-European countries as well.

I believe that public support for this sector, at both national and European level, should be directed towards audiovisual productions intended to inform and to instruct, to educate in the strictest sense, and towards projects making a real difference in breaking down the present situation in which Europe is made a cultural colony of the United States. I do not feel that the report goes far enough in this respect.

- Motion for a resolution (B6-0544/2006)

David Martin (PSE), in writing. I voted in favour of this report. It is clear that many companies and individuals routinely abuse laws designed to protect the environment. They often find it cheaper to pay fines than to comply with laws on dumping or transporting toxic waste. If we want to protect the environment we must consider criminal as well as civil action against the abusers.

- Report: De Keyser (A6-0334/2006)

Hélène Goudin (IND/DEM), in writing. (SV) The June List believes that the EU should not interfere in other countries' internal affairs. It is important for reasons of principle to pursue the policy we went to the polls on. There is no doubt that Syria should improve its relations with Israel.

The June List is an uncompromising opponent of all totalitarian regimes, and we condemn all countries that choose to support terrorism in all its forms. It is obvious that the EU's foreign policy is governed by various special interests possessed by certain Member States in regions around the world. I find this policy to be very disingenuous and destructive, and to be so in a way exemplified clearly by the current report. The EU is trying to influence Syria's relations with its neighbours, and that cannot be regarded as acceptable.

I am choosing to abstain in the vote for reasons of principle.

Pedro Guerreiro (GUE/NGL), in writing. (PT) Naturally we have no quarrel with the conclusion of an association agreement with Syria, which, as we know, is the only country in the region with which the EC does not have an association agreement. We are vehemently opposed, however, to some of the key points in the report.

The report is marked by an approach based on interventionism and meddling on a broad range of issues over which sovereignty should rest with the Syrian people. What is more, Parliament holds Syria responsible for the situation in the Middle East and makes accusations against the country, something it has failed to do in relation to Israel and the USA, which are primarily responsible for the dangerous, tragic situation in the region. Among other points, the report's objectives include the transition of the political system in Syria and the creation of 'an open and market-based economy'. It seeks to force Syria to comply with UN Security Council resolutions on Lebanon, yet fails to mention the fact that Israel continues to occupy part of Syrian territory, attacks Lebanon and continues to pursue its policy of State terrorism against Palestine. It criticises Syrian politics and calls on the country to review 'its current foreign policy and regional alignment'.

We find this unacceptable.

David Martin (PSE), in writing. I welcome this Agreement. Syria has much to do in terms of improving human rights, its relationship with its neighbours and its treatment of its minorities. However, I believe constructive agreement is the way forward.

Erik Meijer (GUE/NGL), in writing. (NL) Europe must keep Syria at arm's length, not because that country forms part of the axis of evil, as America's President Bush claims it does, but because it oppresses its own people and represents an unnecessary burden on others. Syria has, for many years, been a dictatorship that was run by the El-Assads, both father and son. Many Syrian residents were forced to flee abroad, because they otherwise faced being locked up or disappearing utterly, and no organised opposition is permitted. Not only political opponents, but also Kurds and Christians feel themselves under threat. In neighbouring Lebanon, Syria was responsible for years of military occupation, for political assassinations and for arming Hezbollah. In another of its neighbours, Israel, it is considered to be a most unreasonable neighbour, one that never wants peace or reconciliation, and Syria's actions can be used as one of the arguments not to actively broker a peace agreement with a Palestinian neighbour. Syria has recently secretly extradited a Dutchman of Iranian descent to Iran. The EU's position on Syria is still too much focused on good relations with the Mediterranean Sea countries and too little on democracy and human rights.

Athanasios Pafilis (GUE/NGL), in writing. – (EL) The statements by the Council and the Commission and the European Parliament resolution are a blatant and unprovoked attack on Syria, from which they want a statement of apology for its policy and its subjugation to imperialism.

Taking advantage of the debate on a Euro-Mediterranean association agreement, threats are being launched about its stand against the war in Iraq, solidarity with the Palestinian and Lebanese peoples and refusal to bow down to imperialist plans.

The escalating aggressive policy of the EU reveals the nature of UN Resolution 1701 by announcing in advance the role which the military occupying forces of the Member States of the European Union will play in the area.

The report constitutes the European version of the American propaganda which is targeting Syria and calling it an axis of evil country.

We voted against the report in an expression of solidarity with the peoples of Syria and the Middle East which the American and European imperialists have in their sights.

The EU, USA and NATO are jointly promoting the application of the NATO 'Middle East' plan in a bid to subjugate countries and peoples. We consider it politically unacceptable for this specific report to be passed by political forces which call themselves leftist, because they are joining sides with the imperialist policy of the EU and the USA, thereby providing an alibi for unleashing new wars.

Luís Queiró (PPE-DE), in writing. (PT) Although this is, broadly speaking, a balanced report in the version negotiated by the Group of the European People's Party (Christian Democrats) and European Democrats, I still have one or two reservations about its adoption.

As a result of both its status and logistical difficulties, the EU has neither the power nor the ability to act as a world power. It also has neither the military nor the financial resources to do so, and most importantly, it does not have such a mandate. This does not mean, however, that the EU should be a passive member of the international community. The dimensions of Europe as a market, as a provider of financial aid, as a place of refuge for immigrants, and as a neighbour make, or ought to make, the EU a partner in external policy. I am not talking about the traditional reference to the virtues of soft power or the debate on the need for alternative axes. What I am referring to is the ability that the EU should have, on account of these dimensions, to influence and change policy in the Mediterranean, one of the most important regions in the world.

In the medium term, the EU should be capable of having the same effect on its neighbours as it has had on the countries that have joined it in successive rounds of enlargement. What we should be doing is reproducing in our Mediterranean neighbours the effects of pre-accession expectations. Unfortunately, this agreement does not convey that ambition.

- Motion for a resolution (B6-0543/2006)

Anne Ferreira (PSE), in writing. – (FR) The Conference of the Parties in Montreal last year concluded with the minimal decision to continue discussions on the Kyoto Protocol and its objectives after 2012.

On the eve of the next annual conference, the situation is still just as uncertain, and it therefore presents a serious threat to the future of the Kyoto Protocol, particularly in the wake of the statements by the new Canadian Government.

This situation is incomprehensible and unacceptable given that the warning signs are continuing to multiply and that forecasts are certain of a 50% increase in CO2 emissions by 2030, which runs counter to the objectives in this matter, to which our institution refers on a regular basis.

There is a very broad consensus within the European Union, as the European Trade Union Confederation (ETUC) has lent its support to some very ambitious objectives to combat climate change.

We must act as a matter of urgency, and take decisions and measures that match the challenges facing Europe and the whole world. Our response to those challenges represents a powerful driving force for research and technological innovation, and for the modernisation of our production facilities.

Glyn Ford (PSE), in writing. One of the most important issues facing the world today is the issue of climate change and how to tackle it. This is no longer an issue for tomorrow, but now. The time for action is upon us. All the evidence from the world's scientists tells us exactly that, even if the Bush Administration is lying to gag its own experts' contributions to the debate.

It is the American Administration that is the problem. Everyone is horrified by the consequences of the second Gulf War for the ordinary people of Iraq, with the recent estimate that there have been more than 650,000 deaths amongst the civilian population. Yet the failure to sign the Kyoto Agreement threatens billions around the world, and the very existence of nations like Bangladesh and the Maldives. This will be the legacy of this United States Administration unless they are prepared to look again. But I am afraid there are none so blind as those that cannot see!

- Report: Wortmann-Kool (A6-0299/2006)

Bruno Gollnisch (NI), – *(FR)* Mr President, the Naiades programme for the development of inland waterways and Mrs Wortmann-Kool's report contain some excellent things. I would like to take this opportunity to emphasise the need to complete the Rhine-Rhone link. This link is an extremely important route that will enable us to connect the South of France and the Western Mediterranean with the Rhine-Main-Danube basin, and hence with the new and emerging markets in Central and Eastern Europe all the way to the Black Sea. In my opinion, this programme is a top priority, and I hope that it is to the completion of this link – the technical and environmental difficulties of which I am well aware of but do not consider to be insurmountable – that the resources mobilised under this programme will be allocated as the first priority.

Luís Queiró (PPE-DE), *in writing*. *(PT)* The Wortmann-Kool report calls for the active promotion of inland waterway transport, which is currently underdeveloped.

This safe, environmentally-friendly mode of transport with a lot of free capacity on its infrastructure, can contribute to modal shift and ease the congestion problems affecting other transport modes.

It also strikes me that the increase in trade since the enlargement will help develop new markets, such as this form of transport.

The adoption of measures aimed at redressing the balance between different forms of transport is hugely important for the future of a sustainable transport policy. As such, I am strongly in favour of developing the inland waterways transport network, which, from the developmental stage, can encompass all of the strategic areas that are important in optimising the development of this market.

Consequently, and bearing in mind the diverse characteristics of European territory, it is vital to establish an appropriate legal framework that will allow for the development of markets, which may, in turn, help move traffic over to alternative forms of transport. As a Portuguese MEP, I therefore support this programme, which does not foster national self-interest, and which I believe will have a positive impact on the transport market in Portugal.

- Report: Weiler (A6-0363/2006)

Ilda Figueiredo (GUE/NGL), *in writing*. *(PT)* Public-private partnerships are very popular in EU Member States, and, somewhat inevitably, the United Kingdom is the European champion. Unfortunately, though, they are a euphemism for the privatisation, or preparation for the privatisation, of public assets and services, which will be put up for sale, over the longer term, for private investors to make profit from them. This, say the proponents, will lead to better risk management. What they overlook, however, is that private firms keep the profits and the State always ends up carrying the can when the partnership turns sour or fails to deliver the profits that the private businesses were looking for. This applies right across the board, in areas as diverse as the outsourcing of motorways, the management of hospitals and schools, and the incorporation of investment projects within the scope of the Structural Funds.

They are a means of outsourcing the State's responsibilities, and this is something we find unacceptable. What is more, this initiative is seeking Community-level legal arrangements. We therefore have no choice but to vote against the report.

Jean-Claude Fruteau (PSE), *in writing*. – *(FR)* The Weiler report that is being put to the vote today includes a number of positive points on the future of public-private partnerships, particularly as regards the Green Paper and Commission communication COM(2005)0569.

In this regard, I am delighted at the clear distinction made between public procurement and concessions, and at the call for a legislative initiative on the latter.

Although I bitterly regret the fact that the European Parliament chose not to extend this approach with regard to institutional public-private partnerships, the amendments adopted in plenary represent an acknowledged step forward towards a future definition for 'in house' services, in other words towards a more secure situation for European local authorities.

Although this interim text is not perfect, in my view it presents a set of advances that explain why I finally voted in favour, advances which the Commission now has responsibility for integrating fully into its future proposals on the subject.

Bruno Gollnisch (NI), *in writing*. – (FR) Mr President, ladies and gentlemen, the Community legal framework for public-private partnerships (PPPs) does indeed need to be clarified. However, this clarification needs to comply with a number of principles: in particular, it must indeed relate only to partnerships between the public and private sectors; it must be based on a distinction between partnerships/contracts on the one hand and partnerships/concessions on the other, respecting the characteristic features of each and therefore avoiding new specific regulations for PPPs; it must not call into question the rules of the negotiated procedure applicable to concessions; it must give the national public authorities the freedom to choose the structure (creation of mixed economy companies or other legal forms, a public structure taking control of a private business, outsourcing, etc.); and, finally, it must ensure that any Community initiative is consistent with the needs of the public services and national choices in that regard.

None of this is likely to require the adoption of new binding legal documents, but, since it seems inevitable that the European Union will intervene in such matters, let us at least ensure that it does not lead to the creation of one of the bureaucratic machines for which the Europe of Brussels seems to have the secret recipe.

Diamanto Manolakou (GUE/NGL), *in writing*. – (EL) Public private partnerships are the back door by which the public service sector can penetrate and be handed over to private capital. They are the basic route by which European capital can appropriate public infrastructures and services and circumvent the obstacles and problems which it encounters.

They are also the mechanism for buying off consciences, disorientating the grassroots movement and limiting support for the public sector, by gradually privatising and commercialising services of general interest, especially at local government level. The objective is to increase the profits of big business and intensify exploitation.

Any efforts made in the report for conditional use of PPPs and democratic control of them are simply an alibi and wish list which ultimately facilitate the general and exponential transfer of services to the control of private capital, with damaging consequences for the workers, consequences that appear to be concealed in the report itself.

The basic point is not how public procurement rules will apply and how franchise contracts will be configured. What is important is that the management and transfer of public wealth are accompanied by an attack on workers' rights in order to profit capital.

We voted against the report and call on the peoples to fight against the full frontal attack by capital and the policy of the EU.

- Report: Schroedter (A6-0308/2006)

Marian Harkin (ALDE). – Mr President, I should like to give my explanation of vote on paragraph 4 of the Schroedter report on the posting of workers.

I support the proposal for a directive on the conditions required for the cruiser vessels providing regular passenger and freight ferry services between Member States. I was particularly pleased to see Parliament do so too.

I do so because of our experience in Ireland with what has happened to the ferry workers and the workers – most of them foreign – who replaced them at Irish Ferries. We had a documented situation – and this is quite recent, Mr President – where one particular worker was paid approximately EUR 1 an hour. It is worth noting that the Irish minimum wage is in excess of EUR 8 per hour.

Redundancies were forced, not voluntary, because the redundancy offer on the table involved substantial wage cuts and significant disimprovement in working conditions. The vacancies arising from forced redundancies were mostly filled by foreign workers, many of them earning half the minimum wage in Ireland. That situation simply exploits all workers, offers no protection, promotes xenophobia and certainly fits the description of the 'race to the bottom'.

Zita Pleštinská (PPE-DE). – (SK) The basic EU principles on the free movement of persons and services within the European Union forbid any discrimination on grounds of nationality against workers from other Member States in matters of employment, remuneration or any other work-related matters.

What is the reality of the situation, however? Some Member States are still clinging to the transition periods that apply to the creation of labour markets. The Posted Workers Directive is closely related to the Services Directive and, despite an intense and justifiable struggle by MEPs from the new Member States, the European Parliament in the first reading omitted Articles 24 and 25 from the draft Directive on services in the internal market.

We consider these articles to be crucial, as the basic ideas of the Posted Workers Directive are interpreted differently in different Member States, and workers are generally unaware of their rights as guaranteed by the Directive. Regrettably, I have to note that a Commission Guideline cannot remove obstacles to the free movement of labour and services and therefore cannot solve the problems that enterprises and workers in the Member States are experiencing as a result of the inadequate implementation of the Posted Workers Directive.

I have voted against the Schroedter report because it did not include key amendments aimed at ensuring greater mobility within the EU labour market. I am concerned that the position taken by the rapporteur would place unnecessary obstacles in the way of job creation and lead to the failure of our bid to make the internal market in services fully functional.

Richard Corbett (PSE). – Mr President, I thought you might like to know that I voted in favour of the resolution that we adopted on the basis of the Schroedter report from the Employment Committee, because I think its general thrust, which is that we need better application of the existing legislation, rather than new legislation, is the right one at this time.

However, I think that in due course, once we have evaluated whether we have managed to get this legislation better applied in the near future, we shall need to return to the question of whether the original directive needs amending, updating or improving in other ways.

Philip Bushill-Matthews (PPE-DE), in writing. Where companies in one country wish legally to post workers to work in another EU country, such a procedure should be made straightforward rather than burdened by yet more bureaucracy. Parliament should not give its approval to practices deemed illegal by the European Court of Justice and disproportionate by the Commission. The Schroedter report on the posting of workers calls for extra bureaucracy such as prior declarations from companies intending to post workers and the requirement to keep detailed time sheet records, etc. Such practices are disproportionate, promote protectionism and undermine the services directive. Sending out this message undermines the EU commitment to the Lisbon Strategy for Growth and Jobs.

The Commission text is sensible and practical. This socialist report attempts to move the text in the wrong direction. In this context UK Conservatives have been unable to support this report.

Hélène Goudin (IND/DEM), in writing. (SV) The report points out that the Posting of Workers Directive is not being applied in full by all the Member States. It is thus necessary to adopt a number of measures to enable the Member States genuinely to guarantee minimum standards of protection and conditions of employment for workers temporarily employed in another EU country. The June List is in favour of the host country's legislation applying to employees working in other Member States. That is one of the things that we have stated clearly in the debates on the Services Directive. On the basis of the aforesaid reasoning, I have chosen to vote in favour of the report as a whole.

Marian Harkin (ALDE), in writing. I wish to give a brief explanation on paragraph 4 in the original text of the Schroedter report on the application of directive 96/71 on the posting of workers. I support the proposal for a directive on the conditions required for the crews of vessels providing regular passenger and freight ferry services between Member States. I do so because of our experience in Ireland and what happened to Irish workers and the mostly foreign workers who replaced them in Irish ferries. We had a documented situation where one particular worker was paid approximately 1 euro per hour as a hairdresser, and it is worth noting that the Irish minimum wage is in excess of 8 euro per hour. After the redundancies – and these were forced, not voluntary, because the redundancy offer on the table involved substantial wage cuts and significant disimprovement of workers' conditions – the vacancies arising from the forced redundancies were filled by mostly foreign workers, many on half the minimum wage for Ireland. This situation simply exploits workers, offers no protection, promotes xenophobia, and certainly fits the description of the 'race to the bottom'.

Marie-Noëlle Lienemann (PSE), in writing. – (FR) The rapporteur quite legitimately wants to counteract the European Commission's unfortunately chronic liberal excesses.

It is unacceptable that the Commission has tried, in its communication, to reintroduce the country of origin principle even though it was rejected by Parliament during the vote on the Services Directive. I would join with the rapporteur in calling for this directive to be implemented and enforced strictly as soon as possible, and for fines to be introduced.

The Commission must accept Court of Justice case-law, which establishes that there is a difference between self-employed workers and posted workers, and provides more favourable social standards for the latter.

Diamanto Manolakou (GUE/NGL), in writing. – (EL) Everything that was excluded from the first resolution on the Bolkestein directive is being restored with the European Commission guidelines on the application of Directive 96/71 on the posting of workers, in order to complete the crime against the working class. Using the case law of the Court, the Commission is proceeding to overturn even these defective and limited rules of protection acquired by the workers and to abolish all controls on posted workers by the host state, thereby undermining the Collective Work Agreements and the social rights of workers in general.

The political mouthpieces of European capital (the Group of the European People's Party (Christian Democrats) and European Democrats and social democrats and liberals) who voted for the Bolkestein directive in the European Parliament in February 2006, with a new unacceptable compromise in the report on the Commission communication, are stuttering out lukewarm recommendations, thereby facilitating the EU's attempts to direct the workers' movement. They are yet again serving the ambitions of monopoly groups to increase their profits by overexploiting the working class.

The escalation of the fight by the working class and of workers in general against the entire anti-grassroots policy of the EU is an urgent necessity and the only way to satisfy the contemporary needs of the working-class, grassroots family.

Claude Moraes (PSE), in writing. The European Parliamentary Labour Party (EPLP) voted to support the Schroedter report on the Posted Workers Directive as there is a need to improve the implementation of this important legislation to aid the free movement of workers.

However, the EPLP recognises that Member States have different enforcement mechanisms and there may be differences in, for example, information requirements between Member States. Any requirements must be proportionate and justified. It is important that this legislation does not add unnecessary burdens to business and interfere with the right of foreign services providers to post workers.

Bart Staes (Verts/ALE), in writing. (NL) The Posting of Workers Directive 96/71/EC is an important milestone in European labour legislation. The Schroedter report highlights problems with the directive's application, thus responding to a Commission communication – promised back in 2004 but not appearing until April 2006 – in which the Commission has tried, by referring to Court of Justice rulings, to restrict the control measures available to the Member States.

The Schroedter report redraws the balance between economic liberalisation and social protection. Accordingly, certain administrative measures (for example, social inspection of bogus self-employment, collective labour agreements) can no longer be seen as restricting the free movement of employees within the EU's labour markets, an opinion also shared by the Court of Justice.

The conditions for minimum pay, working conditions and health and safety at work, as well as the principle of the receiving country, are important instruments in preventing social dumping and unfair competition. At the same time, they ensure that employees and service providers are treated fairly. Thanks to this report, the neo-liberal course which Europe has been steering for years is given a more social dimension. The European Parliament must bear its responsibility with regard to the social protection of workers, and that is why I support the Schroedter report.

Konrad Szymański (UEN), in writing. (PL) The Schroedter report on the implementation of the Posting of Workers Directive undermines all the valuable provisions enshrined in the European Commission's Guidance on the Posting of Workers, following the compromise reached on the Services Directive. From a political point of view, this amounts to backtracking from that hard won compromise.

The European Commission set out to indicate (in a non-binding document) that there are upper limits to social protection and administrative regulation of the market, and that these cannot be exceeded in the Member States in order to avoid impinging on the principle of freedom to provide services (until

the entry into force of the Services Directive, the Posting of Workers Directive remains the main legal basis for the market in services).

The report by the Committee on Employment and Social Affairs undermines all the key provisions of the aforementioned Guidance on the Posting of Workers. It defends the outrageous *status quo* on the services market, where companies from the new Member States are systematically harassed by the administration in order to restrict competition. This is a clear and simple case of protectionism, except that it is being implemented in the name of the workers and social protection.

Bernadette Vergnaud (PSE), in writing. – (FR) It is a fact: the directive on the posting of workers has not been properly implemented in some Member States and is not fulfilling its objectives. This is due to variations in the interpretation of certain key concepts (worker, minimum wage and subcontracting), the difficulty of monitoring compliance with the directive, and the difficulty of obtaining information, both for workers and for SMEs.

If we are to have an effective system of cooperation between the Member States, we need to increase the participation of the social partners, provide posted workers with more information on their rights, and provide businesses, particularly SMEs and craft enterprises, with contact partners.

Finally, it is now vital for the European Commission to look into constructive solutions to prevent and eliminate unfair competition, as illustrated by 'PO box companies' or double posting from one country to another, and the social dumping resulting from the improper posting of workers, in particular by means of 'sham self-employment'.

This is not about changing the *acquis* of the directive, but about improving it. That is why I voted in favour of Mrs Schroedter's own-initiative report.

- Report: Berès (A6-0349/2006)

Ilda Figueiredo (GUE/NGL), in writing. (PT) Parliament has observed its annual ritual of ratifying the European Central Bank's (ECB) monetary policy. Although the report calls for prudence with regard to raising interest rates and for investment, its key priorities are price stability and budgetary consolidation, which will undermine economic growth, employment and people's buying power on what they earn. When what is needed, in contrast with the ECB's fundamental objective, are economic and social concerns, the recipe is more of the same, that is to say, structural reforms in the labour market and in social security, and this comes as no surprise.

By saying that the system of appointments to the Executive Board worked well and that its members should not be chosen on the basis of nationality, the report overlooks the fact that this system always operates on the basis of rotation between the nationalities of the major EU powers. The net effect of which, in a rotating system on the Board of Governors adopted in 2003, is to exclude the small countries from the vote on monetary decisions. Parliament has said it is opposed to such a situation, on the grounds of complexity and unfairness, instead proposing a Board of Governors comprising just nine members. No prizes for guessing who will be in and who will be out. For all these reasons, we are compelled to vote against.

Bruno Gollnisch (NI), in writing. – (FR) Mr President, ladies and gentlemen, as I see it, Mrs Bérès' report is a demonstration that the monetary policy pursued by the ECB is a failure. To be honest, the only truly positive points it contains are the profit earned by the Bank and the fact that it has at least succeeded in creating jobs within its own four walls, because its workforce (though God only knows what they do) has increased by 86% in seven years.

We have now reached the point when, in order to make the euro more popular with the people of Europe, the rapporteur is calling for the banknotes to be changed to replace these images of non-existent bridges with real living beings, landscapes or monuments rooted in the culture of our continent.

I and my colleagues in the *Front National* have taken many, many opportunities here to say exactly what we think of this policy, of its disastrous effect on employment and the purchasing power of the European people, of its focus on financial rather than economic objectives, of the harmful absence of an exchange policy, and now of the policy of increasing interest rates, which will further hinder growth. Our opinion has not changed.

Hélène Goudin (IND/DEM), in writing. (SV) In a referendum, the Swedish people rejected the introduction of the euro by a broad majority. I support that position wholeheartedly. The report is redolent of propaganda, to which I cannot give my backing, in favour of the euro. Paragraph 26 proposes measures that should be taken to ensure that Europeans do not distance themselves from the euro. Paragraph 27 contains propaganda in favour of the Constitution. I am opposed to wordings of this type and have voted against the report as a whole.

Timothy Kirkhope (PPE-DE), in writing. The policy of the Conservative Party in relation to the euro is clear: we are firmly committed to keeping the pound. Nevertheless, as the European Union in general and the euro zone in particular are our largest trading partners, we are ever vigilant of the need for the euro's stability, since this directly affects Britain's prosperity. We therefore reserve the right to make ourselves heard when we believe that unwarranted political pressure is being directed against the independence of the European Central Bank. In the last year, as interest rates have been raised from their historic low, the ECB has been under political attack, and an attempt was made to use this report to interfere in its management. Fortunately, the report in its final form respected the ECB's independence, and we have therefore taken the exceptional step of endorsing it to make known our commitment to a sound monetary policy.

Carl Lang (NI), in writing. – (FR) Since the euro was introduced seven years ago, the purchasing power of the people of Europe has fallen considerably. In the 'Euro zone', we have seen a real increase in prices for household goods and leisure, and an even clearer trend in housing due to a lack of monitoring of speculative funds. It is therefore the working and middle classes who are hardest hit, even without adding excess debt to the mix.

Economic growth in the 'Euro zone' has even fallen: the GDP volume has gone from an increase of 1.8% in 2004 to an increase of 1.4% in 2005. The prospects for 2007-2013 are even more worrying, because the Euro will present a greater risk to European growth once the exchange rate with the dollar becomes too favourable.

Not only does this bank, with its ultra-European foundations and philosophy, demonstrate a democratic deficit and a certain lack of transparency, but it will not even achieve any of the European Union's economic and social objectives. These indicators should make it clear that we should get out of the Euro zone and that the individual nations should regain their competence for economic, social and monetary decision-making in a free Europe where protection and national and Community preference take first place.

Peter Skinner (PSE), in writing. Although I could agree with the broad thrust of this report, particularly in the area of transparency and scrutiny, there is one issue I believe needs a sensitive touch – hedge funds.

It is appropriate for all central monetary authorities to maintain a vigilant approach to hedge funds. However, the call for research to promote regulation is premature. The need to regulate could be disproportionate to any potential threat such funds are perceived to have.

Sahra Wagenknecht (GUE/NGL), in writing. (DE) Time and time again, the ECB argues that price stability is its contribution to job creation and growth. In the euro zone, price stability is a reality; in quite a few sectors, indeed, aggregate rates of price increase below two per cent are opening the door to deflation, but as soon as there is the slightest indication of economic recovery in the euro zone, the only way the ECB, with its blind fixation on price stability, knows how to respond is by raising interest rates. It does that despite the absence of even the least sign of inflationary tendencies, even though there is no change in the prevalent mass unemployment and wages are rising more slowly than productivity, which, in the long term, cannot do other than lead to serious imbalances in the national economies. It does it even though even the capital markets, with their extremely low long-term interest rates, are indicating that they expect the future to bring neither a substantial increase in prices, nor sustainable economic recovery, and a look across the Atlantic reveals that they have little reason to do so.

As originally drafted, this report was courageous enough to take critical lines. Lamentably, though, little remains of them following the vote in the Committee on Economic and Monetary Affairs, although words of criticism would seem necessary to say the least.

What we really need in Europe is a different monetary policy, one that is guided, not by monetarist dogma, but by social responsibility; one that represents the interests of the vast majority of Europeans rather than only those of the financial sharks and of the European financial elite.

President. That concludes the explanations of vote.

8. Corrections to votes and voting intentions: see Minutes

(The sitting was suspended at 1.50 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR ONESTA

Vice-President

9. Membership of committees and delegations: see Minutes

10. Communication of Council common positions: see Minutes

11. Approval of Minutes of previous sitting: see Minutes

12. Debates on cases of breaches of human rights, democracy and the rule of law

President. – The next item is the debates on cases of breaches of human rights, democracy and the rule of law.

12.1. Tibet

President. – The next item is the debate on six motions for resolutions on Tibet⁽¹⁾.

Adam Jerzy Bielan (UEN), author. – *(PL)* Mr President, Tibet has been under Chinese occupation for over 50 years. The Chinese authorities have been pursuing a policy of discrimination and persecution, aimed at marginalising Tibetans in their own homeland. The Chinese army has recently carried out yet another barbaric killing. On this occasion a defenceless Tibetan nun was murdered crossing the border into Nepal. China denies that shots were fired at Tibetan refugees attempting to enter Nepal, but the entire incident was caught on film.

The House cannot remain silent and indifferent to these latest events. The policy of force and repression imposed on the people of Tibet by the Chinese authorities can no longer be tolerated.

I hereby call on the Government of the People's Republic of China to stop violating the human rights of the Tibetan nation and of other minorities. I also appeal to the Chinese Government to guarantee that it will respect international law, international human rights standards and freedom of religion. Tibet must be granted genuine autonomy and the Tibetan people must be allowed freedom of religion and education.

I also call on the Government of the People's Republic of China to accelerate the dialogue begun with representatives of the Dalai Lama, and to seek to arrive, without further delay, at a solution to the issue of Tibet that is acceptable to both parties.

Eva Lichtenberger (Verts/ALE), author. – *(DE)* Mr President, ladies and gentlemen, China's representatives described the events of 30 September on that country's border in terms suggesting that they had been attacked by a band of Tibetans and had had – and with difficulty – to defend themselves.

On this occasion – unlike in many other instances – a video is in existence to clearly demonstrate that the opposite is the case. This video shows that the Tibetan refugees did not attack; that, on the contrary, the group of people trying to cross the border was composed of young people, children, nuns and monks.

⁽¹⁾ See Minutes

The European Union must firmly repudiate the Chinese account of what happened, and demand clarification of the matter.

It must also demand clarification as to what has become of the children that the Chinese troops took into custody, the present whereabouts and state of these children and refugees and the manner in which such situations on the border are, as a rule, handled. We in the European Union must make it abundantly plain that Tibet must be accorded autonomy within China's borders, but real autonomy nonetheless, in line with the 'Middle Way' proposed by the Dalai Lama.

Thomas Mann (PPE-DE), *author.* – (DE) Mr President, there has been another incident with fatal consequences at the border between China and Nepal. When, on 30 September, a group of Tibetans – all of them unarmed civilians – attempted to flee over the Nangpa Pass to Nepal, Chinese border guards opened fire on them. Kelsang Namtso, a seventeen-year-old nun, was killed; many people were wounded, and thirty arrested, among them women and nine children.

I wish to echo what was said by the previous speakers. This tragedy would never have come to light had it not been for a Romanian camera crew that was on the scene by chance and filmed what happened. The pictures they took appeared on Dutch television at peak viewing time. Despite this documentation, Peking maintains that there were injuries but no deaths and that, moreover, it had been the Tibetans who had opened fire and the Chinese had been obliged to defend themselves.

We condemn this brutal action on the part of the Chinese security forces and call on the authorities to treat their captives in a humane manner and in compliance with international agreements, for China is a signatory to the UN Charter on the Rights of the Child, which protects minors from arrest and from arbitrary treatment on the part of the state.

What happened at the Nangpa Pass must be investigated with the minimum possible delay, and those responsible must be called to account for their actions. These attacks on defenceless civilians must be put on the agenda for the next EU/China dialogue on human rights.

I urge those representing the Commission to get an idea for themselves of what is going on, to go to the Tibetan Welfare Centre in Katmandu, as our *ad hoc* delegation from this House did in July when we went to Nepal, to ask the refugees arriving there about the things they have had to endure, and to do something about it!

(Applause)

Erik Meijer (GUE/NGL), *author.* – (NL) Mr President, this Parliament is right in once more expressing its indignation, and the unfortunate fact is that I expect it will have to do so many times more. The situation in Tibet is getting worse rather than better, and we may actually be to blame for this. Even before 1951, the European countries accepted that Tibet should be part of China, even though it was not described as such on maps. That is how it stayed when in the 50s, the People's Republic of China actually brought this inhospitable region under its control with military means, and the Dalai Lama fled to India.

Tibet has now become more easily accessible from China via the world's highest railway line. Foreign mountaineers witnessed recently how inhabitants who tried to flee the country were simply gunned down. The government, and probably the majority of public opinion in China, consider Tibet, above all, as a region that is still virtually empty and that needs to be colonised by Chinese people from the most densely populated areas. Since the Chinese economy is more than ever intertwined with the European economy, Europe has a powerful lever. The question is whether we are prepared to use this lever. Oppression will persist if we do not bring any pressure to bear.

Marios Matsakis (ALDE), *author.* – Mr President, China's Communist occupation of Tibet is a long-standing scourge on democracy and an open wound on the principles of justice and freedom. Time and again, we have strongly condemned the thoroughly indefensible and brutal way the Chinese regime has been treating a small peace-loving nation, isolated at the roof of the world.

In the latest incident, China's occupation forces opened fire on a group of unarmed, defenceless civilians who were attempting in desperation to flee their country through the glacial pass at Nangpa, situated at a height of almost 19 000 feet. The group included many women and children. A 17-year old nun was killed; a 20-year old was seriously injured; some individuals are missing and 29 people, including 14 children, were arrested. Some succeeded in escaping to neighbouring Nepal. Luckily and thankfully,

the incident was witnessed by a number of foreign mountaineers, whose independent and trustworthy accounts, including a video, utterly contradicted the ridiculous lies about what happened put forward in an official statement by the Chinese authorities.

We in Europe have a lot to say when it comes to condemning actions of totalitarian and oppressive regimes, but in practice the severity of our words is not matched by our deeds. Apart from being regrettable, this is also highly hypocritical, in my view. The colonial-style occupation of Tibet by China, as, indeed, any colonial occupation of one country by another, has to end forthwith. To demonstrate that we mean what we say, we must take tangible measures against China. Yes, we have an arms embargo against that country, but it has little effect. What would really be effective is if we had a trade import ban on China; that would really cause headaches to the Communist leaders in Beijing and would lead to some sensible responses to our demands for freedom for Tibet.

(Applause)

Piia-Noora Kauppi, *on behalf of the PPE-DE Group*. – Mr President, it is clear that bold action is needed to improve the human rights situation in China. This recent incident gives us a clear reason why that should be a priority for the European Union. I find it absolutely appalling that the Chinese state media Xinhua reported the shooting as self-defence, while video footage clearly shows the Tibetan refugees were shot from a distance and in the back. No force, threat or resistance was offered to the Chinese border guards. None of the refugees had a weapon of any kind, not even a knife.

I would like to thank the Finnish Presidency and draw attention to its work in the human rights dialogue. Last week, on 20 October, the Finnish Presidency issued an official statement condemning the incident. I would like to thank the Presidency for that.

Finally, as indicated in the joint resolution on Tibet, we must continue to encourage high-level talks between the Dalai Lama and the Government of China. I would like to reiterate that this is the only way to find a peaceful and sustainable solution for real autonomy for the Tibetan nation.

Lidia Joanna Geringer de Oedenberg, *on behalf of the PSE Group*. – *(PL)* Mr President, despite the fact that official relations between the Chinese Government and the Dalai Lama were restored in 2002, human rights continue to be infringed in Tibet on a regular basis. It is estimated that every year 2 500 people decide to escape from repression and undertake the dangerous journey to Nepal, lasting several days. The acts of violence perpetrated against unarmed civilians have given rise to particular concern. These acts include the shots fired at refugees by Chinese border guards in the Nangpa La pass in September of this year. The group of fugitives concerned was attempting to cross the Tibetan border and included women, children and monks. To date, the Chinese authorities have not accepted responsibility for this incident, in which one person was killed. The fate of several children detained by the military is still unknown.

It is incumbent upon international institutions to take decisive and effective action to compel the Government of the People's Republic of China to put an end to its repression of the people of Tibet, its inhumane treatment of prisoners, its use of torture and its extra-judicial executions. We appeal once again, from the floor of this House, for fundamental human rights to be respected in Tibet. These rights include freedom of expression and association. We also call for a genuine dialogue between both parties, aimed at achieving understanding and respect for the religious, political and cultural rights of the Tibetan people.

(Applause)

Raül Romeva i Rueda, *on behalf of the Verts/ALE Group*. – *(ES)* Mr President, in the two and a half years that I have been an MEP, this must be the third time, or perhaps there have been more, that we have had to discuss human rights violations in Tibet, and I fear that it will not be the last. The difference this time compared to previous occasions, however, is that we have filmed evidence demonstrating that the Chinese authorities' attempts to deny these events are deceitful and that, at the same time, the Xinhua news agency's attempts to show that this action was in self-defence is entirely without foundation.

We are therefore dealing with an event that clearly requires investigation, as other speakers have said. I agree with that and I support it, but, furthermore, it also deserves to be treated as a fundamental issue within the framework of European Union-China dialogue. I would insist that this is not the first time, but it is really becoming rather sad that, since we have the opportunity to hold this dialogue with China,

and on the eve of the 2008 Olympic Games, we do not stress over and over again that the Tibet situation could be resolved if there were truly a little political will on the part of the Chinese authorities. So far we have not seen any such will.

Michał Tomasz Kamiński, on behalf of the UEN Group. – (PL) Mr President, we are today debating human rights in China. We are doing so in the wake of a tragic and terrifying border incident. On this occasion, people throughout the world were able to see for themselves how China deals with defenceless individuals who do not present any kind of threat to the Communist authorities. These poor people are simply shot at without compunction.

The incident we are currently debating, and which has rightly triggered discussion of this subject in the European Parliament, reminds us of a bitter truth. Human rights are being systematically violated in China in almost every aspect of life. The human, economic and religious rights of the citizens of the People's Republic of China are being infringed. Unfortunately, we have to admit the sad and unpalatable truth that, all too often, the governments of individual European Union Member States remain hypocritically silent about what is happening in China. The same applies to the European Union institutions. If the common values that unite us in this House and across Europe really are common, it is incumbent on us to call, loudly and clearly, for human rights to be respected in the People's Republic of China.

Kathy Sinnott, on behalf of the IND/DEM Group. – Mr President, I am very glad that Parliament is showing such concern for the people of Tibet. I do not question the genuineness of it, but I do question the genuineness of the way in which this Parliament acts on such concerns. Today in the budget vote we rejected three amendments that would have removed EU development funding from government and organisational programmes that included coercive abortion, involuntary sterilisation and infanticide.

Why do Tibetans try to escape from China? It is because of these very barbaric practices, in addition to religious persecution and political persecution. This is what blights the life of all minorities and conquered peoples within the territory that China now claims to rule.

I ask you, Commissioner – and I would like an answer – what part does our development aid play in this kind of suffering?

Robert Evans (PSE). – Mr President, I wish to begin by saying to Mrs Sinnott that it is clouding the issue to raise points like that, which are entirely separate from what we are discussing here today.

Approximately 2500 Tibetans – possibly more – annually flee across the border from the Himalayas into exile. They are certainly escaping from the brutality of China's occupation, but it is not necessarily as Mrs Sinnott suggests.

It is difficult to know how many are caught or shot by the Chinese border authorities, because the allegations have generally remained uninvestigated. This particularly horrendous shooting incident on 30 September is in violation of the basic UN principles on the use of force and firearms by law-enforcement officials. It is interesting that there are guidelines as to when law-enforcement officials can shoot, but these require that they should not use firearms against persons except in self-defence or defence of others against the imminent threat of death or serious injury. Those of us who have seen the video clips of this incident know that the situation was not one involving grave threats to life. It appeared to be an unprovoked attack.

That is why the motion for a resolution before us is very important, in particular paragraph 8, which urges the Council and the Commission to reiterate their position regarding dialogue between the appropriate authorities. That is a position we must echo this afternoon: dialogue to resolve this situation.

Filip Kaczmarek (PPE-DE). – (PL) Mr President, the resolution we are to vote on today concerns the events of 30 September, when Chinese policemen shot at a group of Tibetan refugees seeking freedom beyond the People's Republic of China. It was certainly not the first incident of its kind. It was unusual, however, in that this barbaric behaviour was caught on film. Television and the Internet enabled us all, along with millions of others around the world, to see for ourselves what the Chinese policy on Tibet actually amounts to.

The fate of the Tibetan people is particularly unfortunate because they are one of the most peace-loving nations in the world. The Dalai Lama is not demanding independence for Tibet. The Tibetans are prepared to exist within the framework laid down in the Chinese constitution. How can it be possible to shoot at

such people? How can they be persecuted and killed, simply because of their desire for a small measure of freedom and for the protection of their cultural heritage? Can this tragic course of events be halted? It can be, if orders are issued to ban the shooting of people fleeing from a country they do not wish to live in. This happened in the past, rather closer to home, on the border between East and West Germany. Great nations cannot and must not base their authority on the massacre of defenceless refugees.

Józef Pinior (PSE). – *(PL)* Mr President, much has been said in the House today about the situation in Tibet. The Chinese authorities claim to respect Tibet's autonomy, but their actions tell quite a different story.

I would like to take this opportunity to draw Parliament's attention to the report by Human Rights Watch published on 9 October 2006. This report mentions how an Internet blog created by Woesser, a leading Tibetan intellectual, was shut down. The blog was one of the most interesting political and cultural developments in contemporary China. It told the truth about the situation in Tibet, describing the damage to the environment and to Tibetan culture. Woesser is one of the most distinguished female intellectuals in contemporary China, and her blog gave a true account of current events in Tibet.

We simply cannot tolerate a situation in which the Chinese authorities claim to have granted autonomy to a particular province, whereas in practice they are closing down leading intellectual online blogs.

Mariann Fischer Boel, Member of the Commission. Mr President, the Commission fully shares the concerns expressed by the honourable Members of Parliament regarding the recent shooting by China's People's Liberation Army of Tibetan refugees at the border between the People's Republic of China and Nepal, the subsequent death of one of them and the imprisonment of some of those refugees.

The matter has been formally taken up by the European Union in the framework of the last session of the EU-China Human Rights Dialogue, held in Beijing on 19 October, as rightly mentioned by the honourable Member from Finland. On that occasion, the European Union refuted the claim by China that the shooting had been in self-defence, urged the Chinese Government to undertake a thorough investigation of the incident and insisted that the imprisoned refugees be treated in compliance with international humanitarian standards.

More generally, the Commission is very concerned about the human rights situation in Tibet, and in particular the preservation of the cultural, religious and linguistic identity of the Tibetan people. This issue has been regularly addressed during the bilateral dialogue on human rights as well as at the highest level, during bilateral summits.

The European Union is particularly concerned about the number of Tibetans from religious backgrounds who are in prison for political reasons, and has repeatedly asked for their immediate release. Several of these people are on the list of individual cases regularly submitted to the Chinese authorities on the margins of these dialogues.

The Commission believes that China's policy in Tibet is not consistent with the provisions of the International Covenant on Civil and Political Rights. The early ratification by China of this covenant ranks among the top priorities of the European Union in the field of human rights and we have left China in no doubt as to the need to fully respect the spirit of that covenant, once it has been signed and even before it is ratified.

As part of its overall policy vis-à-vis Tibet, the European Union has consistently taken the view that establishing a direct dialogue between the Dalai Lama and the Chinese authorities is the only realistic way to find a peaceful and lasting solution to the question of Tibet. We have therefore welcomed and closely monitored the five rounds of talks so far held between the special envoys of the Dalai Lama and the Chinese Government.

The Commission urges both sides to continue this dialogue and use these talks to try to make substantive progress.

President. – The debate is closed.

The vote will take place today, at the end of the debates.

12.2. Case against Ríos Montt

President. – The next item is the debate on five motions for resolutions on the case against Ríos Montt⁽²⁾.

Luis Yáñez-Barnuevo García (PSE), author. – (ES) Mr President, unlike Tibet, we have not often talked about Guatemala in this House, at least since I have been here. Nevertheless, it is a small Central America country that has suffered very harsh repression for many years, a brutal dictatorship, and the people responsible for it have so far escaped any form of punishment.

The Spanish High Court has issued an international arrest warrant and what we are doing here is supporting the extradition of General Ríos Montt, the person bearing the greatest responsibility, and of five other generals, some of whom were *de facto* Presidents, that is, dictators, during that thirty-year period in which 200 000 people were murdered, 45 000 disappeared and a tenth of the population was displaced; the enormous majority of the displaced population – 83% – belonged to the Mayan community. There have also been European victims, however, Belgian and Spanish, particularly priests.

I believe, Mr President, that just as we in this House supported the extradition of Pinochet and of Fujimori, it is right for us now to support the extradition of General Ríos Montt and his accomplices, and unanimously if possible.

Raül Romeva i Rueda (Verts/ALE), author. – (ES) Mr President, I naturally agree with what my colleague, Mr Yáñez-Barnuevo, has just said, because ten years after the peace agreements in Guatemala were signed, a country that has aspirations to be a member of the Security Council and with which an association agreement is being negotiated, has yet to implement the global agreement on human rights. That is truly worrying in a country which, as has been pointed out, has been the victim of dictatorships, genocides, crimes against humanity, and – most seriously – the people responsible for them are still lording it around the country and around the world unpunished.

We must therefore welcome, as we do in this Resolution, the fact that on 7 July the Spanish High Court issued this international arrest warrant. This will to a certain extent make it possible to begin to put an end to this impunity and genuinely make the people responsible pay for what they did.

We should do more than that, however. We must also call for effective cooperation from the Guatemalan authorities in this field. We must naturally ask them, within this context of increasing cooperation, to be as cooperative as possible, so that, on the basis of this international ruling, they can contribute to the arrest, return and trial of these people. We must also ask for the cooperation of the banking authorities, which have been holding the profits and wealth that those people have been enjoying, in order to ensure that the latter assume their civil and financial responsibilities.

I would like finally to say that it would be very useful for Europol and Interpol to be able to cooperate in this work as much as they can.

Bernd Posselt (PPE-DE), author. – (DE) Mr President, Guatemala has a long and bloody history of violence behind it, and one certainly must not be partial in one's judgment when considering it, for, while there were terrible dictatorships and repressions, there was also an equally cruel and bloodthirsty revolutionary movement in the shape of the Tupamaros.

Over three decades have passed since the eyes of all Germany were fixed on this part of Central America, when the German ambassador Karl Graf Spreiti – whose son is a member of my staff – was abducted and murdered. Karl Graf Spreiti was one of the great men who prepared the way for Europe; he was also a member of the German *Bundestag* for my party, but it was as a diplomat and an innocent man that he was taken away and put to a cruel death in the primeval forest. Since then, the country has gone through a period of terrible crises. It is for that reason that we must be very careful, but also very firm, in supporting the peace process there by unambiguously denouncing those who, while in positions of power, had recourse to violence, as well as those who misused the word 'freedom' as a justification for doing the same thing.

(2) See Minutes

Guatemala has also, repeatedly, been the scene of gruesome acts of genocide, and it is cause for gratitude that the resolution does not mince its words about the expulsion of some 10% of the Maya, a people with an ancient culture, and the murder of tens of thousands of them.

We also need to seize this opportunity to tighten up our definition of genocide. It is said repeatedly that the term 'genocide' may be used only when a group is systematically exterminated. That is not so: it is also genocide to deprive an ethnic grouping of its basis for existence by robbing it of its homeland by means of expulsion and murderous violence. That has happened to many ethnic groups, not only to the Maya but also to smaller groupings in Guatemala. There is no statute of limitations applicable to such crimes, and that is why we must leave no stone unturned in bringing those responsible for them to account rather than turning a blind eye and moving on to the next item on the agenda.

Bairbre de Brún (GUE/NGL), *author*. –

(The speaker spoke Irish)

During the 1980s and 1990s, Guatemala was constantly in the international news. Three decades of conflict and a decade-long peace process ensured that people all over the world, including those here in the European Parliament, remained informed. Colleagues have mentioned some of the stark figures from that period: 200 000 people killed, thousands more displaced, entire villages and communities destroyed forever. The Government's own investigation confirmed that 93% of all killings were the responsibility of the Government's own armed forces.

The military dictatorship of Rios Montt in the early 1980s was singled out as one of the conflict's most brutal periods. There was great optimism after the signing of the peace agreements but, ten years later, the reality has changed very little for people in that country, where 80% of the population live in poverty. Ten years on, not only have the perpetrators of the policy of genocide carried out in the 1980s not been prosecuted, they continue to play prominent roles in public life. The victims and survivors of the conflict have received neither adequate financial support nor recognition of their suffering. Indeed, the vast majority of the disappeared have not been found. Many of those displaced have yet to be returned to their original homes.

I welcome the demand in the resolution, which seeks the support of the Government of Guatemala, the other Central American governments, the Spanish Government and the Government of the United States, for the European order of detention to be facilitated, with reference to the international order of detention, so that those mentioned in the warrant issued on 7 July 2005 – all of whom are charged with crimes of genocide, including Rios Montt – can be brought to justice.

I would also urge Members to be cognisant of the fact that very little has changed for people. For the majority of Guatemalans, conditions today differ little from those of 1996. The peace dispensation promised a demilitarisation of society and much-needed land and tax reform, the aim of which was to build a more just and equal society. Surely today we should remember that, even if Guatemala is not so often in the news, and we should continue to demand and press for an equal and just society.

I therefore welcome and stress the resolution's commitment to the principle of universal justice and the protection of human rights. Our experience in Ireland has taught us that peace can only be built on justice and respect for the rights of all.

President. – I would explain to our friends in the visitors' gallery, who may have been surprised for a short while at the lack of interpretation, that it was because Mrs de Brún was speaking in Irish, which is not yet an official working language of Parliament, but which will be as from 1 January.

Marios Matsakis (ALDE), *author*. – Mr President, Commissioner, it is very sad and shameful to contemplate the fact that, in the vast majority of cases, those who commit despicable and atrocious crimes against humanity, including genocide, remain unpunished. In fact, most of these callous murderers of largely innocent, defenceless civilians never face justice. It is even more shameful that in reality many such vicious sub-human criminals not only escape the arm of the law, but enjoy a high standard of living and important political status.

Numerous examples of this disgraceful state of affairs can be found all over the world, throughout history and across most political systems and ideologies, which only goes to prove that, in reality, true administration of justice is a summer night's dream and a fallacy. We all know it applies to our world, but most of us are too afraid to admit it publicly.

The situation in Guatemala's recent history fully bears out what I have just said. In the period from 1960 to 1996, more than 200 000 people were murdered in state-sponsored violence orchestrated by a notorious army general turned dictator, Efraín Ríos Montt, and assisted by a string of infamous top officials and high-ranking military officers. None of these characters was ever punished. Ríos Montt remains in politics today as the leader of the Guatemalan Republican Front, one of the nation's most powerful political parties. He served as President of the National Congress as recently as two years ago.

We should of course note that Ríos Montt was trained by the United States, and his rise to power was accomplished through CIA involvement and with the full political backing and financial assistance of successive US governments. Honestly, how pathetic can US foreign policy be? Sometimes one wonders. Has the US State Department not had any straight-thinking, sensible people with average IQ working in it over the last few decades?

I urge you to support this resolution, which aims at supporting the present attempts by the Guatemalan authorities to bring to justice Ríos Montt, as well as a number of other despicable criminals.

Karin Scheele, on behalf of the PSE Group. – (DE) Mr President, the armed conflict in Guatemala lasted for decades, and that period saw terrible crimes committed against humanity, with 200 000 people being murdered, 45 000 taken away from their homes, and some indigenous communities wiped out altogether.

The peace agreement will be ten years old in December this year. The Global Agreement on Human Rights has still not yet been put into effect in Guatemala, and the victims of the genocide have received no compensation, whether material or symbolic. The warrant issued by the Spanish Supreme Court in July 2006 for the arrest of Efraín Ríos Montt is a sign of hope that the culprits will no longer be allowed to get away unpunished.

We call on the Guatemalan authorities to cooperate unconditionally; they must do everything in their power to investigate crimes against humanity, and the country's ex-dictator and the other seven accused must be arrested and handed over.

Mariann Fischer Boel, Member of the Commission. Mr President, as Guatemala is preparing to celebrate the tenth anniversary of the signature of the peace accords that put an end to 36 years of civil war, the Commission shares the opinion that everything possible should be done to bring justice to those having suffered human rights violations during the darkest hours of the conflict. In that respect, the Commission takes note of the legal proceedings instituted against former military and political officials for their alleged role at that time. The Commission once again calls upon all parties to wholeheartedly support the quest for truth and justice and to fight impunity where it prevails.

The Commission welcomes the willingness of the present government, albeit timid, to recognise the state's responsibility for past violations of human rights and to secure compensation for victims. It furthermore acknowledges the country's commitment to consolidate the implementation of the peace accords, as confirmed by the Congress in August 2005 with a vote on a framework law establishing procedures and mechanisms to secure the effective attainment of the objectives set ten years ago.

Finally, the Commission praises the work of the Human Rights Ombudsman and welcomes the establishment in July 2005 of an Office of the UN High Commissioner for Human Rights.

Sadly, however, the country continues to be marred by the impunity characterising not just past but also present crimes. This affects all citizens, including human rights defenders who are notably involved in assisting civil war victims. The government agrees that this situation is not acceptable, but still has to take decisive action to reinforce the rule of law. A European programme is currently offering support to the judiciary, but more public funds and structural reforms will be required if lasting improvements are to be made. The Commission is also eagerly awaiting the establishment of a 'Commission of Investigation into Armed Groups and Clandestine Security Apparatus'. We hope the Guatemalan Congress will provide the necessary support for this, as well as for the pending ratification of the Rome Statute of the International Criminal Court.

The Commission believes the European Union should pursue dialogue with Guatemala on key issues relating to the implementation of the peace accords, particularly as the country gears up for the general elections scheduled for the end of 2007. The Constitutional Court has, by the way, recently declared

General Rios Montt ineligible for those elections following the coup he led in 1982. The issue of impunity for past and present crimes should be central in this context.

President. – The debate is closed.

The vote will take place today, at the end of the debates.

12.3. Uzbekistan

President. – The next item is the debate on six motions for resolutions on Uzbekistan⁽³⁾.

Józef Pinior (PSE), author. – *(PL)* Mr President, much has been said in this House concerning the situation in Uzbekistan. The situation is not improving at all. In fact, we are witnessing increasing repression.

The latest Human Right Watch report, published on 3 October 2006, describes the situation in detail. Nobody has yet been called to account for the massacre in Andijan, criticism is still being silenced, and freedom of religion infringed. There is still no cooperation with international institutions with respect to human rights and fundamental rights. Two journalists, Djamshid Karimov and Ulugbek Khaidarov, disappeared in Uzbekistan in September. Both men were well known for their independence and for their criticism of the regime. Eventually, Mr Karimov was found in a psychiatric hospital, and Mr Khaidarov in a prison.

At the same time, the European Parliament's strategy should be directed towards assisting Uzbekistan's return to the community of democratic countries intent on reforming themselves. We must not take any action that could interfere with that course of events.

Alyn Smith (Verts/ALE), author. – Mr President, unusually for us, sanctions are currently in place against Uzbekistan. Sanctions should be used sparingly and only as a last resort, but we in this House should not be afraid to call for them and indeed to see them implemented, as they are the only real weapon for encouraging internal change within that country.

It is important for the EU to speak with one voice and this motion for a resolution seeks to do just that. First, we need to agree on a reality check. In recital C we note the fact that: 'the Government of Uzbekistan has not addressed the conditions the Council set out when sanctions were applied'. So any moves to lift the sanctions currently in place would be counter-intuitive and bizarre. It would be a bizarre incentive or reward for, in effect, ignoring us.

And yet, as we say in recital B, the General Affairs and External Relations Council is expected to consider on 13 November whether it will extend the sanctions adopted last year. We understand there are genuine moves afoot to lift the sanctions. My group disagrees with that and we hope the House will follow us. We believe that the sanctions should be extended and widened, particularly in the light of Uzbekistan's continued refusal to allow an independent inquiry into the events in Andijan.

We would like to see provision in paragraph 2 for the sanctions to be extended, with a targeted visa ban on specific key individuals. That will underline our growing frustration at the lack of progress without any detriment to the Uzbek people themselves.

It is important that we keep up the pressure. We hope that the House will not lose its nerve. While I have no doubt that the Commissioner shares our concerns, we hope that she will match our commitment.

Elisabeth Jeggle (PPE-DE), author. – *(DE)* Mr President, Commissioner, ladies and gentlemen, it is important that this House, rather than averting its eyes from violations of human rights anywhere in the world, should take action in response to them, and the dreadful things that happened in Andijan in Uzbekistan in May 2005 were another case in point; we are a democratic institution and, as such, must not allow human rights to be trampled underfoot anywhere in the world. Nor, too, however, must we allow cooperation between this House and other parliaments to put diplomatic relations at risk. When considering the present state of affairs in Uzbekistan, what has gone on there in the past must also be taken into account, and it is on that alone that this resolution must be founded.

(3) See Minutes

Last month, the delegation for relations with the countries of Central Asia – of which I am a member – planned to travel to Uzbekistan. That nothing came of this plan was not down to any lack of cooperation on the part of the Uzbek authorities, but rather to the lack of interest in any such trip on the part of sufficient Members of this House. One consequence of this is that we have not been able to form our own impressions of the current state of play in Uzbekistan as regards human rights, democratisation and the establishment of an independent judiciary, and we have been obliged, instead, to rely on information from third parties.

Do not misunderstand me: I, too, take the view that human rights and attempts at democratisation often suffer repression in Uzbekistan, and that serious thought must therefore be given to keeping sanctions in place, particularly the embargo on weaponry, but I do not think that extending the sanctions to include such things as the denial of an EU visa to the President of Uzbekistan, Islam Karimov, would do anything to get us closer to what we want. To do such things would amount to breaking off diplomatic relations, and that cannot be what we have in mind. Nothing happening at the present time would justify such a forceful political response, and so I must ask you, as a matter of the greatest urgency, to endorse the amendment I have tabled and vote for its adoption. Should I fail in this attempt at a compromise, I will end up having to vote against the resolution.

Tobias Pflüger (GUE/NGL), *author.* – (DE) Mr President, ‘Reporters without borders’, in their report, now rank Uzbekistan at number 158 – interestingly enough, below such countries as Belarus and Russia. The state of human rights in Uzbekistan has been a frequent topic of debate in this House, particularly after what happened in Andijan. The really hot question now is ‘what will the European Union’s response be?’

We have said that, if there are to be sanctions, they have to apply especially to the movement of weapons and troops. It is vitally important that the German military base, at Termes in Uzbekistan, should be closed down, for, if sanctions are not actually to be complied with, a major exception must be made, and so it is for that reason that we see this as the litmus test for our human rights policy, not least here in this House.

It is for that reason that we have tabled this amendment to the effect that the German military base in Termes must be closed down. The base is used by all NATO Member States, not least by those that are also Member States of the EU, and must therefore be closed down.

Marios Matsakis (ALDE), *author.* – Mr President, Uzbekistan is an authoritarian republic, previously part of the Soviet Union, which, while struggling for economic and political stability, has been fiercely violating the human rights of its citizens.

The memory of the Andijan massacre in May 2005 is very much alive in our minds today, especially since the numerous requests by the UN, the EU and others for an independent investigation appear to have fallen on deaf ears. Furthermore, despite some recent attempts to improve the human rights situation in the country, the situation relating to civil liberties is still profoundly anachronistic. According to credible NGO human rights watchdogs, such as Amnesty International, the most disturbing human rights violations concern torture, arbitrary arrests and restriction of religious freedom and freedom of speech, with members of religious organisations, journalists, human rights activities and political activists, including members of the banned opposition parties, being the main targets.

Despite existing sanctions, the rate and extent of democratic reforms in the country is exceedingly low and distressingly limited. Therefore, in this motion for a resolution we call on the Council not only to renew existing sanctions for a further year but also to expand the sanctions to include EU visa bans and the freezing of assets held in the EU by a number of top officials in the Uzbekistani Government. We do this with regret, but we feel that we have been left with no other option than to be tough in order to be kind.

We very much hope and wish that the Uzbekistani Government will understand our resolve when it comes to issues of human rights and will quickly rectify the large democratic deficits still existing in its country.

Adam Jerzy Bielan (UEN), *author.* – (PL) Mr President, little has changed in Uzbekistan since the last European Parliament resolution on the situation in that country and the republics of Central Asia. The Government of Uzbekistan has still not agreed to an independent inquiry into the events that took place on 13 May 2005 in Andijan, where troops sent in by President Karimov crushed a popular uprising.

Several hundred people died in that bloodbath, which the government referred to as a terrorist rebellion. Most independent journalists and human rights defenders are being intimidated by the security services and some have been exiled from the country.

The recent disappearance of Djamshid Karimov and Ulugbek Khaidarov has caused great concern about the future development of Uzbekistan. Mr Karimov and Mr Khaidarov are said to be the last remaining journalists in the country who have dared to write critically about the government and its leader for the last 17 years. When these two men were located a few days later, one had received a prison sentence for blackmail, and the other had been committed to a psychiatric hospital.

Civil society in Uzbekistan is demanding a more open society, where personal freedoms and human rights are respected. The people of Uzbekistan would also like to see real progress along the road to democracy. The war on terror must be fought without infringing international conventions. It must never serve as a pretext for annihilating the political opposition, riding roughshod over human rights or restricting civil liberties.

Tadeusz Zwiefka, *on behalf of the PPE-DE Group.* – (PL) Mr President, 15 years after the fall of the empire of evil, which is what the Soviet Union most definitely was, the situation has become fairly clear. Only those former Soviet republics which decided to build a future according to the democratic Western model can guarantee that they will create a civil society on their territory and respect human rights.

By contrast, those countries that sought shelter under Moscow's protective wings and where governments headed by former Communist leaders remain in power, are giving us cause for alarm and great concern. However, I would like to draw attention to the fact that we tend to discuss individual cases. Today, we are specifically discussing one of the many tragedies that have taken place in Uzbekistan. It is surely time, indeed high time, to draw attention to the fact that the only reason why such events are taking place is because these regimes can count on Moscow's assent. They are protected by the Russian leadership and are therefore able to act in this way rather than any other. It really is high time we said no to all of this.

Ana Maria Gomes, *on behalf of the PSE Group.* – (PT) Even in a region trampled on by autocratic dictatorships, the Andijan massacre has managed to put Karimov's Uzbekistan out on its own. The government says that 169 people died, whereas the opposition puts the figure at 745. Regardless of the numbers involved, those responsible needed to be identified and brought to justice. The EU has done this, albeit only partially and half a year late. In November, the Council adopted an arms embargo and other restrictive sanctions. A year on, and how have matters developed?

The repression has worsened, with the work of the NGOs and the journalists having been stifled. In March, the High Commissioner for Refugees was expelled from the country and, worse still, between November and July, in an act of rare hypocrisy, over 250 people were summarily convicted for causing the May massacre, in a series of grotesque, media-circus trials.

All of this demonstrates that it is not only vital that we extend the existing sanctions for a further 12 months, but also that we deepen them by freezing financial transactions and European visas for the main Tashkent torturers, and broaden them to include the ringleader, President Karimov.

Daniel Strož, *on behalf of the GUE/NGL Group.* – (CS) Mr President, Commissioner, ladies and gentlemen, it is clearly right and necessary to monitor the implementation of human rights, whether one is talking about Tibet, Guatemala or Uzbekistan, because these are inalienable rights in the era of globalisation. In view of the discussions and initiatives promoted and taken forward by the European Parliament, however, I believe that this body would prefer to deal with human rights violations and related problems anywhere in the world except in the territory of the EU itself.

This leaves us completely indifferent, for example, to the appalling situation of the so-called Russian non-citizens in Latvia, child labour and child prostitution in some Member States, the terrible state of the media and the criminalisation and persecution of the Left in the Czech Republic, and the unparalleled growth of poverty and far-right extremism in Germany.

All the more reason, perhaps, to tackle Uzbekistan and Tibet, or perhaps Belarus and China and the like. I would venture to say, however, that the conservative majority is deliberately and cleverly turning

Parliament into a kind of tame guard dog that is happy to remain on its own side of the fence and bark at the neighbours.

We should always focus primarily on the problems affecting the EU Member States.

Michał Tomasz Kamiński, *on behalf of the UEN Group*. – (PL) Mr President, firstly, I have to say that I was completely appalled by the statement the representative of the far Left in the European Parliament has just made. The situation in Uzbekistan simply cannot be compared to the situation in any European country. A great many countries certainly do experience problems, but to draw a comparison with the situation in Uzbekistan, where people are dying and being persecuted for their political views, is quite outrageous.

I am saddened to discover that, when it comes to discussing issues such as the defence of human rights, there are individuals in this House who break the consensus on the defence and promotion of fundamental European values such as human rights, democracy and freedom of expression. The consensus ought to prevail from the Left to the Right of the House.

I shall support the resolution in which we call for an extension of the sanctions against the regime in Uzbekistan, as the European Union is more than a political body bound together by common economic interests. I firmly believe in the European Union as a community of values and, as such, the Union must set an unequivocal example by condemning all infringements of human rights, regardless of where they take place.

(Applause)

Urszula Krupa, *on behalf of the IND/DEM Group*. – (PL) Mr President, exactly a year ago we were also debating the situation in Uzbekistan, in the wake of the bloody suppression of a demonstration against President Karimov's totalitarian regime and its infringement of human rights.

Uzbekistan's independence is also constantly compromised by the bitter struggle for influence between the great powers. In spite of the sanctions imposed, and despite successive Parliament resolutions, human rights defenders continue to be imprisoned and tortured in Uzbekistan. So too are witnesses to the truth, and we all know that truth cannot be suppressed by decisions, laws or prison sentences of any sort.

The heavy hand of the regime is felt not only by representatives of the opposition but also by the whole nation, as it struggles for independence and democratic change. Women are particularly affected. Although they have been granted the right to divorce within the framework of equal opportunities, they very often have to deal with everyday problems on their own, having to provide for their children and families single-handedly. We obviously call for respect for human rights and support for the resolution.

Ryszard Czarnecki (NI). – (PL) Mr President, a single minute is simply not enough time to discuss infringements of human rights in Uzbekistan. We can only draw attention to the fact that an independent inquiry into the events in Andijan 18 months ago has yet to take place. These events led the authorities in Tashkent to declare war on independent reporters and defenders of human rights.

According to the UN, torture is still being used in Uzbekistan. It is true that Islamic extremism is gathering strength in Uzbekistan, but this cannot be used as an excuse for violating human rights. Uzbekistan plays a leading role in Central Asia, which is all the more reason for demanding that it respects the rules for democracy, the rule of law, and human rights.

Several thousand kilometres away from Uzbekistan lies a similar country, which is also unceremoniously violating human rights. This country is Belarus. Visa sanctions have been imposed on both Uzbekistan and Belarus. Extending these sanctions seems to be a sensible decision and deserves our support. Perhaps this so-called visa blackmail will enable Uzbekistan to understand what European standards are all about.

(Applause)

Bernd Posselt (PPE-DE). – (DE) Mr President, my being here at all is something I owe to the Uzbek people, for my grandfather – an Austrian soldier in the First World War – was captured by the Russians and it was only thanks to Uzbek hospitality that he survived the cold winter around Tashkent.

While we all, I believe, have deep sympathy for the Uzbek people, it is for precisely that reason that we condemn the suppression of human rights there and lament the fact that a regime is in power there that

does not in the least meet our standards where human rights are concerned. I would like to see a quite forthright denunciation of these violations of human rights, and I also want to see the sanctions extended.

However, I regard additional bans on entry of the kind called for in paragraph 2 as worthless. I do not believe we can sort out problems by grovelling to Mr Putin at one summit and perhaps inviting the Chinese President to the next one, while taking it out on the mini-Putins and tinpot tyrants, and so I recommend that we adopt reasonable standards. Extend the sanctions? I say 'yes' to that. Denounce human rights violations? 'Yes' to that too. But as for spending part of Thursday afternoon imposing travel bans on every Head of State you can think of, well, that, I have to say, I regard as demagoguery rather than credible policy-making.

Karin Scheele (PSE). – (DE) Mr President, it is a matter of common knowledge that, on Thursday afternoons, we impose absolutely nothing. All this House does in response to the various human rights issues around the world is to make demands of one sort or another. By means of this resolution today, we are demanding of the Council that it extend the policy of sanctions and broaden it to include certain areas that have already been discussed. The Government of Uzbekistan still refuses to allow an independent investigation of the deaths in Andijan of the kind repeatedly demanded in the past by several international institutions and still called for by them now. What Uzbekistan should be doing is working towards that sort of independent investigation, together with the OSCE and the UN.

The EU's relations with Uzbekistan are a matter of great importance to us, but they must be founded on respect for democracy, for the rule of law and for human rights.

Mariann Fischer Boel, Member of the Commission. Mr President, although one and a half years have passed, the mass killings at Andijan on 13 May 2005 remain fresh in all our memories. The Uzbek authorities have rejected international demands for an independent enquiry and no credible investigation of the killings has taken place. The trials of those persons who took part in the demonstrations that led to the killings have been condemned by the OSCE Office for Democratic Institutions and Human Rights as patently unfair.

Subsequent developments also give little ground for optimism. Torture is reported to remain widespread. No international body has been able to obtain access to refugees returned to Uzbekistan. Uzbekistan refuses to cooperate with United Nations Special Procedures. Civil society and human rights defenders are subject to constant harassment. Indeed, many human rights defenders have been imprisoned.

The Commission has noted with particular concern that several prominent human rights activists have been sentenced to several years' imprisonment, while Mukhtabar Todjibaeva remains in detention. We are aware of many similar cases.

Despite this bleak picture, nothing is to be gained by cutting off all channels of communication with Uzbekistan. As Honourable Members are aware, in response to the Andijan killings, the European Union adopted sanctions against Uzbekistan, namely as mentioned here earlier, an arms embargo, a travel ban for those individuals responsible for the Andijan killings and the suspension of technical meetings with Uzbekistan. A decision whether to prolong or extend the scope of these sanctions must be taken by 14 November.

In order to enable Member States to obtain a full and comprehensive picture of the situation in Uzbekistan, a Cooperation Council will be held with Uzbekistan at the beginning of November. Moreover, this Cooperation Council will provide an opportunity for the European Union to raise directly with the Uzbek authorities, at ministerial level, our many concerns on Andijan and its aftermath.

In the light of this Cooperation Council, the Member States will take their decision on the possible prolongation or extension of the sanctions.

President. – The debate is closed.

The vote will take place today at the end of the debates, that is to say in a moment.

13. Voting time

President. – The next item is voting time.

(For results and other details of the vote: see Minutes)

13.1. Tibet (vote)

13.2. Case against Rios Montt (vote)

13.3. Uzbekistan (vote)

- Before the vote on paragraph 2

Józef Pinior (PSE). – Mr President, in my oral amendment, I suggest deleting the first part of paragraph 2 of the joint resolution on Uzbekistan.

President. – Are there any objections to the inclusion of this oral amendment?

Bernd Posselt (PPE-DE). – *(DE)* Mr President, I beg your leave to point out that we have, in fact, tabled an amendment to paragraph 2, so it needs to be voted on before the original is, even though the original has been the subject of an oral amendment. We first need to vote on the amendment that would replace the former wording.

President. – Mr Posselt, I think you are right. We will ask Mr Pinior to make the necessary clarifications.

Józef Pinior (PSE). – Mr President, I suggest we delete the first part of the second point. As I understand it, it was proposed by members of the PPE-DE Group.

President. – This, then, is an oral amendment to paragraph 2, aiming to shorten the text.

(The oral amendment was accepted)

- Before the vote on Amendment 1

Elisabeth Jeggle (PPE-DE). – *(DE)* Mr President, I would like to replace ‘sound and future-oriented decision’ by ‘considered decision with a view to improved future relations’. That is a more specific way of putting it.

Marios Matsakis (ALDE). – Mr President, I object to that oral amendment because it takes away the sting in our resolution. We have tangible evidence that the sanctions are slowly working, so we need to expand them further and not weaken them further, as Mrs Jeggle's amendment seeks to achieve.

President. – We are grateful for your comments, Mr Matsakis, but you will have to find 36 other Members to join you to make a total of 37 to oppose this amendment. However strong your arguments are, I cannot reject the oral amendment if plenary does not oppose it, and I cannot see any other Members standing up.

(The oral amendment was accepted)

That concludes voting time.

Manuel Medina Ortega (PSE). – *(ES)* Mr President, I was in my office when I was made to leave by officials of this Parliament who told me that there was a fire drill. When I came in, I found that the vote had already been taken on the Resolution on Tibet and on another one, and I would now like to inform the Secretariat of the way I would have voted in the votes I was unable to participate in because the services made me leave my office and I was unable to come down to the Chamber.

President. – Do not worry, the services will take all of that into account.

14. Decisions concerning certain documents: see Minutes

15. Written declarations for entry in the register (Rule 116): see Minutes

16. Forwarding of texts adopted during the sitting: see Minutes

17. Dates for next sittings: see Minutes

18. Adjournment of the session

President. – I declare the session of the European Parliament adjourned.

(The sitting was closed at 4.25 p.m.)

ANNEX (Written answers)

QUESTIONS TO THE COUNCIL (The Presidency-in-Office of the Council of the European Union bears sole responsibility for these answers)

Question no 12 by Bernd Posselt (H-0806/06)

Subject: Situation of minorities in Vojvodina

How does the Finnish Presidency view the situation of the Hungarian, Romanian, Croatian, Ruthenian, Czech, Slovak, German and other minorities in the Serbian province of Vojvodina, and what actions does it have in mind to reinforce minority rights, the autonomy of the province, democracy and the rule of law?

Is the Council aware that whole localities have been subject to ethnic flooding by systematic settlement of Serbian refugees, and that violent attacks have been, and continue to be, perpetrated there on young people who are members of minorities?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

During the Finnish presidential term the Council has been actively monitoring events inside Serbia. Serbia is about to have a new constitution, which the country's parliament adopted unanimously on 30 September 2006. Its citizens will be given the chance to vote on acceptance of the constitution in a referendum on 28 and 29 October. The Council will be following this closely. The European Union's principle instrument for the western Balkans is the Stabilisation and Association Process. Its frame of reference is the Copenhagen criteria, for example, political criteria including the rights of minorities. The closer the countries in the region get to the European Union, the more stringently the conditions need to be complied with. The European Union Monitoring Mission (EUMM) is observing the situation on site, and other international players, such as the Organisation for Security and Cooperation in Europe and the Council of Europe, are also monitoring the situation in Vojvodina and are exchanging information with the EU on it. The Council intends to follow what is happening there with reference to a regular progress report by the Commission. The report is due out on 8 November, and it will provide an assessment of the situation in Serbia regarding issues such as democracy, the rule of law, human rights and the protection of minorities. The Council will be continuing its close scrutiny of events in Serbia.

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Question no 14 by Chris Davies (H-0813/06)

Subject: Legislation on CO2 emissions for new vehicles

Does the Council intend to call upon the Commission to introduce legislation requiring the motor industry to reduce CO2 emissions for new vehicles?

Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session in Strasbourg.

The Council has been informed that the Commission intends, before the end of 2006, to put forward a proposal amending the Community strategy on reducing CO2 emissions from cars. The Council will consider this proposal, and other Commission proposals on this topic, particularly carefully.

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Question no 15 by Danutė Budreikaitė (H-0815/06)**Subject: Prolonging the operation of the Ignalina nuclear power plant**

By signing Protocol No 4 on the Ignalina nuclear power plant in Lithuania, annexed to the Act of Accession to the European Union, Lithuania committed itself to closing unit 1 of the Ignalina nuclear power plant before 2005 and unit 2 by 2009. Without prejudice to this commitment, the general safeguard clause referred to in Article 37 of the Act of Accession will apply until 31 December 2012 if energy supply is disrupted in Lithuania.

Last year's energy crisis between Ukraine and Russia; the disruption of the oil supply from Russia to Lithuania in July, blamed on technical reasons affecting only Lithuania, without a resolution favourable to both sides being sought; the stalling of the project to build an electricity power line between Poland and Lithuania; the absence of a common EU energy policy and of common energy networks (electricity, gas) and the lack of solidarity on the part of EU Member States threaten Lithuania with isolation from energy suppliers. There is increasing dependence on Russia, which is threatening to export its energy supplies to other countries.

Given this uncertain state of affairs, could Lithuania apply Article 37 of the Act of Accession and prolong the operation of the Ignalina nuclear power plant, provided that safety standards allow, until Lithuania's energy problems are solved?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Article 4 of Protocol No 4 annexed to the Act of Accession, considered in conjunction with Article 37 of the Act of Accession, lay down conditions whereby Lithuania can, up to the year 2012, request permission to apply the general safeguard clause referred to in Article 37, if there are disruptions in the energy supply in Lithuania.

Article 37 of the Act of Accession makes it clear that, to avail itself of this opportunity, the Member State in question has first to request permission from the Commission to take safety precautions, with reference to relevant background data. The Commission then endorses the safety precautions that it deems necessary. The Commission thus has to assess whether to give permission for taking the action which the honourable Member refers to.

The Council would also ask the honourable Member to take note that the Council really does consider security of the supply of energy to be one of the cornerstones of Europe's energy policy, as the conclusions from the Transport, Telecommunications and Energy Council meeting in March 2006 ('A New Energy Policy for Europe') and those of the March 2006 European Council ('European Energy Policy') will confirm.

The Union has stated in this connection that it is prepared to provide Lithuania with appropriate additional Community aid for the closure and decommissioning of the Ignalina nuclear power, as stated in Protocol No 4 of the Act of Accession. This aid was included in the financial frameworks for 2007-2013. Article 2(3) of the Protocol further states that the Ignalina programme shall, inter alia, cover measures in support of the decommissioning of the Ignalina nuclear power plant, measures for the environmental upgrading in line with the acquis and modernisation measures of conventional production capacity to replace the production capacity of the two Ignalina nuclear power plant reactors, and other measures which are consequential to the decision to close and decommission the plant and which contribute to the necessary restructuring, environmental upgrading and modernisation of the energy production, transmission and distribution sectors in Lithuania as well as to enhancing the security of energy supply and improving energy efficiency in Lithuania.

As another example, let me mention that in the recent decision confirming guidelines for trans-European energy networks, one of the projects of European interest was the Poland-Lithuania link, which includes the necessary endorsement of the Polish electricity network and the PL-DE profile, and the subterranean cable between Finland and Estonia (Estlink). Together, these projects should make possible participation in an internal market for energy and guarantee the reliability and security of the operation of energy networks.

The Council has already begun working closely with the European Parliament to develop a coordinated or common energy policy by gradually adopting a statute book on energy. These measures and documents will form a basis for a stable energy supply in the EU. This will serve as a basis too for current and future energy policy decisions. The security of supply of energy, alongside two other aims of energy policy, that is to say competitiveness and sustainability, will also serve as the basis for a strategic survey on energy, which the European Commission intends to present to the Council and the European Parliament in 2007.

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Question no 16 by Agustín Díaz de Mera García Consuegra (H-0818/06)

Subject: Migration crisis in the Canary Islands

In view of the systematic and flagrant violation of the external borders of the Union on a daily basis, why is Mr Javier Solana not contemplating taking visible external EU action by pursuing preventive diplomacy in immigrants' countries of origin and transit?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Since the early stages of the development of cooperation on justice and home affairs it has been clear to the Union that it is important to take its policy on immigration into consideration in relations with developing world countries.

The European Council has continually highlighted the importance of external relations, as a result of which cooperation with developing world countries on immigration and related matters has been an element in the Union's bilateral and multilateral relations. Immigration was also discussed at the working lunch at the informal meeting of EU Heads of State or Government on 20 October 2006.

The Union is now actively endeavouring to implement the comprehensive approach on immigration adopted by the European Council in December 2005. This proposes priority action for Africa and the Mediterranean region.

Crucial to this strategy is the need to firm up cooperation and partnership among the countries of destination, origin and transit that apply to migrants, because systematic management of migration flows can benefit all the relevant countries as well as the migrants themselves. Such a comprehensive dialogue should extend to all aspects of immigration and, furthermore, promote the opportunities derived from immigration to contribute to development. In the dialogue, the EU will also focus special attention on effective cooperation to prevent and combat illegal immigration.

The EU had a central role in the organisation of the Euro-Africa Ministerial Conference on Migration and Development, held in Rabat on 10-11 July 2006. The Rabat conference agreed a Joint Action Plan and a Declaration, and there countries of origin, transit and destination met for the first time and, in a spirit of partnership, held a debate on immigration and questions that relate to all parties. Implementation of the Action Plan is expected to commence shortly. The Action Plan also contains measures to try and strengthen cooperation in the area of legal and illegal migration.

Initiatives at regional level are an attempt to step up dialogue and cooperation with international organisations in various parts of Africa. The EU and the African Union are presently preparing for a ministerial conference on migration and development which would cover the whole of Africa. The conference is to be held before the end of this year, and will be an opportunity for participants to pinpoint areas that concern them and which are in the interests of all parties, and where cooperation between them could be enhanced. Another ministerial conference on migration and development is also in preparation, this time with the countries in the Euro-Mediterranean Partnership, in harmony with the comprehensive line that is being taken.

At bilateral level the plan is to improve the dialogue on immigration referred to in Article 13 of the Cotonou Agreement with our African partners which are parties to the Cotonou ACP Agreement, and to continue talks on readmission agreements with certain developing world countries.

The Commission has been given a mandate to negotiate a readmission agreement with two African countries, namely Morocco and Algeria. Morocco is a crucial country of transit, and good progress has already been made in talks with it. Formal discussions with Algeria are to start as soon as possible. Readmission agreements are an expression of the commitment that the EU shares with African countries to fight illegal immigration.

At its session on 5 and 6 October 2006 the Council adopted its Conclusions on Reinforcing the Southern External Maritime Borders (13559/06).

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Question no 17 by Mihael Brejc (H-0819/06)

Subject: New timetable for introducing the second-generation Schengen Information System (SIS II)

We have been informed that a new timetable is being drawn up for introducing the second-generation Schengen Information System (SIS II), meaning that Slovenia, which meets all the criteria for inclusion in SIS II, will only be able to join the system much later than originally envisaged. If that is the case, could you please answer the following questions.

Will the delay mean that fulfilment of the Schengen criteria which we have already met will need to be reassessed, and exactly what purpose will the previous assessments then serve?

Given that the delay has arisen for reasons to do with the EU, not the activities of the Member States, how will the EU assist in meeting the costs caused by this delay (wages, facilities already in place for securing the Schengen border, etc.)?

In view of the plan for the old Member States to implement SIS II first, and then all the others, I would ask why not proceed according to each Member State's actual ability to implement the system, irrespective of whether it is an old or new Member State?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally at the part of Question Time set aside for questions to the Council at Parliament's first October 2006 part-session in Strasbourg.

We would draw the questioner's attention to the conclusions concerning SIS II and SIS I+ issued following the Council meeting of 5 and 6 October 2006.

In those conclusions the Council took the view that the implementation schedule set out in Commission working paper 12379/06 SIRIS 158 was feasible and realistic. According to the revised timetable, the latest date on which SIS II would enter into operation in those Member States currently taking part in SIS I+ would be June 2008; at that stage, Member States not yet involved in SIS I+ could likewise join the system.

The Council endorsed the revised timetable and urged its appropriate working parties and the Commission bodies concerned to do their utmost to make SIS II operational as early as possible.

It has to be ensured that the transition to SIS II in Member States participating in SIS I+ is carried out without disrupting the operation of the system. Only when the transition has been completed and the new system has been shown to be in proper working order will it be possible to incorporate Member States which have not previously taken part.

As a matter of principle, once Schengen criteria have already been met, their fulfilment should not be assessed again.

In December the Council will be discussing matters relating to the Schengen Information System and the abolition of internal border checks. The technical, economic, legal, and organisational aspects will be considered over the next few weeks.

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Question no 18 by James Elles (H-0820/06)**Subject: Request for the continuation of the exemption from charging full excise duty on red diesel for leisure boaters under Council Directive 2003/96/EC**

Derogations under Directive 2003/96/EC⁽⁴⁾ allowing 5 countries, including Finland, Ireland, Malta and the United Kingdom, to charge reduced rates of excise duty on red diesel, are due to expire after 31 December 2006. Is the Council aware of the potentially devastating impact of abolishing these derogations on water sports, tourism and the marine industry in these countries? Does the Council share the assessment that the results of ending the exemption would in fact run directly counter to the Directive's primary aim, namely the harmonisation of tax levels on energy products so as to reduce distortions in the Internal Market? Will the Council therefore support a renewal of the derogation if the governments concerned apply for a renewal?

Question no 19 by Simon Busuttil (H-0834/06)**Subject: Request for the continuation of the exemption from charging full excise duty on red diesel for leisure boaters under Council Directive 2003/96/EC**

Derogations under Directive 2003/96/EC⁽⁵⁾ allowing five countries, including Finland, Ireland, Malta and the United Kingdom, to charge reduced rates of excise duty on red diesel, which apply only to private pleasure watercraft, are due to expire after 31 December 2006. Is the Council aware of the potentially devastating impact of abolishing these derogations on water sports, tourism and the marine industry in these countries? Does the Council share the assessment that the results of ending the exemption would in fact run directly counter to the Directive's primary aim, namely the harmonisation of tax levels on energy products so as to reduce distortions in the Internal Market? Will the Council therefore support a renewal of the derogation if the governments concerned apply for a renewal?

Question no 20 by Alexander Stubb (H-0843/06)**Subject: Request for the continuation of the exemption from charging full excise duty on red diesel for leisure boaters under Council Directive 2003/96/EC**

Derogations under Directive 2003/96/EC⁽⁶⁾ allowing five countries, including Finland, Ireland, Malta and the United Kingdom, to charge reduced rates of excise duty on red diesel are due to expire after 31 December 2006. Is the Council aware of the potentially devastating impact of abolishing these derogations on water sports, tourism and the marine industry in these countries?

Does the Council share the assessment that the results of ending the exemption would in fact run directly counter to the Directive's primary aim, namely the harmonisation of tax levels on energy products so as to reduce distortions in the internal market? Will the Council therefore support a renewal of the derogation if the governments concerned apply for a renewal?

Joint Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session in Strasbourg.

Pursuant to Article 18 of Directive 2003/96/EC, the Member States are still authorised to grant the tax reductions and tax exemptions which are listed in Annexes II and III to the directive and which the Honourable Member cites. This authorisation will expire on 31 December 2006 and on the date referred to in Annexes II and III, unless those deadlines are amended by the Council acting on the basis of a Commission proposal.

In July 2006 the Council noted a Commission communication which points out, inter alia, that individual Member States which still require a derogation from the directive on political grounds can submit a corresponding application to the Commission, pursuant to Article 19 of the directive.

(4) OJ L 283, 31.10.2003, p. 51.

(5) OJ L 283, 31.10.2003, p. 51.

(6) OJ L 283, 31.10.2003, p. 51.

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Question no 21 by Elena Valenciano Martínez-Orozco (H-0821/06)

Subject: Abuse in Iraq

Human rights and international humanitarian law, specifically the Geneva Convention on the proper treatment of prisoners, are fundamental international rules that must be respected in every case. Keeping prisoners in a legal vacuum gives rise to abuse and serious violations of human rights, as detailed in the report by the organisation Human Rights Watch on the maltreatment of detainees in Iraq, published in July 2006.

That same month of July 2006 also saw the launching of the Compact programme establishing an international commitment to construct a safe, united and democratic Iraq, in which the EU is prepared to play a active part.

Does the Council consider it appropriate to maintain a dialogue with the US authorities with a view to opening an independent investigation into the true scope of abuse in Iraq, possibly with the complicity of senior officials, so that those responsible for the abuse can be brought to justice?

Does the Council believe that uncovering the responsibility of US officials implicated in the abuse of detainees in Iraq is an essential condition for constructing a safe and democratic Iraq?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

The EU regards it as very important that there is compliance with international humanitarian law at all stages of any armed conflict. This is emphasised in the European Union Guidelines on promoting compliance with international humanitarian law adopted in December 2005. Article 3 of the Guidelines states: 'The European Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law. This includes the goal of promoting compliance with IHL'.

The EU values the dialogue with the United States of America on international law and the fight against terrorism, wherein general legal frameworks are being discussed. The Council has not addressed the question of conducting an independent investigation into abuses in Iraq.

The Council is closely monitoring developments in Iraq, including human rights in the country and the humanitarian situation there. Questions relating to arrests, in addition to other human rights matters, are also being discussed within the context of the International Compact, which the Iraqi Government is at present drafting. The European Union is taking an active role in its development, and, in this connection, has stressed that the Compact should also deal with political and security reforms, as well as the promotion and protection of human rights and reinforcement of the rule of law in Iraq.

The EU is applying an EU Integrated Rule of Law Mission for Iraq (EUJUST LEX), by means of which the EU will actively support Iraq in developing the prerequisites for the rule of law in the country. So far almost 800 Iraqi judges, prosecutors and senior officials from the police and the prison authorities have received training within the EUJUST LEX framework. The Mission has been extended until December 2007, and in its second phase there will be specialist training available in more and more fields.

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Question no 22 by Zita Pleštinská (H-0822/06)

Subject: Postponement of the accession of the new Member States to the Schengen area

In 2004, the Commission declared that the enlargement of the Schengen area to include the new Member States would be possible after the adoption of vital measures to secure the area's external borders. The provisional date of accession was set for October 2007.

During an informal meeting of justice and interior ministers, the Finnish Presidency announced on 21 September 2006 that the date of accession would probably be put back because of technical and legal problems relating to the creation and launch of the Schengen Information System (SIS) II.

Has the Council considered alternatives to introducing SIS II, such as temporarily including the new Member States in the current system (SIS I+)? If not, why not? If so, what conclusions were reached?

What does the Council intend to do to maintain the original timetable for the accession of the new Member States to the Schengen area?

Boosting public confidence in the EU is vital. The free movement of persons is a practical fulfilment of the fundamental freedoms guaranteed by the Treaties. When, in the near future, will citizens from the new Member States also be able to travel without border controls?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally during the part of Question Time set aside for questions to the Council at Parliament's first October part-session in Strasbourg.

According to the 2003 Act of Accession, a decision to abolish internal border checks could be taken after the necessary preconditions for applying the Schengen rules had been shown to be met. The Schengen Information System (SIS), which operates in all the Member States, is one such precondition.

The stakeholder groups are all expressly aiming to do their utmost to enable SIS II to be put into operation at the earliest possible date. The delegations, including those from the new Member States, have considered and rejected several alternative scenarios for introducing SIS II.

At a meeting in Luxembourg on 5 October 2006 given over to matters related to the final abolition of checks at borders with new Member States, the Council discussed a solution put forward by the Portuguese delegation whereby new Member States would be able to join the SIS in its existing form (SIS I+). The idea behind the proposal is that they could be incorporated into the system before the stage at which the SIS II project is likely to be finalised.

As indicated in the conclusions issued on 5 October, the Council intends to discuss the timetable for the abolition of internal border checks at its meeting in December, when it will also give its verdict on the Portuguese proposal, which will be considered further in the weeks ahead.

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Question no 23 by Paulo Casaca (H-0825/06)

Subject: European citizen missing in Al Zubayr

The ITN cameraman Fred Nérac, a French national, disappeared after the vehicle he was travelling in, marked as belonging to a news team, came under crossfire close to the Iraqi town of Al Zubayr, south of Basra, on 22 March 2003. The incident was witnessed by dozens of people, many of whom have been identified and would be able to give formal statements if urged to do so.

Since then four investigations have been opened, not all of which have been concluded, including two conducted by British and Danish troops on the ground. The results have raised many questions but also provide a number of leads which have not yet been fully explored owing to the lack of security or the lack of political will.

The Fred Nérac Committee, comprising relatives, friends and members of the public whose attention has been caught by this dramatic story, are calling for the facts to be established quickly and transparently, and are seeking full access to the confidential reports presented by the UK and Danish investigators.

According to the above committee, the Council, under both the British and the Austrian Presidency, indicated that it would use its best efforts to intervene with the French, British, US and Iraqi authorities to ensure that they did everything necessary from a practical point of view to find the missing journalist or his remains.

Can the Council report on the outcome of these efforts?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Both the United Nations and Austria, during its presidency, did their utmost to try to obtain precise details, through the Iraqis and other authorities, on what had happened to the ITN cameraman Fred Nérac, who disappeared. Furthermore, Nérac's family has been given support. Unfortunately, these actions have not so far led to any concrete results.

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Question no 24 by Mairead McGuinness (H-0828/06)**Subject: Voting rights of EU citizens in national elections**

Could the Council clarify its position in relation to the participation of EU citizens in the national elections of the country where they reside? I raised this issue in a written question to the Council (E-1756/06), however the Council's reply failed to address the substance of the question.

While TEC provides that EU citizens residing in another Member State of the EU can vote in local and European elections, similar provisions do not apply to national elections.

Given the range of measures and initiatives that have been put in place to facilitate the movement, establishment and integration of European citizens in other EU Member States, would the Council consider amending existing legislation to facilitate the full participation of EU citizens in the national elections of the country where they reside?

Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session.

Union citizenship is dealt with in Article 17 of the EC Treaty, which stipulates that Union citizens 'enjoy the rights conferred by this Treaty and shall be subject to the duties imposed thereby'.

As the Honourable Member correctly points out, pursuant to Article 19 of the EC Treaty Union citizens resident in a Member State of which they are not nationals have the right to vote, although this right extends only to municipal and European elections. As things stand, under the EC Treaty the European Community has no power to lay down provisions governing the right to vote and to stand for election in parliamentary elections. These matters are dealt with under national law.

As to the issue of whether national legal provisions concerning parliamentary elections might serve to restrict the freedom of movement provided for in the EC Treaty, the Council points out that the enforcement of the principles of Community law is part and parcel of the practical implementation of the EC Treaty.

As stated in the answer to Question E-1756/06, the Council has hitherto not discussed the extension to national elections of the right of Union citizens to vote and stand for election.

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Question no 25 by Zsolt László Becsey (H-0833/06)**Subject: The responsibility of the Council's Presidency-in-Office to preserve the multiethnic character of Vojvodina**

As the EP has, at our proposal, spoken out, both in a resolution and in a report, in favour of defending the multi-ethnicity of Vojvodina, is the Finnish Presidency keeping the province's affairs on the agenda, and if so, by means of what practical measures is it helping to do so, particularly bearing in mind the serious situation which exists in Vojvodina, which is manifested not only in physical or other unconcealed mistreatment of national and ethnic minority groups or individuals but also in demonstrable discrimination

in the fields of education, religious observance, access to justice, participation in State institutions and access to property and employment?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

During the Finnish Presidency the Council has been actively monitoring events inside Serbia. The European Union Monitoring Mission is observing the situation on site, and other international players, such as the Organisation for Security and Cooperation in Europe and the Council of Europe, are also monitoring the situation in Vojvodina and providing the EU with information. The main EU instrument affecting policy on the western Balkans is the Stabilisation and Association Process. Its frame of reference is the Copenhagen criteria, including political criteria such as the rights of minorities. The Council will be evaluating the situation on the basis of a regular progress report on Serbia by the Commission. The report is due out on 8 November, and it will provide an assessment of the situation in Serbia regarding issues such as democracy, compliance with the rule of law, human rights and the protection of minorities.

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Question no 26 by Marian Harkin (H-0837/06)

Subject: EU-US Open Skies Agreement

Will the Council outline the implications of a bilateral aviation agreement between Ireland and the United States, in advance of an EU-US Open Skies Agreement?

Can the Council approve, in principle, of such an arrangement between the US and any of the 25 Member States of the Union?

Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session in Strasbourg.

The negotiations on the aviation agreement between the EU and the United States were concluded in March 2005. The EU is now awaiting the outcome of the internal procedures to be carried out by the US authorities. These procedures are intended to bring up to date the 'amended rules' governing the administration of data concerning foreign nationals by US airlines. In the meantime, all the discussion partners have emphasised the importance of complying with the negotiated agreement, since it offers all the EU Member States an 'open skies' arrangement with the United States and clears the way for the removal of restrictions on transatlantic flights in the future. Relations between Ireland and the United States are dealt with only as one component of the EU-US agreement to be concluded in the near future. At all events, the discussions will not encompass the possibility of a bilateral agreement between Ireland and the United States.

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Question no 27 by Panagiotis Beglitis (H-0839/06)

Subject: Free trade zone in the Mediterranean

On 21 and 22 September the sixth Euro-Mediterranean Conference of ministers of industry took place on the island of Rhodes. This Conference confirmed the objective of creating a free trade zone in the Mediterranean by 2010, involving the free movement of industrial products in the Mediterranean.

In view of the fact that most Euro-Mediterranean cooperation countries are also members of the World Trade Organisation, under whose auspices negotiations are under way to deregulate trade in industrial products, but with special arrangements for developing countries, has the Council considered the consequences of a WTO agreement in the sector of trade and industrial products for trade in these products in the Euro-Mediterranean region? Will the free trade zone which is due to be established in

the Mediterranean contain special arrangements for Mediterranean countries, reflecting their level of development, so that they are able to benefit from the existence of this zone like European States? If so, what are these arrangements?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally in the part of Question Time set aside for questions to the Council at Parliament's first October 2006 part-session in Strasbourg.

Trade is an important part of the Barcelona Process, which brings the EU and its Mediterranean partners closer together both under the EU's bilateral association agreements and through the stimulus provided by the regular regional-level Euro-Mediterranean ministerial meetings given over to trade and industry. The aim has been to increase economic integration and establish a regional free trade area by 2010.

Liberalising trade in the Euro-Mediterranean area is in accordance with WTO rules, since bilateral free trade areas set up under association agreements constitute projects entitled to preferential treatment within the meaning of Article XXIV of the GATT. In addition, their establishment and the policies applying to them have been inspired by the regional and development dimension. Furthermore, at their recent fifth Euro-Mediterranean meeting in Marrakesh on trade-related matters, the Ministers agreed to improve cooperation in a way compatible with the EU's preferential trading systems in order to achieve a balanced outcome from the point of view of the WTO Doha Development Agenda, among other things by opening up access to agricultural commodity markets and creating attractive markets for developing countries.

As far as its Mediterranean partners are concerned, the Union is working within the Barcelona process and under the Euro-Mediterranean association agreements to abolish industrial duties and remove the imbalances resulting from commitments regarding preferential agricultural trading arrangements, but is calling for reciprocity in relation to the WTO as a sine qua non for a common free trade area. The imbalances relate, for example, to the maximum 12-year transitional period for phasing out industrial duties on certain listed products, which applies even though duty-free imports of Mediterranean industrial products to the EU were already provided for in the cooperation agreements concluded in the late 1970s. The regional approach aiming to set up a Euro-Mediterranean free trade area also encompasses free trade agreements concluded within the Mediterranean region to encourage the promotion of south-south trade, such as the Agadir Agreement between Tunisia, Morocco, Egypt, and Jordan, and more flexible application of rules of origin to facilitate trading and outsourcing opportunities (the agreement on the pan-Euromediterranean system of cumulation of origin, which is expected to help expand trade in the wider Euro-Mediterranean area).

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Question no 28 by Manuel António dos Santos (H-0842/06)

Subject: Democracy in Iran

Given that the Council informed Parliament that it would shortly be reassessing the current inclusion of the People's Moudjahiddin (which is fighting for democracy in Iran) in the list of terrorist organisations, with a view to possibly taking it off that list, can the Council state what stage its work on this issue has now reached?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Article 1(6) of the Common Position on the list of individuals, groups and entities involved in terrorist acts drawn up on the basis of Common Position 2001/931/CFSP states that the names of individuals and entities on the list are to be reviewed at regular intervals, and at least once every six months. The latest revised version of the list was published on 29 May 2006 and annexed to Common Position 2006/380/CFSP (Official Journal L 144 of 31 May 2006, p. 25).

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Question no 29 by Gay Mitchell (H-0845/06)

Subject: North Korea

Can the Council give an opinion on the recent announcement by North Korea that it is to test a nuclear bomb?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally in the part of Question Time set aside for questions to the Council at Parliament's first October 2006 part-session in Strasbourg.

The EU responded immediately after North Korea announced its intention of carrying out a nuclear test by issuing clear warnings to Pyongyang. Its main partners did likewise.

On 17 October, in the wake of the Korean announcement concerning the nuclear test, the General Affairs and External Relations Council approved the following conclusions:

'The Council strongly condemns the test of a nuclear explosive device proclaimed by the Democratic People's Republic of Korea (DPRK) on 9 October 2006. This test, carried out in disregard of appeals from the international community, poses a danger to regional stability and represents a clear threat to international peace and security. It is a further violation by the DPRK of its non-proliferation obligations. It reinforces the DPRK's isolation and does nothing to help the miserable situation of the North Korean people.

The EU will fully implement the provisions of all relevant UNSC Resolutions and notably of Resolution 1718 adopted on 14 October 2006 and of Resolution 1695 adopted on 15 July 2006. The Council shall immediately take the necessary steps to that end.

The Council strongly urges the DPRK, in compliance with UNSC Resolutions 1718 and 1695, to return immediately to the Six-Party talks, to work towards expeditious implementation of the Joint Statement of September 2005, in particular to abandon all nuclear weapons and existing nuclear programmes, and to comply with its obligations under the NPT, which include submitting all its nuclear activities to IAEA verification. The EU further calls on the DPRK to sign and ratify the Comprehensive Nuclear-Test-Ban Treaty, to refrain from conducting any further nuclear test or missile launch, and to re-establish its commitments to a moratorium on missile launching.

DPRK's actions add to the risks of proliferation worldwide. The Council calls for redoubling of efforts to strengthen all aspects of the international system against proliferation of WMD.'

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Question no 30 by Catherine Stihler (H-0848/06)

Subject: European Civil Protection Force

Can the Council outline its position on the proposed European Civil Protection Force: Europe Aid?

Question no 31 by Eugenijus Gentvilas (H-0849/06)

Subject: Joint European civil protection system

The former European Commissioner Michel Barnier has put forward an extensive report entitled 'For a European civil protection force: Europe Aid'. The European Council plans to consider this report in December, but it is clear that not all Member States are willing to approve the establishment of a new centre of operations in Brussels and to take on additional financial commitments.

How does the Council view the prospects for a common policy aimed at setting up a joint European civil protection system to combat natural disasters? What proposal does Finland intend to make to the European Council regarding the financing principles for this system? Can the Council indicate what

financial commitments the Member States will be required to make if the proposals set out in Mr Barnier's report are adopted?

Joint Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session in Strasbourg.

At its meeting of 15 and 16 June 2006 the European Council welcomed the report entitled 'For a European civil protection force: Europe aid'⁽⁷⁾, submitted by Michel Barnier in May 2006, as 'an important contribution to the debate'. The European Council also endorsed the Presidency report on reinforcing the Union's emergency and crisis response capacities⁽⁸⁾. That document sets out the many practical steps and decisions taken to improve coordination and delivery of available assets, to get assistance quickly where it is needed, and to provide more effective consular protection to EU citizens in third countries.

The relevant Council services are currently considering ways of improving the European Union's ability to respond to emergencies, crises and major disasters.

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Question no 32 by Pedro Guerreiro (H-0850/06)

Subject: Situation of five Cuban citizens being held in the USA - the 'Miami Five'

12 September was the eighth anniversary of the wrongful imprisonment in the USA of Antonio Guerrero, Fernando Gonzalez, Gerardo Hernández, Ramon Sabañino and René González, Cuban patriots who took action to prevent their country continuing to be the victim of terrorist attacks promoted and carried out by organisations based in Miami.

I would remind the Council that the UN Working Party on these five Cuban citizens being held in the USA stated on 27 May 2005 that their trial was not carried out in a climate of 'objectivity and impartiality', and that the Atlanta 11 Circuit Appeals Court decided unanimously on 9 August 2005 to annul the sentence handed down in Miami.

I would further stress that these eight years of imprisonment have been marked by illegality, unacceptable punishments, pressure and blackmail, and failure to respect human rights, e.g. the US Government has prevented and applied restrictions to the authorisation of family visits to the prisoners.

What does the Presidency-in-office of the Council intend to do in order to ensure that the most basic rights of these five Cuban citizens are respected, including the right to be visited by their families, have their sentences revoked, and be given a fair trial?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

The issue raised by the honourable Member falls within the jurisdiction of the US courts. The Council therefore cannot comment.

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(7) 9558/06.

(8) 10551/06.

Question no 33 by Rodi Kratsa-Tsagaropoulou (H-0852/06)**Subject: Implementation of the Maritime Labour Convention by Member States**

On 23 February 2006, the International Labour Organisation (ILO) adopted the Convention on Maritime Labour Standards, a text which brings together and updates approximately 65 international maritime labour standards and governs matters such as the terms of employment and work of sailors, health, safety, recruitment, working hours, social protection, etc. On 16 June the Commission called on the Member States rapidly to ratify the above Convention (by December 2008) after a dialogue with the social partners.

How does the Council judge the ILO Convention text as regards upgrading the profession of sailor, crew safety, maritime safety and ensuring fairer terms of competition for maritime enterprises? Has it asked the Commission to set a timetable for the beginning of consultations with the social partners at European level in respect of the dialogue on common maritime labour standards? Does it have any qualitative and quantitative data concerning the maritime labour standards that exist and are implemented in the maritime sector today and the link between them and the Community acquis?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally in the part of Question Time set aside for questions to the Council at Parliament's first October 2006 part-session in Strasbourg.

The Member States and the Commission negotiated the Consolidated Maritime Labour Convention in the International Labour Organisation (ILO) because it falls under the shared responsibility of the Community and the Member States. The purpose of the Convention adopted is to guarantee decent living and working conditions on ships (seafarers' terms of employment and working conditions, including health, safety, minimum age, working hours, on-board accommodation, and social security).

The Council is currently considering a proposal for a Council decision on authorising Member States to ratify the Maritime Labour Convention⁽⁹⁾, including matters lying within the sphere of Community responsibility. The aim is to reach agreement in December 2006. Parliament's opinion has not yet been delivered.

Regarding the approval of the Convention, the Commission has taken the initiative of producing a communication on the strengthening of maritime labour standards⁽¹⁰⁾, in which it declares its willingness to consult management and labour under Article 138(2) of the EC Treaty.

The Commission has embarked on an impact assessment in order to determine how the provisions of the Convention, once in force, will affect Community law.

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Question no 34 by Eija-Riitta Korhola (H-0856/06)**Subject: Kozloduy nuclear plant closures**

In 1999, Bulgaria was obliged to close four of its six nuclear power plants in Kozloduy as a precondition for its accession discussions. Two units have been closed in accordance with the agreement, and the other two are due to close by the end of 2006. Following extensive investment and independent inspection, these units now meet all safety criteria, and the Council's Atomic Questions Group reports that no further monitoring is necessary. If the remaining unit closures go ahead as agreed, the region will suffer blackouts. The limited replacement plant is lignite fuelled, and increased greenhouse gas emissions will result. This also increases external energy dependency. Could the Council delay the closure and take time to review this outdated decision?

⁽⁹⁾ Proposal for a Council decision on authorising Member States to ratify, in the interests of the European Community, the 2006 Consolidated Maritime Labour Convention of the International Labour Organisation (document 10900/06 MAR 64 SOC 331).

⁽¹⁰⁾ Communication from the Commission under Article 138(2) of the EC Treaty on the strengthening of maritime labour standards (document 10901/06 MAR 65 SOC 332).

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Accession negotiations with Bulgaria were officially concluded in 2004. In the talks on the chapter in the report that deals with energy, Bulgaria undertook to close reactors 1 and 2 at the Kozloduy nuclear power plant before 2003, and it honoured this commitment by closing the reactors in question at the end of 2002. Bulgaria has confirmed its commitment to close reactors 3 and 4 for decommissioning in 2006. This commitment is cited in Article 30(1) of the Protocol to the Treaty of Accession of Bulgaria and Romania⁽¹¹⁾. Improving levels of nuclear safety in reactors 3 and 4 does not alter the commitments made by Bulgaria in the accession negotiations.

As the honourable Member will know, the European Union, throughout its accession negotiations with Bulgaria, stressed the importance of stringent requirements for nuclear safety and a high level of environmental protection. The same is true for the accession negotiations with other countries in the fifth enlargement round.

The European Union has stated that it is prepared to grant sufficient Community aid for Bulgaria to be able to take action to close and decommission reactors 1-4 at Kozloduy. The EU will have contributed EUR 550 million in all for the period 2000-2009. The aid granted for preparation for accession totalled EUR 340 million. Under Article 30(2) of the Protocol, another EUR 210 million is to be committed, and the same section also states that the assistance shall, *inter alia*, cover measures in support of the decommissioning of Units 1-4 of the Kozloduy nuclear power plant, measures for environmental upgrading in line with the *acquis*, measures for the modernisation of the conventional energy production, transmission and distribution sectors in Bulgaria, and measures to improve energy efficiency, to enhance the use of renewable energy sources and to improve security of energy supply.

Moreover, Bulgaria may ask for the general safeguard clause to be invoked, within the meaning of Article 36. The section in question states the following: 'If, until the end of a period of up to three years after accession, difficulties arise which are serious and liable to persist in any sector of the economy or which could bring about serious deterioration in the economic situation of a given area, Bulgaria or Romania may apply for authorisation to take protective measures in order to rectify the situation and adjust the sector concerned to the economy of the internal market.'

Article 36 of the Protocol makes it clear that, in order to take advantage of this option, the Member State concerned must first ask the Commission for permission to take protective measures. The request must be accompanied by the relevant background information. On receipt of the request, the Commission will decide on the protective measures which it considers necessary. It is thus for the Commission to judge whether or not to grant authorisation for such measures as those referred to by the honourable Member.

The Council would also like to remind the honourable Member that it really does consider the security of the supply of energy, competitiveness and environmental sustainability to be the cornerstones of Europe's energy policy, as the conclusions which the European Council adopted in March 2006 on a European Energy Policy confirmed.

The recent European Parliament and Council Decision laying down guidelines for trans-European energy networks⁽¹²⁾ and the Treaty establishing the Energy Community will help create a regionally integrated market for electricity and natural gas networks in South-Eastern Europe and link them to larger EU markets. This is an important step towards guaranteeing energy policy security, competitiveness and sustainability for the region. Furthermore, Bulgaria is a party to the Treaty establishing the Energy Community, which recently came into force. The tasks of the Energy Community include improving the situation with regard to the environment and increasing the use of renewable energy. Accordingly, we need to look into what approaches and methods might be applied within this operational framework.

(11) Official Journal L 157 of 21 June 2006, pp. 29-45.

(12) European Parliament and Council Decision No 1364/2006/EC, of 6.9.2006, laying down guidelines for trans-European energy networks and repealing Decision No 96/391/EC and Decision No 1229/2003/EC. Official Journal L 262 of 22 September 2006, p. 1.

This will then provide Bulgaria, as a full Member State of the EU, with greater potential for seeking solutions to the question which the honourable Member has raised.

The security of the supply of energy, competitiveness and sustainability will also serve as the basis for a strategic survey on energy, which the European Commission intends to present to the Council and the European Parliament in 2007.

Question no 35 by Ryszard Czarnecki (H-0859/06)

Subject: Preparations for Croatian accession

How does the Council assess the preparations for EU accession made by Croatia, which could become the twenty-eighth Member State?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

With regard to preparations for Croatia's accession to the European Union, the Commission has just completed what is known as an analytical screening of the *acquis*, to explain the *acquis* to the Croatian authorities and assess what stage preparations are at for the commencement of negotiations on certain areas. The *acquis* has been divided into 35 chapters for the assessment and future talks, each dealing with a certain area of policy.

At present the Council is examining the Commission's evaluation reports and has made good progress in this. The Council has had 16 evaluation reports on negotiation chapters to examine. The Council has sent out letters on 13 negotiation chapters, some of which state conditions for the commencement of talks. The Council is at present examining three other chapters, conditions for the commencement of talks on which may, if necessary, be imposed.

Croatia has submitted its negotiation position for accession talks for the first seven chapters (which are science and research, education and culture, customs, right of establishment and freedom to provide services, intellectual property rights, economic and monetary policy, and business and industrial policy). A ministerial accession conference was held with Croatia on 12 June 2006 in Luxembourg, and it was clear that progress was being made in the commencement of talks when the debate on the chapter on science and research that had begun there was temporarily closed. Other chapters are to be screened in the months to come.

The Commission is expected to present its next progress report on Croatia on 8 November, one in which progress in the country's preparations for accession will be assessed in terms of all the chapters of the *acquis*. The Council intends to examine the report thoroughly.

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Question no 36 by Diamanto Manolakou (H-0860/06)

Subject: Attempt to abolish trade union action in the public sector

On 27 September 2006 the Greek Minister for the Environment, Regional Planning and Public Works called for the abolition of parties and trade union and political action in the civil service on the grounds that trade union activities in the public sector were a source of corruption. This is a direct attack on trade union and political action by workers and on the fundamental right and freedom of parties to act without hindrance and is also contrary to the Constitution.

Will the Council condemn these remarks by the Greek Minister as a form of attack on the right of workers to freedom of expression and action?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

It is not for the Council to comment on public statements made by politicians in the Member States of the European Union.

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Question no 37 by Athanasios Pafilis (H-0862/06)

Subject: Dismissal of university professor in Turkey

Izge Günal, a professor at the Dokuz Eylül university in Turkey, was dismissed by decision of the disciplinary board summoned by the rector of the university on 29 September 2006 for voicing his opposition to the redundancies of 213 cleaners working in the university clinic - the result of the privatisation of the establishment - and leading the campaign for their reinstatement by collecting 4000 signatures. Trade unions in Turkey have already expressed their solidarity with the dismissed professor and their opposition to converting educational establishments into enterprises leading to collective redundancies of workers.

Does the Council condemn this course of action, which constitutes an attack on trade union rights and the right to freedom of expression?

Answer

(FI) This answer drafted by the Presidency, which is not binding as such on the Council or its members, was not presented orally in the part of Question Time set aside for questions to the Council at Parliament's first October 2006 part-session in Strasbourg.

The Council has no knowledge of the case to which the questioner refers. It is, however, clearly linked to the broader issues of freedom of expression and trade union rights. I should like to stress once again in this connection that the Union considers these to be important matters. The Council has repeated its assertion, in particular where freedom of expression is concerned, that ongoing efforts are still needed in order to bring the practice of freedom of expression in Turkey into line with the standard laid down in the European Convention on Human Rights and the related case law of the European Court of Human Rights. Regarding trade union rights, resolute action is needed in order to ensure that they are fully respected in accordance with EU standards and the relevant ILO conventions. This applies especially to the right of association, the right to strike, and the right of free collective bargaining. These points are included within the framework for negotiations with Turkey, as approved by the Council on 3 October 2005, and are among the short-term priority objectives of the revised accession partnership. The Union invariably raises them at every level, since they are part of the reform process under way in Turkey. That is what it did at the most recent meeting of the EU-Turkey Association Council, held in Luxembourg on 12 June 2006, and at the EU-Turkey Ministerial Troika meeting, also in Luxembourg, on 16 October 2006.

The questioner can therefore rest assured that, as we assess Turkey's progress towards accession, we will continue to keep a close watch on developments in both the areas mentioned above. It is clear that developments in these areas will influence the progress of the negotiations.

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Question no 38 by Proinsias De Rossa (H-0864/06)

Subject: Transport of US prisoners through European Union airports

Further to its answer to Question H-0570/06⁽¹³⁾, would the Council please review that answer in the light of the actual question? The prisoner referred to was not a suspected terrorist. The transfer of this prisoner was not carried out in the context of the 'fight against terrorism'. The question does not accuse any Member State of a breach of human rights. The question is whether the Council is satisfied that any prisoner passing through EU airports is treated in a manner consistent with human dignity, in conformity with international law, and what steps the Council is taking to ensure that the host state is properly informed, and that all that state's regulations, including compliance with international law, are observed?

⁽¹³⁾ Written answer of 6 July 2006.

Answer

(FI) This answer by the Presidency, which is not binding either on the Council or its members, was not given orally during Question Time to the Council at the European Parliament's October I 2006 part-session in Strasbourg.

It is clear that in every case the arrangements for the transport of prisoners must be consistent with the relevant legal provisions. The Presidency would like to point out that the Council is not responsible for ensuring that Member States implement national or international law correctly. In the event of a possible breach of Community law, it is for the Commission to take measures pursuant to Articles 211 and 226 of the EC Treaty.

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Question no 39 by Laima Liucija Andrikiėnė (H-0869/06)**Subject: New Partnership and Cooperation Agreement between the EU and Russia**

The partnership and Cooperation Agreement (PCA) between the EU and Russia is the main instrument for building relations between the two sides. The current wide-ranging PCA will remain in force until the end of 2007. New forms of cooperation are already being set up to improve collaboration between the EU and Russia.

What priorities and main goals has the EU has included in the new agreement? Is the energy sector covered in the new PCA?

Answer

(FI) This answer, which has been drafted by the Presidency, which in itself is not binding on the Council or its members, was not presented orally in Council Question Time in the first part-session held by the European Parliament in Strasbourg in October 2006.

Unfortunately, the Council may not at this stage reveal the details of the new agreement being negotiated with the Russian Federation, as the Council bodies involved in the process are at present debating the negotiations directives.

The Council may, however, say that the parties at the EU-Russia Summit held in Sochi on 25 May 2006 agreed that the new agreement should be negotiated within the following frame of reference:

EU-Russian relations will continue to be based on the agreements.

The aim of the new legally binding agreement is to give relations between us a lasting and comprehensive framework.

The new agreement should also cover prospects for enhancing trade and for economic integration when Russia has acceded to the World Trade Organisation.

Neither party to the agreement will disassociate itself from the present Partnership and Cooperation Agreement before the new framework takes effect, in order to avoid a legally unregulated state of affairs.

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QUESTIONS TO THE COMMISSION**Question no 48 by Caroline Lucas (H-0797/06)****Subject: Change in emphasis of objectives for trade negotiations**

The European Union is currently pursuing bilateral trade negotiations with Asian, Latin American and Gulf states. Although the Commission remains persuaded that a multilateral trade deal is desirable, the Director-General for Trade of the European Commission has stated that these bilateral talks will continue regardless of the fate of the WTO Doha round.

The Director-General was quoted in European Voice on 27 July 2006 as saying that 'There is a sense among member states that they would like to use future free trade agreements more for the purpose of getting additional market access and additional economic advantages and less for purely developmental, neighbourhood or political motivations.'

Could the Commission explain the background to this statement, in particular whether it is primarily Member States or DG Trade who are looking to shift from a development to a Europe-first policy? If it is indeed the Member States, which ones have been most active in pushing this shift?

Answer

(EN) On 4 October 2006, the Commission adopted a new "Global Europe strategy paper". The central message of this trade policy review is that the EU should seek to build on and complement its commitment to the multilateral World Trade Organisation (WTO) trading system with a new generation of bilateral Free Trade Agreements (FTAs) with some key growing markets. Also, it will take new initiatives on the better protection of intellectual property rights, review and possible reform of the EU's trade defence instruments and a detailed reassessment of the EU's strategy with China.

This policy is not an alternative to multilateral trade liberalisation as currently pursued through the WTO's Doha Development Agenda (DDA). The WTO must remain the fundamental platform on which to build global liberalisation, and the EU will continue to do all it can to restart the DDA negotiations, whose successful completion remains its key objective.

WTO first does not mean WTO alone. We should also go beyond the EU's existing bilateral FTAs, with new ones designed to deliver more open markets and fairer trading conditions in new areas of growth, particularly in Asia. Such FTAs can build on WTO multilateral liberalisation.

However, bilateral trade agreements will remain important in meeting Europe's responsibilities towards the developing world, as is, for instance, the case with the Economic Partnership Agreements. Development will remain a key element in our international trade policy, both multilaterally and bilaterally. The Commission is convinced that the provisions it is seeking to negotiate with developing countries will be conducive to their further development and growth. Nonetheless it is true that in deciding on new FTAs with mature or emerging markets, there is a new emphasis on competitiveness and therefore in this context we give greater prominence than in the past to economic and competitiveness considerations.

The new strategy is an initiative of the Commission, as part of its overall responsibility for conducting the EU's trade policy. It responds to aspirations and concerns expressed by Member States, the Parliament and various constituencies, and its further implementation is now being discussed with the Member States and the Parliament.

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Question no 49 by Sajjad Karim (H-0800/06)

Subject: EU facilitation for trade as a confidence-building measure between India and Pakistan

In my report on EU-India Trade and Economic Relations (A6-0256/2006), I called on 'both India and Pakistan to further reduce administrative impediments to implementing trade-related confidence-building measures and for the EU to offer technical assistance, if required, in this regard.' Similarly, in the EC's 'Strategy Paper and Indicative Programme for Multi-country Programmes in Asia 2005-2006' there is an emphasis on the importance of supporting regional cooperation in southern Asia and of doing so through SAARC in order to build stability in the region and promote economic development.

What role does the Commission believe trade could play in bringing India and Pakistan closer to a peaceful resolution of the Kashmir question? Could the Commission outline any programmes, or proposals for programmes, that would support trade-related confidence-building measures between India and Pakistan, with specific reference to Kashmir and post-earthquake reconstruction, as well as supporting closer economic integration in SAARC in general?

Answer

(EN) Trade Facilitation is an important factor to further trade and to help realise a positive impact on economic growth and development, not least at a regional level. The EU has therefore been in the forefront in negotiations on a new WTO Agreement on Trade Facilitation as part of the Doha Development Agenda. The promotion of regional Trade Facilitation is an integral part of these multilateral negotiations. This remains a priority for the EU and work on Trade Facilitation continues as part of both multilateral and bilateral strategies.

The EU generally supports regional initiatives such as the South Asian Association for Regional Cooperation (SAARC), in particular the recently concluded South Asia Free Trade Agreement (SAFTA). The European Commission supports SAFTA via its request for observer ship to SAARC and by its trade related assistance programmes. Moreover, regional SAARC cumulation under the Generalised System of Preference (GSP) scheme is an additional supportive measure.

As regards technical assistance, the European Commission has designed a programme of economic cooperation with the South Asian Association for Regional Cooperation which covers trade facilitation (customs), standards and cooperation between businesses in the region. The objectives of this programme are to promote intra-regional trade through support for South Asia Free Trade Agreement implementation, which in turn should support improved political relations in the region. The programme has not yet been presented to EU Member States as we are awaiting approval from the SAARC side. We expect this to be discussed at a November SAARC meeting.

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Question no 50 by Glenys Kinnock (H-0817/06)**Subject: Development dimension of EPAs**

Would the Commission agree that the core of any development dimension to the EPA negotiations should not merely involve enhanced market access for traditional exports from ACP countries, but should also help them implement policies aimed at transforming their economies, diversifying production and ensuring value-added economic activity? If the Commission agrees, how does it respond to ACP criticism of the Commission's failure to be prepared to help them adjust to the loss of revenue resulting from the removal of customs tariffs and to other restructuring costs?

Answer

(EN) The Commission fully agrees that Economic Partnership Agreements (EPAs) are about much more than market access. The development dimension is at the heart of the EPAs. This includes incentives for policy reform, especially promoting regional integration and a rules based framework for trade and investment.

The EC and Member States are ready to help ACPs to adjust to the reform process. We will help with transitional costs, and are ready to phase in liberalisation while reform and regional market building get underway. We will also help ACP partners to strengthen the capacity to trade and to tackle supply side constraints. We are also ready to help deal with any tariff revenue effects if they materialise.

The Commission's response to demands for upfront specific commitments on finance and programming is clear: it has the financing instruments ready. The financial envelopes set under the 10th European Development Fund are very substantial indeed. But we need to discuss the content of the EPAs before we can properly identify support needs. We need to integrate this in the overall development assistance. The Commission will then be able to properly programme finance and, together with EU Member States and others, ensure no one takes on EPA commitments they cannot afford. Member States have now made a commitment to channel to EPA funding a substantial amount of this increased effort on Aid for Trade.

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Question no 51 by Laima Liucija Andrikienė (H-0868/06)**Subject: European Commission's proposal to put global trade in energy under the WTO rules**

In June 2006 the European Commission proposed putting global trade in energy under WTO rules and during a new round of global trade talks focusing on energy, aiming at subjecting trade in oil and gas to the same rules as other goods. Bringing the energy trade under the rules and procedures of the WTO would require the producers to provide free access to transit. Is this the Commission's position at present? What progress has been achieved concerning the Commission's proposal to put global trade in energy under the WTO rules?

Answer

(EN) In its Green Paper published in March on a European Strategy for Sustainable, Competitive and Secure Energy, the Commission sets out the new energy realities facing Europe, in a world of global trade and interdependence. As the Commissioner in charge of Energy has made clear, the European Union's external energy policy is a key part of the debate under the Strategic EU Energy Review and rules for trade and investment in energy are an important element of this. In particular, there are four areas where we need to focus.

First, we need a clear and pro-active policy on securing and diversifying energy, and in particular gas supplies. Second, we need effective energy partnerships with EU's energy suppliers, including with Russia and Ukraine, based on the recognition of our inter-dependence, secure investment conditions and reciprocity in terms of access to markets and infrastructure. Third, we need to develop a truly pan-European Energy regulatory space around the EU and progressively develop common trade, transit and environmental rules as well as market harmonisation and integration. The South-East Europe Energy Community could serve as basis in this context. Fourth, if despite common rules, crises do arise, we need to be prepared to react quickly and effectively.

Naturally, these external policy objectives complement our internal energy policy objectives, namely completing the internal energy market, promoting energy efficiency and renewables, developing sustainable coal use and developing energy interconnections and infrastructure throughout the EU.

As part of our review on strengthening the EU's external policy on energy with energy-producing and energy-transit countries, we need to examine the instruments that are at our disposal, including those in the World Trade Organisation (WTO).

Existing WTO rules on freedom of transit already contribute to ensuring the smooth and non-discriminatory flow of trade, including energy, across borders. However, transit can still be compromised in practice. The Doha negotiations on Trade Facilitation have provided an opportunity to address this. In June 2006, the European Communities, in association with other WTO members, and building on earlier submissions, presented proposals on Trade Facilitation to the WTO. These proposals, among others, make clear that WTO members should accord to goods in transit, including energy of course, treatment no less favourable than that accorded to domestic goods. Such a clarification would confirm the application of the key WTO principle of national treatment to transit.

Regrettably, the Doha Development Agenda (DDA) negotiations were suspended shortly after our June proposal on transit was circulated to WTO members. However, the Commission would like to underline that WTO rules already comprehensively cover transit, including in relation to energy. It hopes that we will be able to move forward with our Trade Facilitation proposals as a whole with a resumption of the Doha negotiations.

In parallel with the DDA, we are also exploring other trade tools that can be used to further our energy objectives. Although Russia has not ratified the Energy Charter Treaty, 46 other countries, including 21 non-EU countries, have ratified the treaty. Included in this agreement are several provisions on transit, covering those under WTO rules, although an additional Transit Protocol, giving further rules for the conclusion of transit agreements, has eluded successful conclusion.

The Commission has also been integrating energy objectives into the EU's overarching framework for WTO accession negotiations. In this way, we are developing an integrated approach to energy issues through existing WTO rules, through the DDA negotiations, and through WTO accession negotiations.

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Question no 55 by Ryszard Czarnecki (H-0857/06)

Subject: New Member States' accession to the euro zone

Does the Commission share the opinion of many economists that the majority of the new Member States will fulfil all the economic requirements for joining the euro zone by 2011/2012?

Answer

(EN) By signing the Treaty of Accession, the ten Member States that joined the EU in May 2004 agreed to adopt the euro when they fulfil the necessary pre-conditions, as set by the Treaty. Many of the new Member States have adopted euro adoption target dates and strategies, which crystallise political commitment to sound convergence policies. The eventual timetable of euro area enlargement will depend on individual countries' progress in achieving a high degree of sustainable convergence, and can therefore not be specified ex ante.

At least once every two years, or at the request of a Member State with a derogation, the Commission and the European Central Bank (ECB) shall report to the Council on the progress made by Member States in the fulfilment of their obligation to achieve economic and monetary union. The next regular Convergence Reports will be released by the Commission and ECB in December 2006, thus providing an opportunity to take stock of countries' progress and challenges in achieving sustainable convergence.

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Question no 56 by Dimitrios Papadimoulis (H-0824/06)

Subject: Calculation of Greek GDP

According to reports in the Greek press, the Greek Government is considering incorporating the underground economy in the calculation of Gross Domestic Product (GDP) in order to reduce the budget deficit and extract the country from Community supervision. The reports insist that this method of calculating GDP, which is described as 'creative accounting', has already been discussed with Eurostat and is being considered by the Commissioner responsible, Mr Almunia.

Is the Commission aware of such a possible calculation of GDP? Does it approve of the above method of calculating Greek GDP? Does it consider that any addition of a percentage of the underground economy to GDP will produce 'artificial' increases in GDP in the Greek regions?

Answer

(EN) All Member States have the obligation to ensure that their Gross Domestic Product (GDP) and other national accounts used for EU purposes are complete and cover all economic activity. This requirement is set out in the European System of Accounts (ESA 95) and in Commission Decision 94/168 of 22 February 1994.

Greece transmitted to the Commission, on 22 September 2006, revised GDP data showing a revision of 25%. This is the first revision submitted by Greece since 1993.

Eurostat is reviewing the data transmitted by Greece in line with the foreseen procedures. The Commissioner in charge of Economic and Monetary Affairs has in fact asked Eurostat to deal with this issue as a matter of priority. In this respect the importance of a close co-operation by the Greek statistical authorities and in particular the delivery of a complete and fully revised inventory of the source data and methods used for the new Gross National Income (GNI) calculations should be underlined.

The initial verification work has already started and the GNI committee will examine the data for the first time at the end of October. Taking into account the opinion and comments of the GNI committee, Eurostat will then undertake a GNI mission to the country. During the mission, Eurostat will examine thoroughly the reliability and quality of the surveys, censuses and other data sources used; assess the statistical methods employed; evaluate the integration of sources data in national accounts; and check the compliance of the statistical treatments with ESA 95. As has been the case in other EU countries, experts from other Member States will be invited to participate in the mission in order to ensure full

transparency. Further missions may be necessary before a complete verification can be made. As is the case for all such missions, the results will be discussed first with the Greek national statistical institute and their comments taken into account.

At the end of this process, Eurostat will provide an assessment whether the Greek revised figures are appropriate for the various uses by the Commission and the Council or whether corrections and further improvements are necessary.

In the meantime, reflecting the high statistical uncertainty surrounding the revised figures, the data set relevant for multilateral economic and budgetary surveillance, to be provided by Eurostat and to be used by the Commission and the Council in their evaluations and decisions, will remain the ones comprising unrevised national accounts.

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Question no 57 by Georgios Papastamkos (H-0826/06)

Subject: Relationship between European and national economic policy

The Member States, especially those in the eurozone, have transferred responsibility for a number of important primary policies of an economic nature to European supranational institutions. At the same time, citizens demand that the national State should produce public goods and fulfil its historically determined economic mission.

Does the EU exercise the powers transferred to it to the same degree and extent as the national State before they were transferred? Is there a gap between supply of (at European level) and demand for (at citizens' level) policy and results? If the possibility of producing an economic policy at national level is restricted for institutional reasons and economic policy at European level is deficient, how can this discrepancy be overcome?

Answer

(EN) The distribution of responsibilities between the EU and the Member State level is governed by the subsidiarity principle. Policies are transferred to the Community or euro-area level when there is a clear benefit in doing so, because this allows taking account of spillover effects or externalities. Similarly, policy competence is transferred to the European level in connection with the provision of public goods that are indivisible and cannot be provided for by Member States individually in an efficient way. Hence, there is a clear rationale behind the assignment of policies such as monetary policy, trade policy or competition policy to the European level.

The introduction of the euro and the elimination of competitive devaluations, genuine price stability and interest rate convergence to the lowest levels ever recorded for some euro area countries constitute evidence that Community policies are delivering tangible economic benefits to citizens of the euro area. On the other hand, with competence for most economic policies remaining firmly in the hands of Member States, the Commission does not believe that the possibilities for producing appropriate economic policies at national level are being unduly restricted. The coordination requirements at European level provide for added value in terms of making sure that national policies pay proper attention to the overall Community objectives. This coordination allows policy-learning via exchange of best practices and can benefit and inspire policy making at national level, although more can certainly be done in order to improve the economic performance of the euro area and the EU as a whole.

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Question no 58 by Cristobal Montoro Romero (H-0830/06)

Subject: Role of the EU economy in world growth

In a world economic context of rising interest rates, doubts are being raised over whether growth will continue in the US next year and over the potential effects on exchange rates. Should there be a slowdown in growth in the US next year, will the EU be in a position to take over as the motor of world growth? Does this account for the shift in expectations in Germany?

Answer

(EN) The Commission is currently preparing its autumn forecast which will be published on 6 November 2006. In the context of this forecast, the outlook for the United States (US) economy will be assessed in detail. This assessment will deal also with the impact of past rises in interest rates on the US economy, especially on the US housing market, which shows signs of a rapid cooling.

According to the Commission's interim forecast published on 6 September 2006, economic growth in the EU is projected to pick up to 2.7% in 2006. This represents an upward revision of 0.4 percentage points compared to the Commission's spring forecast. While the interim forecast does not update the projection for the year 2007, the upward revision for the EU economy in 2006 would also point to higher than previously expected growth in 2007 (which the spring forecast put at 2.2%). In combination with the fact that Asia is expected to continue growing strongly, 2007 will see a certain rebalancing of global growth away from the US towards Europe and Asia.

While the expected slowdown of the US economy is one factor behind the recent weakening of some of the survey indicators in Germany, other factors could have contributed to this as well. In particular, due to the rise in the Value Added Tax rate by 3 percentage points on 1 January 2007, many observers in Germany expect a slowing of household expenditure in the beginning of the year (partly reflecting a shift in consumption and construction expenditure being brought forward to 2006). Due to this possible effect on the German economy in the first quarter of 2007, forward looking survey indicators softened in recent months, while indicators on the current business situation strengthened further.

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Question no 59 by Katerina Batzeli (H-0858/06)**Subject: Impact of new rise in interest rates**

On 5 October 2006, the ECB raised interest rates for the fifth time in succession by 0.25%, bringing the euro base rate to 3.25%, justifying the increase with reference to the need for vigilance in the face of inflationary pressures and in order to maintain price stability. On the other hand, the Commission's latest quarterly report on the eurozone records a rate of economic growth of 3.4%, the highest in the last six years, describing the short-term economic outlook for the eurozone as optimistic.

To what extent is the Commission's report consistent with the ECB's estimations of significant inflationary risks and the likelihood of price destabilisation? Does the Commission consider that the ECB's decision to raise interest rates at this particular point in time could jeopardise the recent, still fragile recovery of the growth rate in the eurozone?

Is the wide divergence between Member States' interest rates consistent with the satisfactory operation of the internal market in the eurozone, particularly when there are Member States with the highest lending rates and lowest deposit rates, thereby squeezing borrowers and obstructing investment? Will the Commission take measures to even out the differences in interest rates in the eurozone?

Answer

(EN) All the main indicators of economic activity confirm that the economic recovery is broadly based and is mainly supported by domestic demand. Both the European Central Bank (ECB) and the Commission see the economic outlook as favourable. For instance, in the September Commission's interim forecasts, the Gross Domestic Product (GDP) growth in the euro area in 2006 was revised upwards from 2.1 to 2.5 percent.

Headline inflation rate is projected to remain above 2% on average in 2006 and is likely to remain so in 2007. In order to contain upside risks to price stability and preserve the firm anchoring of inflation expectations, the ECB has withdrawn monetary accommodation since December 2005. Even after the latest increase, interest rates remain historically low in nominal and real terms and liquidity is ample, as visible in the high rates of expansion of monetary aggregates and of credit. Preserving price stability and anchoring inflation expectations at low levels ensures low long term interest rates, benefiting investment and creating the conditions for higher growth.

With respect to the Honourable Member's question on interest rate differences, the single monetary policy ensures that the short term money market interest rates are the same across the euro area.

Substantial convergence in retail rates has been observed over the last years. The remaining differences in lending/deposit rates can be explained by a range of factors, including statistical differences, regulatory and fiscal determinants, other structural and cyclical determinants⁽¹⁴⁾.

Continued cross-border financial integration is likely to further reduce differences in bank lending/deposit rates among the euro-area Member States. In this context, it should be noted that the Commission has identified integration of retail banking as a priority for action in its White Paper on Financial Services Policy for 2005-2010. Among the initiatives proposed or under consideration are a White Paper on integrating the EU mortgage credit market, a proposal for a Directive on consumer credit and a proposal for a Payment Services Directive to facilitate the creation of the Single European Payments Area. In addition, the Commission (Directorate General Competition) is currently conducting an inquiry into the EU retail banking sector.

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Question no 60 by Marie Panayotopoulos-Cassiotou (H-0780/06)

Subject: Electronic consultation and European strategy on the protection of children

Among the practical measures proposed for the protection of children by the Commission's recent Communication 'Towards a European Union Strategy on the Rights of the Child', published on 4 July 2006, are the setting up of a single six-digit telephone helpline for children, a hotline for children who are missing or have fallen victim to sexual exploitation, and an Internet discussion platform.

What is the timetable and what resources are available for the implementation of the above objectives? How, in practice, will the Commission separate the helpline from the hotline? Is there any specific and feasible plan to develop a coordination and consultation mechanism (European Forum on the Rights of the Child and Internet discussion platform)? How will the opinions put forward be evaluated and what measures will be taken to prevent the exploitation of participants in the electronic consultation process through the scheming of abusers?

Answer

(EN) The implementation of the e-platform for discussion will gradually take place from the end of 2006 onwards, following the gradual setting up of the various groups related to the communication on the rights of the child.

The e-platform instrument will be the "Sinapse" system developed by the European Commission. This system is fully secured and gives access only to fully registered members. In addition, several layers of members can be organised in a way that private discussions can take place only between a small numbers of pre-defined people.

The draft Commission Decision "on reserving the national numbering range beginning with <116> for harmonised numbers for harmonised services of social value to European citizens" is currently in discussion with Member States in the Communications Committee. It is anticipated that the Commission services will request the opinion of the Communications Committee via a regulatory procedure in autumn 2006, and that the Commission would adopt the Decision early 2007.

With the Decision, the Commission will require Member States to reserve a range of national telephone numbers, all beginning with 116, for harmonised European services with social value, for the benefit of European citizens including travellers.

116 numbers will be reserved at EU level (via the Commission Decision) for a specific service (NOT for a service provider⁽¹⁵⁾) following a request from interested parties. Assigning the number to eligible service providers is a national responsibility. Member States will have to permit services listed in the Commission Decision to be offered, but there is no obligation for them to guarantee that these services are provided.

⁽¹⁴⁾ For more information please refer to ECB, Monthly Bulletin, July 2005 and to the ECB report on "Differences in MFI interest rates across euro area countries", September 2006 (Statistical paper).

⁽¹⁵⁾ The term "service provider" is used to refer to the entity providing this service (= "content" provider), and NOT the electronic communications service provider.

As the Honourable Member pointed out in her oral question, two types of services are currently examined:

Hotline for missing children;

Helpline for children.

A hotline is an emergency line accessed at 80% by parents in case of missing children, a helpline provides listening and assistance to children and are accessed at 80% by children. It is therefore necessary to have two different telephone numbers for those very different services.

After the adoption of the Commission Decision, the Commission will invite expressions of interest in the reservation of specific 116 numbers for specific services. Organisations providing a hotline for missing children or a helpline for children will be able to request 116 numbers to be reserved for their respective services.

Once operational, this system will allow European citizens to be able to reach services of social value such as these by using the same number in each Member State.

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Question no 61 by Manuel Medina Ortega (H-0782/06)

Subject: Repatriation of minors

Given that, of the many illegal immigrants now entering the EU, large numbers are minors who cannot be returned to their countries, most of which lack suitable childcare facilities, is the Commission proposing measures to facilitate their repatriation?

Answer

(EN) In its proposal for a Directive on common standards and procedures in Member States for returning illegally staying third-country nationals⁽¹⁶⁾, which is currently being discussed under the procedure of co-decision by the Parliament and Council, the Commission has highlighted that in line with the 1989 United Nations Convention on the Rights of the Child, the “best interests of the child” should be a primary consideration of Member States when implementing this Directive.

This general principle is reflected in many provisions of the proposed Directive:

Article 5 of the proposal expressly obliges Member States to take account of the best interests of the child in accordance with the 1989 United Nations Convention on the Rights of the Child when implementing this Directive.

Article 6(4) foresees that where Member States are subject to obligations derived from fundamental rights as resulting, in particular, from the European Convention on Human Rights, such as the right to non-refoulement, the right to education and the right to family unity, no return decision shall be issued. Where a return decision has already been issued, it shall be withdrawn.

Article 8(2)(a) obliges Member States to postpone the execution of a removal order if there is lack of assurance that unaccompanied minors can be handed over at the point of departure or upon arrival to a family member, an equivalent representative, a guardian of the minor or a competent official of the country of return, following an assessment of the conditions to which the minor will be returned.

Article 13 proposes to make applicable Article 18 (on the treatment of minors) and Article 19 (on the treatment of unaccompanied minors) of Directive 2003/9/EC on reception conditions for asylum seekers to children for whom the enforcement of a return decision has been postponed or who cannot be removed.

Article 15 is dealing with detention conditions. It foresees that Member States shall ensure that minors are not kept in detention in common prison accommodation and that unaccompanied minors shall be separated from adults unless it is considered in the child's best interest not to do so.

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⁽¹⁶⁾ COM 2005(391) of 1 September 2005

Question no 62 by Roberta Angelilli (H-0785/06)**Subject: Circumvention of Chinese textiles quotas**

In September reports appeared in the Italian media regarding factory ships leaving the port of Shanghai laden with semi-finished textile goods produced in China and bound for the European market. These goods are often counterfeit copies of well-known European brands.

In order to circumvent quotas and duties, these Chinese-made goods are finished on board the factory ships. They are then landed in ports in Malaysia and in Singapore at which a no on-board processing certificate is not required and where they are given false country-of-origin markings, such as 'Made in India'. They are subsequently loaded onto container vessels with false labels and counterfeit documentation and reach the ports of Naples and Valencia via the ports of Jeddah and Dubai without being affected by the quotas imposed on Chinese goods. Is the Commission aware of this illegal trade in goods? What steps does it intend to take with a view to ensuring compliance with the textile quotas imposed on exports of Chinese goods to Europe?

Answer

(EN) Quota and other Community trade policy measures are applied by the national customs authorities in the Member States. They are based on the origin as declared in the import declaration, not on the label that happens to be affixed to the article.

EU quotas are managed according to the so-called "double-checking" system: the exporter in the third country (here China) has to ask for an export licence at the licences office in the third country. This export licence is handed over to the EU importer on one hand, and in parallel the Commission is informed by the third country through a secured Information Technology (IT) system ("SIGL" - *Système Intégré de Gestion des Licences*) about the release of this export licence. Once the goods arrive in the EU, the EU importer then must call for an import licence in the licences office in its Member State. This import licence is released after checking that the EU quota is not exhausted. If this is the case the import licence is released and the importer is allowed to clear the goods through customs. At this moment further control (validity of the licences, origin of the goods, etc) is carried out by the Member States customs authorities.

In the absence of any information on the declared origin and on the exact processing operations taking place in the different locations, no opinion can be given as to whether this is a case of "illegal traffic".

Customs authorities in the Member State of importation have ample legal means to request any proof of the declared origin of the goods, in order to correctly apply the quota and other measures (origin certificate, Article 26 of the Community Customs Code – Regulation (EEC) 2913/92⁽¹⁷⁾, etc.).

Furthermore, some Member States have national legislation in place which allows them, according to their respective standards and procedures, to check the correctness of origin marking where producers or importers choose to display such geographical information on the goods.

While Member States are responsible in the first instance for ensuring that quotas on importation of goods into the EU are respected, they may, if they have evidence or sufficiently serious suspicions of irregularities, ask the Commission (OLAF) to provide assistance/coordination or to undertake investigative missions in accordance with the EC/China Agreement on Customs Cooperation and Mutual Administrative Assistance or under EC legislation. No such request has been made to date in this particular instance.

The fact that goods may be counterfeited whilst on board of ships does not impact on the Customs controls applied in accordance with Council Regulation (EC) No. 1383/2003 to prevent infringing of intellectual property rights. These controls apply when goods are entered for release for free circulation, export or re-export, regardless of their place of manufacture.

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(17) OJ L 302 of 19.10.1992

Question no 63 by Liam Aylward (H-0788/06)**Subject: EU sport policy**

Can the European Commission state what initiatives it is pursuing, or intends to pursue, in Europe to promote the need for young people to engage in sporting activities?

Answer

(EN) The Commission shares the view that the regular and active practice of sport is essential to the physical and psychological well-being of young people in Europe. These are however matters which fall primarily within the competence of the Member States.

Within the framework of its competences, the Commission has undertaken various initiatives. The importance of sport and physical activity for keeping fit is well-known and well-documented. A Commission-sponsored study conducted by a consortium led by the Universities of Paderborn and Duisburg-Essen, published on 3 January 2005, indicated that physical activity is urgently needed to avoid obesity, and that obesity presents an alarming health hazard to our children and young people, including a higher incidence of typical old-people's diseases like type 2 diabetes and cardio-vascular diseases.

The results of the study have been received with great interest in many different fields and a voluntary Working Group on Sport and Health has been set up, including numerous Member States. The Working Group has a mandate to exchange best practice examples and to develop new models in the field. It has contributed to the public consultation concerning the Commission's Green Paper: "Promoting Healthy Diets and Physical Activity"⁽¹⁸⁾.

In 2005 the Commission launched a special initiative which aims to create links between all types of actions necessary to combat obesity, "Diet, Physical Activity and Health – a European Platform for Action". This initiative is part of the public health policy which is currently moving from a traditional, curative approach, towards an inter-sectoral approach grounded in preventive health. While consumer and industry representatives are numerous within the Platform, along with academic nutrition experts, the Commission is keen to see other actors joining the Platform, including youth and sport organisations.

Around 15 projects funded under different Calls for proposals of the Youth Programme have been using sport as a tool for non-formal education. These projects use sport to reach other objectives such as integrating young people in society, raising their self-confidence, increasing their team spirit and creating interaction between different cultures. The projects focus on sports and outdoor education as a tool for social integration and non-formal education of young people.

Moreover, on 18 July 2006 the Commission published a call for tender for a study to identify the possibilities for improving the legal and political framework for protecting and improving the top-quality training of young sportspersons in Europe⁽¹⁹⁾.

Finally, the Commission has been holding extensive consultations with a view to preparing a White Paper on sport in 2007. These consultations have included youth and sport organisations, and their input will be fully taken into account by the Commission.

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Question no 64 by Brian Crowley (H-0794/06)**Subject: Liberalisation of postal services in Europe**

Can the European Commission spell out clearly what its plans are concerning the possibility of a greater liberalisation of the postal service sector in Europe?

⁽¹⁸⁾ COM (2005) 637, 8.12.2005

⁽¹⁹⁾ Call for Tenders N° EAC/14/06: "Study on Training Sportsmen/women in Europe"

Answer

(EN) Commission policy in this area has followed the principle of gradual and controlled market opening, through several steps that have taken place in 2002, 2004 and 2006. The results of this policy so far have been quite positive, as acknowledged by the Parliament itself in its Resolution of 2 February 2006.

The "Postal" Directive⁽²⁰⁾ states that the Commission must present, by 31 December 2006, a proposal confirming the date of 2009 for the full accomplishment of the postal internal market or determining any other step in the same direction.

On 18 October 2006, the Commission adopted a proposal for a Directive amending Directive 97/67 EC concerning the full accomplishment of the internal market for postal services together with a prospective study on the impact of full market opening on the delivery of the universal service and a report on the application of Directive 97/67/EC. The proposal for a Directive will be subject to a co-decision procedure.

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Question no 65 by Eoin Ryan (H-0796/06)**Subject: Strategies to combat drug abuse within the European Union**

Can the European Commission make a comprehensive statement on any new strategies it is pursuing to combat drug abuse within the European Union?

Answer

(EN) The cornerstone of the EU's drug policy is a balanced approach between drug demand and supply reduction, i.e. between prevention, education, harm reduction and access to treatment services including reintegration on the one hand, and the vigorous enforcement of laws against drugs production and trafficking on the other. This balance between public health and social aspects and law enforcement reflects our view that a balance must be struck in any civilised society between peoples' rights and public safety and security.

Two main political documents were agreed by the Council. The EU Action Plan on Drugs 2005-2008⁽²¹⁾ was adopted by the Council on the basis of a proposal from the Commission. This Plan translates the EU Drugs Strategy 2005-2012 into more than 80 specific actions, identifying the responsible parties and deadlines for their implementation. The Action Plan includes sections on policy co-ordination, demand reduction, supply reduction, international co-operation and information, research and evaluation.

To quote the Action Plan, its aim is "... to significantly reduce the prevalence of drug use among the population and to reduce the social harm and health damage caused by the use of and trade in illicit drugs."

The Action Plan names specific actors for each action, sets deadlines and output indicators by which to measure the degree of implementation of each action. These will be used by the Commission, which is responsible for an annual evaluation of progress made. This evaluation will take the form of a report to the Council, with, if necessary, recommendations on how to improve or adjust implementation or indeed the Action Plan itself.

The foundation of our approach is the evidence base. Whatever we do should be based on an objective analysis of the situation, on the increasingly reliable data that are coming through from the Member States and from the European Monitoring centre for Drugs and Drug Addiction.

The issue of drugs is one of the most important concerns affecting millions of Europeans.

Drug is a worldwide problem. It poses a threat to the entire international community. This means that the EU not only needs to deal with the problem at home, but that its policies and funding in the rest of the world must pay close attention to the drugs situation in any given country or region. Recognising

(20) Directive 97/67/EC, as amended by Directive 2002/39/EC

(21) OJ C 168/1 of 8.7.2005

this, the European Union is stepping up its international co-operation efforts on drugs and its fight against organised crime, both in Europe and elsewhere.

In the framework of the financial perspective 2007-2013, the Commission presented in 2005 a proposal for a specific programme on the fight against violence (Daphne) and drugs prevention and information. This proposal, reflecting the political recognition of the importance of the drugs issue, was modified in May 2006 with a view to separating the Daphne Programme and the Drugs Prevention and Information Programme. The objectives of the Drugs Programme are to prevent and reduce drugs use, dependence and drugs-related harm and to promote transnational and awareness-raising actions in the area of drugs. The adoption of the proposal by the end of 2006 would allow the programme to be launched in 2007. This new programme provides for the financing of a number of actions in the Action Plan on Drugs 2005-2008 and will be coordinating its actions with existing programmes such as the Community Programme on Public Health dealing with a health determinants' strand including drug prevention.

As for external relations, Member States individually and the Commission have devoted considerable resources to drug-related projects in developing and transition countries and regions. Overall, the EU's assistance has almost doubled in the last 3 years. The Commission has become one of the world's major donors, providing over € 300 million in assistance to drug-related projects.

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Question no 66 by Margarita Starkevičiūtė (H-0798/06)

Subject: Connecting Lithuania's transport systems to the EU transport system

What is the Commission doing to speed up the connection of Lithuania's transport networks (TEN-T) to the EU's transport networks?

What problems exist as regards the realisation of European transport projects in Lithuania, and what are the expected timetables for their implementation?

Answer

(EN) 1. The TEN-T in Lithuania is based on the results of the so called TINA (Transport Infrastructure Needs Assessment) process. The report of this process (October 1999) was based on the principles and criteria of the Common Guidelines for the Development of the Trans-European Transport Network⁽²²⁾. One major aim of the exercise was to integrate the future TEN-T networks into the TEN-T of the EU15.

The new guidelines for the development of the trans-European transport network, which have been adopted by the Parliament and the Council by 29th of April 2004, have identified 30 priority projects on which work is due to start before 2010.

One of these priority projects is Rail Baltica the North-south railway axis from the Baltic countries to Warsaw in Poland. The Commission has, after consultation of the Parliament, nominated a European Coordinator in order to advance/promote this project.

Another priority project, which is important for Lithuania is the project n° 21 Motorways of the Sea, which aims in stimulating short sea shipping in Europe and thus promotes the interconnection within the Union.

Lithuania has received € 411 millions support from ISPA⁽²³⁾ and Cohesion fund for transport sector development.

In 2006, Lithuania has introduced two proposals to be co-financed through the TEN-T annual budget (Non-MIP 2006 budget). These requests were approved this month (for a total Community funding of € 4,3 millions) by the TEN Financial Assistance Committee.

⁽²²⁾ Decision No 1692/96/EC of the Parliament and of the Council of 23 July 1996 on Community guidelines for the development of the trans-European transport network, O J L228, 09/09/1996

⁽²³⁾ Instrument for Structural Policies for Pre-Accession

2. Lithuania is eligible to Cohesion funds and structural funds. The foreseen contribution for the 2007-2013 period in Lithuania is € 2,034 million from the Cohesion fund and

€ 3, 965 million in the convergence objective, part of which should be allocated to transport projects.

It should be noted that the development of the Trans-European Networks Transport remains a priority for Lithuania as it was already put in their draft NSRF (National Strategic Reference Framework) of June 2006 that define the priorities on which cohesion instruments (Cohesion Funds, European Regional Development Fund and European Social Fund) should be spent during the 2007-13 programming period. The final NSRF is expected for beginning of November 2006.

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Question no 67 by Robert Atkins (H-0801/06)

Subject: Airport security

Can the Commission explain why certain Member States refuse to supply personal data about their citizens, for use in security screening, when requested by British airports, and outline what steps it is taking to resolve the problem?

Answer

(EN) The Commission understands that the Honourable Member's question refers to the implementation of Regulation (EC) 2320/2002 on common rules in the field of civil aviation security, which requires that all staff requiring access to security restricted areas in airports to be subjected to a background check.

Where the background checks involve the exchange of personal data, national rules adopted pursuant to Directive 95/46/EC apply. As regards access to criminal records, the Directive provides that processing of data relating to offences or criminal convictions may be carried out only under the control of official authority, subject to derogations which may be granted by Member State under national provisions providing suitable specific safeguards. Within this margin of manoeuvre, national legislators have in a number of cases adopted strict limits to the way criminal records may be accessed, for example by delivering certificates on criminal records only at the request of the person concerned, who may then decide to hand them to third parties, like prospective employers. United Kingdom civil aviation authorities need therefore to comply with their obligation to perform background checks within the existing legal framework on access and use of criminal records. This can be done, for example, by requiring applicants to submit recent certificates on their criminal records.

Exchange of information on criminal convictions is governed by the 1959 European Convention on Mutual Assistance in Criminal Matters (Council of Europe), according to which the State of nationality is kept informed of convictions handed down against its nationals in the other States. However, the existing exchange mechanisms under that Convention do not work well and information on criminal convictions does not circulate efficiently between the specific authorities designated to transmit and receive criminal record information.

Work is ongoing to improve this situation: a Council Decision on the exchange of information extracted from criminal records entered into force in May 2006. The Decision aims to speed up the exchange of information between competent authorities and provides for the use of a standard form for requests and answers. In addition, the Commission is working on a package of measures to further improve the exchange of criminal record information between Member States, in particular, on the development of an EU-wide standardised format for the exchange of information.

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Question no 68 by Josu Ortuondo Larrea (H-0802/06)

Subject: Need for an international agreement for the south-western high-speed rail link

26 July 2005 saw the creation of the Bordeaux-based Vitoria-Dax European Economic Interest Grouping (EEIG), set up to prepare the decision concerning commencement of the work on the section

(Vitoria)-Vergara-Irún-Bayonne-(Dax), which may be seen as the Atlantic crossborder core segment of the high-speed rail network for south-western Europe.

However, there is as yet no intergovernmental commission for this segment, nor is there any international agreement which would commit France and Spain to completing it no later than 2020.

Can the Commission state whether it is in a position to support and encourage the signing of such an agreement between the two Member States, and, if so, explain what initiatives it has taken in that sense?

Answer

(FR) In July 2005, the Commission appointed a European coordinator, Mr Davignon, charged with identifying any administrative, financial and priority-related logjams that may affect the development of the South-West European rail corridor, of which the (Vitoria)-Vergara-Irún-Bayonne-(Dax) section, as mentioned by the honourable Member, forms part. The coordinator carried out a thorough analysis in the form of an annual report, which was published on 13 September. He notes in the report that there is no Intergovernmental Commission to coordinate the activities of the European Economic Interest Grouping (EEIG) and that 'the signing of an international Treaty accordingly appears to be a short to medium-term objective that should help to enshrine the undertaking of the two Member States to complete the entire section by 2020 at the latest'. The absence of a Treaty would not, however, affect the completion of cross-border infrastructure of this nature. Sovereignty over the signature of such an Act, which is subject to ratification by the national parliaments, rests with the Member States.

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Question no 69 by Jacek Protasiewicz (H-0804/06)

Subject: Breach of Article 49 of the EC Treaty affecting a firm operating within the EU common market

A complaint has been lodged with the Commission concerning the unwarranted and discriminatory treatment suffered by a Polish firm, WESTBUD, at the hands of the German customs services. In all likelihood, this action represented a breach of Article 49 of the EC Treaty. As a result, the Polish firm was unable to perform the services it had agreed to carry out for a German contractor.

What action has the Commission taken in this matter and what progress has been made in investigating it?

Answer

(EN) The Commission has received several letters and parliamentary questions citing alleged violations of EU law during checks and inspections carried out by the German authorities of, inter alia, Polish firms. In this regard, the Commission would like to refer the Honourable Member to the position of the Commission as stated in the replies to the written question by Mr Szymanski (E-4639/05) and to the oral question by Mr Kúzmiuk (H-0625/06).

Concerning the specific case raised by the Honourable Member, the Commission is in the process of analysing the facts and the legal situation following the complaint concerning an alleged discriminatory treatment against the Polish construction firm Westbud. On that basis, the Commission will assess whether the measures taken by the German customs authorities are in line with the Community acquis.

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Question no 70 by Véronique De Keyser (H-0805/06)

Subject: Duty of discretion

I recall that in previous legislatures the Commissioners had a duty to maintain discretion when elections were being held in their country. Elections are currently being held or prepared for in a number of EU Member States, including Belgium.

Are the Commissioner still bound by this duty of discretion, or can they become involved in election campaigns and support a party or one or more candidates? What are the rules in force?

Answer

(FR) In addition to Article 213(2) of the Treaty laying down the general obligations to be observed by Members of the Commission regarding independence, and relating to protecting the Community's overall interests, the Code of Conduct for Commissioners⁽²⁴⁾ contains specific provisions relating to Commissioners' political activities and their participation in election campaigns.

'Commissioners may be active members of political parties or trade unions, provided that this does not compromise their availability for service in the Commission.

Commissioners shall inform the President of their intention to participate in an election campaign and the role they expect to play in that campaign. The President, taking into account the particular circumstances of the case, shall decide on whether the envisaged participation in the election campaign is compatible with the performance of the Commissioner's duties.

Commissioners standing for election to public office shall also inform the President of their intended level of participation in the election campaign. If their intention is to play an active role in the election campaign, they must withdraw from the work of the Commission for the duration of the campaign'.

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Question no 71 by Simon Busuttill (H-0810/06)**Subject: Sea border patrols**

How does the Commission assess the first EU sea border patrols in the Canary Islands? How effective have the patrols been in countering the influx of immigration?

How does the Commission propose to improve their effectiveness? Have EU countries who pledged support to these patrols delivered on their pledges?

What are the Commission's plans for the new patrols in the Mediterranean and when will these patrols start? Which EU countries have agreed to support this mission and what means will they provide?

Answer

(EN) Operation HERA II covering illegal immigration by sea from Africa to the Canary Islands commenced off the African coastline on 11 August. This phase of operations is due to end by 15 November. It is therefore too early yet to say anything definitive about the efficiency of the operation. FRONTEX, however, which is responsible for coordinating the operation, shall carry out a thorough evaluation of the operation - not the Commission - in order to be able to assess the results and, if necessary, enhance the effectiveness of future operations of this kind.

However, the Commission would like to underline that the FRONTEX Agency is a coordinating body, which does not itself have border guard officers or operational assets at its disposal. It is up to Member States to contribute both personnel and assets for operations. In general Member States do deliver the support they pledge; however there is still room for improvement in terms of better internal planning for all Member States involved in operations.

The FRONTEX Agency launched operation NAUTILUS in the central Mediterranean on 5 October with a view to bringing the illegal immigration by sea from Northern Africa under control and significantly bringing down the loss of lives at sea due to immigrants using unsafe ways and means of transportation.

Italy, Greece, Malta, France and Germany contribute to this operation with personnel and assets, including vessels, surveillance planes and helicopters.

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(24) http://ec.europa.eu/commission_barroso/code_of_conduct/code_conduct_en.pdf

Question no 73 by Chris Davies (H-0814/06)**Subject: Financial commitments to the Palestinian Authority**

Will the Commission state what is the extent of the financial commitment to the Palestinian Authority?

Answer

(EN) For the period 2000-2005, total EC co-operation in favour of the Palestinian people amounted to €1.5 billion, coming from a variety of budget lines and implemented through a number of channels.

About 55% of this assistance was implemented without any involvement of the Palestinian Government. The remaining 45% concerned direct financial support (35%), co-operation involving both a legal and a financial link with the Palestinian Government (5%) or a legal link only (5%).

In 2006, following the swearing in of the new Hamas-led government, the Council announced on 10 April that, due to non compliance with the Quartet conditions, all EU assistance to the Palestinians had to be reviewed. As a consequence, EC projects previously signed which included a legal and/or financial link with the Palestinian Government were suspended.

Therefore, since April 2006, no new financial commitments with legal or financial links to the Palestinian Government have been made. The total of €329 million committed up to now in 2006 in favour of the Palestinian population is being implemented to meet humanitarian and socio-economic needs, including food aid, which have increased as a result of the ongoing crisis. This assistance is either channelled through international organisations or is managed directly by the Commission, for instance through the Temporary International Mechanism (TIM).

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Question no 74 by Philip Bushill-Matthews (H-0816/06)**Subject: Golden shares**

Why did the Commission not take France to court for proposing to keep a golden share in a merged Gaz de France and Suez deal? Would it not have been helpful to establish legal certainty on such an important issue?

Answer

(EN) As a preliminary observation, the Commission would like to point out that it cannot engage in infringement procedures, as foreseen by Art 226 of the EC Treaty, based on a simple expression of an intention in the form of draft legislative measures. Infringement procedures can only be pursued against state measures which are actually in force.

The Commission has repeatedly restated its determination to enforce EU law. In particular, the Commission is committed to keeping the Internal Market free of special rights incompatible with the Treaty which might be introduced by governments to control private enterprises, thereby raising obstacles to the free movement of capital.

Nevertheless, it must be recalled that the Treaty provides for certain exceptions to the free movement of capital. The European Court of Justice has given its interpretation of the circumstances under which these exceptions can be applied legitimately to restrict Treaty freedoms. The Commission has had the opportunity to examine a draft French decree concerning Gaz de France. It follows very closely the provisions of a royal decree applicable to the Belgian companies Distrigaz and SNTC, which were reviewed by the European Court of Justice in 2002. Therefore, the Commission does not believe that, if approved in their original form, the French measures in question should be challenged under Article 56 of the Treaty.

However, the Commission preserves its right to intervene if the final mechanism adopted differs significantly from the draft measures transmitted to the Commission, if new case law provides new grounds for intervention, or if legislative developments related to the gas sector subsequent to the above ruling would render the provisions in question unnecessary, and therefore unjustified.

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Question no 75 by Mairead McGuinness (H-0829/06)

Subject: Impact of WTO negotiations on European agriculture

The Commission's most recent presentation to the European Parliament of its assessment of the likely impact of the world trade negotiations on the European economy explicitly referred to the need to downsize the European agricultural sector in order to secure a deal at the WTO.

Could the Commission outline in greater detail what proportion of the current sector it envisages would remain should a deal be reached at the WTO, and what would be the impact of such a deal on European farmers?

Answer

(EN) An ambitious outcome of the currently interrupted World Trade Organisation (WTO) negotiations on trade liberalisation will certainly bring opportunities in terms of opening of export markets, mainly for industrial goods and services, as well as challenges, in particular for EU agriculture. The EU WTO agricultural offer from 28 October 2005 includes an ambitious market access proposal, conditional phasing out of export refunds and significant cuts in trade-distorting domestic support.

The implementation of lower tariffs is going to be particularly challenging for the agricultural sectors that already today experience a rapid growth in imports entering the EU paying the full duty, like beef and poultry. Any tariff cut, even if these sectors are to be considered sensitive and face lower tariff reduction, will result in more imports.

The impact of a possible WTO agreement will also be felt for those sectors that rely more on export refunds for their exports, like the dairy, poultry and coarse grains sectors.

In the event of higher imports and lower exports a downward pressure on domestic prices is expected, with negative effect on producer revenues, speeding up the on-going restructuring of the agricultural sector, as less efficient farmers exit the sector, which in turn creates opportunities for the most efficient ones.

Analysis carried out within the Commission indicate that the lower revenues projected under the EU WTO offer may lead over the medium term to a scale down in production for some sectors, with decreases ranging between 10% for the beef sector and 4% for the cereals sector.

However, at the same time, a WTO deal is likely to open new market opportunities also for EU agricultural exports on third markets, especially for high value added and quality products.

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Question no 76 by Georgios Karatzaferis (H-0832/06)

Subject: Interreg IIIA Programme Greece-Turkey

In her answer to my written question E-2320/06, Commissioner Hübner referred me to the Greek authorities in connection with the failure to implement the Interreg IIIA Programme Greece-Turkey, which is not going ahead owing to the Turks casting doubt over its cross-border nature by refusing to recognise the international borders in the Aegean. The problem was also acknowledged by the former Foreign Minister of Greece, Mr Molyviatis, in his answer given to the Hellenic Parliament in December 2005 but, strangely enough, the Commission (which also funds the programme) simply confines itself to expressing the wish that implementation should start (answer to my question E-2320/06).

I would, therefore, reiterate my specific question. Has there been an official Greek response to the attempt arising during the meeting of the Interreg IIIA (Greece - Turkey) monitoring committee of 23 November 2005 in Ankara, to cast doubt on Greek (and hence Community) borders, the Turkish side querying the cross-border nature of the relevant subprogramme?

Answer

(EN) The Commission is not aware of an official exchange of letters, between Greek and Turkish authorities, in relation to the programme mentioned by the Honourable Member. Furthermore, no record exists of the meeting under reference.

It should be noted that the INTERREG⁽²⁵⁾ IIIA programme Greece-Turkey is managed in a decentralised way. Therefore, the programme's Managing Authority, which is responsible for the daily management and implementation of the programme, is the appropriate body to reply to questions relating to the implementation of the programme, including on the meetings of the Monitoring Committee. The Commission would recommend the Honourable Member to contact the Head of the Managing Authority in Thessaloniki by email (interreg@mou.gr), telephone ((+30)2310 469600) or fax ((+30)2310 469602). Further details are also available at www.interreg.gr

The Commission would like to stress that the implementation problems do not concern the structure and content of the programme. In fact, the overall programme framework (programming document and programme complement) is satisfactory and fully coherent with the Structural Funds Regulations. The Commission would be pleased if the programme implementation could start so that genuine joint cooperation projects assisting the socio-economic development of the participating partners in Greece and Turkey could be financed.

Having said that, the Commission is aware of the different viewpoints, between the two countries participating to the programme, with respect to the terminology employed in the programme, and hopes that the current deadlock could be soon overcome.

The Commission strongly encourages the development of Greece-Turkey co-operation, which shall continue under the current INTERREG programme, and the future European Territorial Co-operation Objective in 2007-2013.

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Question no 77 by Lidia Joanna Geringer de Oedenberg (H-0835/06)**Subject: VAT on donations in Poland**

One of the results of the amendment of Polish VAT law to bring our law into line with EU provisions is the introduction of VAT on donations. In the past, taxpayers giving goods away to the needy calculated the tax payable on the basis of the goods' actual value, whereas now they must do so on the basis of their purchase price. This arrangement is significantly less favourable for firms which, for instance, wish to donate food reaching its sell-by date or computers that are a few years old.

What steps does the Commission intend to take to encourage potential donors to give more help to the needy when the tax payable on donations is often higher than the market value of the goods being donated?

Answer

(FR) When the taxable person applies goods forming part of his business assets to dispose thereof free of charge, that application shall be treated as supplies subject to VAT under Article 5(6) of the Sixth VAT Directive⁽²⁶⁾, where the value added tax on the goods in question or the component parts thereof was wholly or partly deductible.

This is a corrective mechanism guaranteeing compliance with the general principle governing VAT, namely that goods assigned to the realisation of an economic activity subject to VAT reach the final consumption stage subject to VAT, except where the Directive expressly provides for an exemption.

⁽²⁵⁾ Community initiative concerning trans-European cooperation intended to encourage harmonious and balanced development of the European territory

⁽²⁶⁾ Sixth Council Directive (77/388/EEC) of 17 May 1977 on the harmonisation of the laws of the Member States relating to turnover taxes - Common system of value added tax, 77/388/EEC, OJ L 145 of 13.6.1977.

Accordingly, goods subject to a VAT deduction charged on purchase will in principle be subject to VAT either on account of the sale of the goods or their supply free of charge.

Once the goods have been sold, the taxable amount shall be based on the sale price of said goods (Article 11(A)(1a) of the Sixth VAT Directive).

Once the goods have been made for consideration under the abovementioned conditions laid down in Article 5(6) of the Sixth Directive, the VAT taxable amount shall be based on the sale price of the good or similar goods or, in the absence of a sale price, on the cost price determined at the time of supply (Article 11(A)(1b) of the Sixth VAT Directive).

The wording of the provision does not appear to run counter to the consideration of the condition of the goods at the time they are withdrawn.

Lastly, the honourable Member is reminded that the delivery of goods to accredited bodies exporting these goods outside the Community in the framework of their humanitarian, charitable or educational activities outside the Community is exempt from VAT under the conditions set by the Member States pursuant to Article 15(12) of the Sixth VAT Directive.

The Commission is not currently planning any amendments to these rules.

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Question no 78 by Johan Van Hecke (H-0836/06)

Subject: Preparation of Transboundary Ecological Plan between Flanders and the Netherlands

On 27 June 2006 an information meeting was held in Mol regarding the preparation of a Transboundary Ecological Plan. The Flemish process was presented at that meeting as forming part of the Netherlands strategy, even though in the Netherlands no mention is being made of implementation of the project, at least not in the border area of Postel. If this is a project in which there is European involvement, that is contrary to European legislation, given that European projects should be conducted in parallel in the various Member States concerned.

According to information provided by local authorities on the Netherlands side of the border area concerned, there has been virtually no mention of implementation of such a Plan. The Netherlands Ministry has no knowledge of such a process being under way in the Netherlands. The town council of Mol in Flanders is also unaware of this. Is the Commission aware of this project? Is its progress being adequately monitored, and what guarantees are there that farming will survive?

Answer

(EN) Transboundary Ecological Plans are an instrument used by the Benelux countries for their cooperation on the integrated management of transboundary ecosystems such as river ecosystems and protected areas. These plans allow countries to address transboundary areas of particular interest for biodiversity and to develop joint actions. The plans may address regional, national or international nature conservation objectives. The plans cannot be considered as 'European projects'.

Dependent upon the character of the Transboundary Ecological Plan it is possible that it could be covered under Directive 2001/42/EC⁽²⁷⁾ of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment. The Commission has no information on the establishment of the Transboundary Ecological Plan mentioned by the Honourable Member.

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Question no 79 by Panagiotis Beglitis (H-0841/06)

Subject: Implementation of the Kyoto Protocol

Climate change is one of the most serious threats to our planet. Scientists agree that, unless practical steps are taken, this phenomenon will have a catastrophic impact on the environment and cause significant

⁽²⁷⁾ OJ L 197, 21.7.2001

economic and social problems. On 16 February 2005 the Kyoto Protocol entered into effect as a first step to address the problem: it commits 30 industrialised countries to reducing emissions of six hazardous gases by 5.2% by 2012 compared to 1990 levels.

In view of the fact that the European Union is responsible for some 14% of greenhouse gas emissions, will the Commission say what stage the European Union has reached in its endeavours to attain the target of reducing greenhouse gas emissions by 8% in 2008-2012 compared to 1990 levels? What progress has been made and which measures have been taken by those Member States which have assumed specific commitments to reduce greenhouse gases over the same period? What progress has been made in negotiations on developing a strategy for addressing climate change after 2012, when the Kyoto Protocol expires?

Answer

(EN) According to the latest information, the EU-15 Member States have reduced their greenhouse gas emissions by 0.9% compared to base year levels. The Commission is confident that the EU can achieve the 8% target under the Kyoto Protocol. However, this requires the swift implementation of measures that have already been agreed at EU and Member State level and the use of flexible mechanism as foreseen by the Member States. More details are given in the latest progress report⁽²⁸⁾ under Decision 280/2004/EC⁽²⁹⁾.

The majority of the policies and measures under the European Climate Change program (ECCP I) are now implemented at the European level. The Commission has launched the ECCP II in October 2005 in order to assess the actual emission reductions of the measures agreed and identify new initiatives to cut emission further. More information concerning this review has been published on this website: http://ec.europa.eu/environment/climat/eccp_review.htm

As regards the European emission trading scheme, most Member States have already submitted their 2nd National Allocation Plans (NAPs) which will cover the period 2008-2012. A year ahead of the start of the Kyoto's 1st commitment period, it is of crucial importance that Member States use their NAPs in an ambitious way so as to ensure that they will meet their reduction obligations.

The Commission's Communication "Winning the battle against global climate change"⁽³⁰⁾ outlines the general strategy for the negotiations under the United Nations (UN) Framework Convention on Climate Change (UNFCCC). At the 11th UNFCCC Conference of the Parties (COP) in December 2005 it was agreed to begin a dialogue with all Parties on post 2012 climate policy options. This forward-looking dialogue will be conducted in four workshops to be held over two years. The second workshop will take place during COP 12 in Nairobi (6-17 November 2006).

Parties to the UNFCCC also agreed at Montreal to discuss further emission reductions for developed countries under the Kyoto Protocol for the period after 2012. An UN ad-hoc working group under the Kyoto Protocol was set up and will also have its second meeting in Nairobi in November. It will complete its work as early as possible and in time to ensure that there is no gap between the first and the second Kyoto commitment period. Furthermore, next month, in Nairobi a review will start of the Kyoto Protocol, as foreseen in Article 9 of the protocol itself, improving the framework to attain the necessary emission reductions.

The discussions on further action should aim for strong and global action to curb climate change. The EU has put forward an objective of limiting global warming to 2°C and in order to do so global emissions will need to peak within the next two decades and decrease substantially afterwards, possibly up to -50% below 1990 levels by 2050. This will require strong action of all developed countries, including the United States. We need to look for strategies that ensure that developed countries reduce their emissions by 2020 with 15 to 30 % compared to 1990.

⁽²⁸⁾ COM(2005) 655 final, Report from the Commission "Progress towards achieving the Community's Kyoto Target"

⁽²⁹⁾ Decision No 280/2004/EC of the Parliament and of the Council of 11 February 2004 concerning a mechanism for monitoring Community greenhouse gas emissions and for implementing the Kyoto Protocol, OJ L 49, 19.2.2004

⁽³⁰⁾ COM(2005) 35 final

Given the strong projected growth of emissions in the rest of the world, we will also need to find a fair way to bring major developing countries with fast-growing emissions on board. We need to see how we can collaborate with them so that they choose a sustainable development pathway that enables us to reach the 2°C objective. Many actions, such as improved energy efficiency, are also for the benefit of developing countries, promoting their own sustainable development, decreasing impacts on the environment and increasing their energy security.

It is important to note that the Convention Dialogue will focus next month in Nairobi on actions that promote sustainable development and on the use of market based mechanisms. Two issues on which the EU has shown leadership. Also after Nairobi, Europe we will need continue this leadership to guarantee success in the international discussion on the future climate change framework.

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Question no 80 by Zbigniew Krzysztof Kuźmiuk (H-0844/06)

Subject: Review of EU Member States' milk quotas

The Commission has decided to fine Poland EUR 91 million for exceeding its milk production quota in the financial year from April 2005 to June 2006. The Commission could reduce this amount to 64 million if Poland transfers 88 000 tonnes from its direct sales quota to its wholesale quota, a proposal put to the Commission by the Polish Government.

How quickly will this proposal be considered and does the Commission intend to reduce the financial penalties imposed on Polish farmers? Will the Commission consider reviewing the milk quotas allocated to individual Member States, since at present they are blatantly unjust? Germany, for example, with a population of around 82 million, has a milk quota of 27.8 m tonnes, or around 0.33 tonnes per inhabitant each year; France has a population of 60.5 million and a milk quota of 23.9 m tonnes, or 0.39 tonnes per inhabitant; the Netherlands, with a population of 16.5 million, has a quota of 11 m tonnes, or 0.67 tonnes per inhabitant. Poland, however, with a population of 38 million, has a quota of only 8.6 m tonnes, just 0.23 tonnes per inhabitant. This low quota is hampering the development of the dairy industry in Poland, with the result that it will soon become a net importer of dairy products.

Answer

(EN) The Commission has paid great attention to the Polish milk situation during 2006.

The total levy due to overrun for 2005/2006 will be reduced from € 91,5 to 64,4 millions following a national transfer from direct sales to deliveries quotas according to Council Regulation (EC) n° 1406/2006. With regard to this national transfer, a Commission regulation will be published in the near future so that the Polish administration will be able to act in due time.

In fact, from the Accession in 2004 to the quota year 2006/2007, the Polish milk quota in deliveries has risen from 8.5 million tonnes to 9.142 millions tonnes corresponding to an increase of 7.55 %.

In relation to fixing the level of quota per Member State, all new Member States have been treated in the same way during the Copenhagen negotiation in 2002. The quota had to reflect average deliveries and direct sales over the recent production years. The same approach was used for the old Member States when the quota system was established in 1984.

The quota system is a production regulating system where the number of consumers should not be used as a deciding parameter. In the context of quotas, however, it shall be recalled that in accordance with the Luxembourg compromise, the Commission will present a market outlook report after the full implementation of the 2003 Reform, on the basis of which a discussion of future levels of quotas may take place in the various Community institutions.

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Question no 81 by Marian Harkin (H-0847/06)**Subject: Gender pay gap**

Will the Commission give its opinion on the recent ruling by the European Court of Justice, C17/05, on 3 October 2006 in B.F. Cadman vs the Health & Safety Executive?

In the context of this judgment and the wider context of the gender pay gap, what practical steps is the Commission taking to ensure the reduction of this pay gap?

Answer

(FR) As to the first question, the Commission has no opinion to state on the ruling to which the Honourable Member refers. The Commission does not comment on rulings handed down by the Court of Justice as part of its responsibility for interpreting Community law.

On the general issue of the gender pay gap, the Commission has the following remarks to make.

Article 141 of the EC Treaty enshrines the principle of equal pay for male and female workers for equal work or work of equal value.

The principle of equal pay for men and women is also laid down by secondary law, in a number of directives. Directive 75/117/EC⁽³¹⁾ establishes that the principle of equal pay for men and women means, for the same work or for work to which equal value is attributed, the elimination of all discrimination on grounds of sex with regard to all aspects and conditions of remuneration. Article 3 of Directive 2002/73/EC⁽³²⁾ provides that application of the principle of equal treatment means that there shall be no direct or indirect discrimination on the grounds of sex in the public or private sectors, in relation in particular to employment and working conditions, including pay.

Despite this substantial body of Community legislation, there is still a wide gender pay gap in the European Union. On average, women earn 15% less than men for every hour worked⁽³³⁾. Getting rid of this gap calls for a global approach, given that the gap stems from both direct discrimination against women and a number of structural inequalities.

In its roadmap for equality between women and men⁽³⁴⁾, the Commission identifies eliminating the gender pay gap as a priority area for action.

In 2007 the Commission will be submitting a communication on the gender pay gap, which will look at the various issues involved and put forward the measures required in order to eliminate the gap.

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Question no 82 by Pedro Guerreiro (H-0851/06)**Subject: Azores ultra-peripheral region, local authority action and structural policy**

During a recent visit to Lajes das Flores, in the Azores archipelago (Portugal) the local authorities again stressed to me the importance to the island's socio-economic development and particularly that of their town of a whole range of investments in equipment and infrastructure development carried out under

⁽³¹⁾ Council Directive 75/117/EEC of 10 February 1975 on the approximation of the laws of the Member States relating to the application of the principle of equal pay for men and women, OJ L 45, 19.2.1975, pp. 19-20.

⁽³²⁾ Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive 76/207/EEC on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions, OJ L 269, 5.10.2002, pp. 15-20.

⁽³³⁾ See, inter alia, the Commission report on equality between women and men - 2006, COM(2006)71 final, point 2.2.

⁽³⁴⁾ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - A Roadmap for equality between women and men 2006-2010, COM(2006)92 final.

the direct administration of the local authorities, thus ensuring a proper response to the needs of the local population, promoting employment and energising local production structures.

Given the major constraints on and the many specific needs of this ultra-peripheral region and those living on its various islands, what measures and initiatives does the Commission intend to take to support and strengthen direct local authority action there, to provide a direct response to the population's needs and problems, specifically within the framework of structural policy for 2007-2013?

Answer

(FR) According to the regulations relating to the Structural and Cohesion Funds agreed on by Parliament and the Council on 5 and 11 July 2006⁽³⁵⁾ and the strategic guidelines for 2007-2012 adopted by the Council on 6 October 2006⁽³⁶⁾, the priority action areas of the European Regional Development Fund (ERDF) for 2007-2013 for the Azores region are to be established in the operational programme currently being drawn up by the Portuguese authorities. These priorities will be the subject of negotiations between the Member State and the Commission in the months ahead.

The Commission believes that it is extremely important that the local authorities be involved in defining and meeting the objectives established in the operational programmes, but it would point out that the national and regional authorities must define the methods and the conditions that should govern such involvement and that guarantee that principles such as the good, sound financial management of actions cofinanced under the Structural Funds are upheld.

It should be noted that, in acknowledgement of the specific characteristics of the outermost regions, the EU has incorporated into its cohesion policy for 2007-2013 a number of measures geared towards helping these regions. These measures are, in particular, aimed at reducing the difficulty of accessibility to the outermost regions, strengthening the competitiveness of their businesses and improving their regional integration.

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Question no 83 by Rodi Kratsa-Tsagaropoulou (H-0853/06)

Subject: Flight security and effectiveness of new measures

On 5 October, the Commission adopted new flight security measures which are mainly to restrict passengers having liquid substances with them during the flight, together with laptop computers and other electronic equipment. Over the next six months, the size of hand luggage allowed on board aircraft will also be reduced (56cm x 45cm x 25cm).

Did the Commission consult the air transport sector about these measures? Does it have a feasibility study regarding these measures and the cost of implementing them?

In order to avoid delays, the Commission has provided for measures to help security staff carry out their duties quickly and effectively. The Regulation is expected to be implemented from the beginning of November. Is there sufficient time for the sector and the industry to adapt to the new requirements and conditions laid down by the Regulation? What provision has the Commission made to ensure that passengers receive information about the new measures from airlines, associations and airports?

Answer

(EN) Shortly after the events of 10 August 2006 in the United Kingdom, the Commission started working on a rulemaking addressing the new threat of liquid explosives whereby the air transport sector was consulted in full and regularly from the beginning.

Given the seriousness of the threat, the Commission, Member States and stakeholder organisations all agreed that a swift, though balanced, rulemaking was the most appropriate action to be taken. As it was also recognised that no cost-benefit study could be undertaken under given urgency to address this new threat, it was agreed to explicitly state in the Regulation that the measures introduced should be reviewed

⁽³⁵⁾ OJ L 210 of 31 July 2006

⁽³⁶⁾ COM(2006) 386 final

every 6 months in the light of technical developments, operational implications at airports and the impact on passengers.

As regards the implementation of this Regulation, Member States, airports and airlines will have time until early November to prepare for its introduction. Furthermore, the measures were developed with a view to keeping the operational effects of the restrictions to a minimum. Therefore, the Commission does not expect major problems for airports to adapt to the new requirements and conditions laid down in the Regulation.

According to the Regulation Member States are responsible to ensure that the information about the new measures is made available to the public. The Commission is assisting Member States, airports and airlines in their information campaigns before the Regulation comes into force.

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Question no 84 by H el ene Goudin (H-0854/06)

Subject: Euronews

The Commission provides substantial sums to finance the TV channel Euronews. Euronews reaches viewers in 121 countries worldwide and its objective is to broadcast news from what is said to be a European perspective. The TV channel has been criticised for being biased and for mainly reporting on the EU from a positive and uncritical perspective. In a press release on 2 October 2006, Euronews announced that viewers in the USA now have access to the channel via an Internet-based TV service. Does the Commission consider that it is appropriate and responsible to use EU taxpayers' money to finance news broadcasts in the USA? What are the Commission's practical motives for financing Euronews? What amount of funding does the Commission provide annually for this controversial TV channel?

Answer

(FR) As regards the Internet-based broadcast of EuroNews programmes to the United States, the Commission would point out that European taxpayers' money is not used to fund new ways of broadcasting.

The Commission would note that, following a procurement and tender procedure, it signed a service contract on 21 February 2005 with EuroNews concerning both the production and broadcast in seven languages – in the 25 EU Member States, candidate countries and third countries – of information programmes about the EU.

The aforementioned contract covers solely the production and broadcast of these programmes using broadcast methods that EuroNews had at its disposal when the contract was signed. It does not provide for the financial reimbursement of additional broadcast methods. Under these conditions, the EU's communication benefits free of charge from this subsequent extension to EuroNews coverage and from its increased visibility.

As regards the motives for its financial support for EuroNews, the Commission wishes to point out that the EuroNews channel was chosen as a contractor following a procurement and tender procedure. In other words, the Commission does not support EuroNews financially; rather, it is linked to the channel by a service contract.

Lastly, the maximum annual value of this contract, which has been concluded for an initial one-year period, renewable by amendment up to four times for the same period, is EUR 5 million, covering all work carried out.

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Question no 85 by Diamanto Manolakou (H-0861/06)

Subject: Illegal trade in food containing genetically modified organisms

Products containing genetically modified organisms (which are not mentioned on the packaging) and products containing non-approved GMOs have been marketed in ten European countries, including

Greece unbeknown to consumers and against their wishes. On the one hand these products were produced from genetically modified soya and on the other consisted of genetically modified rice with the commercial designation Parboiled, Kastano Genius, Parboiled with Wild Rice and Riziana Parboiled which had not been authorised to be marketed by the US authorities either, since it was blamed for causing allergies, and cultivation was only on an experimental basis.

In view of the above, will the Commission say what measures it has taken to intensify controls and ban the marketing of food containing genetically modified organisms so as to protect public health from unsupervised commercial profiteering?

Answer

(EN) The EU legislation on Genetically Modified Organisms (GMOs) foresees that GM food and feed can be placed on the market only if authorised and appropriately labelled. Member States have the primary responsibility for enforcing these requirements and verifying that they are fulfilled by business operators.

Within its field of competences, the Commission is strongly determined to assist Member States in this respect. This determination has been proved in the case of the recent contamination of United States (US) long grain rice by the unauthorised GMO LLRICE601.

Despite the unfortunate delay in the communication of the incident by the US authorities, the Commission has immediately required Member States to adopt measures to prevent the unauthorised GM rice from entering the EU and to ensure the immediate withdrawal from its market of those rice products found positive for the presence of the LLRICE601.

Within five days an emergency decision was adopted only allowing shipments of long grain rice certified as free from the unauthorised rice event to enter the EU market.

When the Commission became aware of diverging results between the test performed in the US and the counter-testing of certified rice import at the harbour of arrival in the EU the original measure has been further strengthened.

Shortly the EU has shown to have both the tools and the willingness to impose the respect of its legislation.

It is however undeniable that in a situation where an increasing number of GMOs are cultivated or tested around the world the possibility of similar accidents can not be excluded. This is even more relevant for the EU, which is one of the biggest food importers in the world. For this reason the Commission is currently analysing how the existing mechanisms, and particularly those related to preventive controls, can be further enhanced in the respect of the competences of Member States which – it is worth reminding – are directly responsible for controls.

In this context one of the possibilities the Commission is currently exploring is to improve the existing control tools by further developing the detection methods for authorised and unauthorised GMOs and to impose an increased and uniform level of control for products of non-animal origin for the presence of GMOs.

Our legislative approach to GMO is already among the strictest in the world and the Commission will take any possible step to ensure its respect and full implementation. It will never compromise on the protection and trust of our citizens and consumers.

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Question no 86 by Athanasios Pafilis (H-0863/06)

Subject: Greek Network for Corporate Social Responsibility

The Greek Network for Corporate Social Responsibility was founded in June 2000. More than 60 companies are currently members of the Network with a view to taking part in various funding programmes. Every day, the Federation of Greek Industries (SEB) and the corporate members of the Network play a leading role in making workers redundant, blackmailing and threatening them in flagrant violation of Greek and international labour legislation. The President of the SEB himself, Mr D. Daskalopoulos, fired workers employed by Vivartia - formerly Delta - a company with no workers'

union, in order to prevent any trade union activity. The 'strategic programmes' of this Network - 'sustainable development', 'the environment', 'workers' health and safety conditions', 'equal employment opportunities' - are an affront to the workers.

Which of the above Network's programmes concerning Greek companies established in Greece does the Commission finance and what is the amount of funding?

Answer

(EN) The Commission is not aware of the particular problems identified in the Honourable Member's question, but would of course expect that any European legislation relevant to the kinds of issues alluded to is correctly applied and enforced.

The Commission has signed a grant agreement with the Hellenic Network on Corporate Social Responsibility (CSR) for the project "Integration of Socially Responsible Principles and Practices in SMEs." The aim of the project is to help Greek SMEs to incorporate CSR into their business strategy. The project will run for 2 years, from June 2006 to May 2008. The EU contribution will be up to a maximum of € 205.629 out of a total project budget of € 274.172. The funding comes from the Multi-Annual Programme for Enterprise and Entrepreneurship (budget line 02.020301).

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Question no 87 by Proinsias De Rossa (H-0865/06)

Subject: Provisional driving licences

Further to its answer of 13 June 2006 to my question E-1815/06, what stage has been reached in the Commission's examination of the Irish provisional driving licence regime? When did it contact the Irish authorities on this matter and when did it receive their response? What action is the Commission now considering in this matter?

Answer

(FR) The Commission referred the matter of the issuing of provisional driving licences in Ireland, which authorise the individual concerned to practice driving even without a supervising person in the vehicle, to the Irish authorities on 23 May 2006 and they replied on 23 June 2006.

The Irish Government, which is aware of the road safety problems which such a training system may cause, stated that it planned to reconsider its standpoint on this subject, in the broader context of a programme to improve road safety.

However, given that Ireland is not the only Member State to have introduced this specific driver training procedure, the Commission is currently considering in detail the answer which this question requires, in the light of the Community legislation in force.

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Question no 88 by Leopold Józef Rutowicz (H-0866/06)

Subject: Consumer protection against increases in the price of goods and services

Every day there are increases in the price of goods and services on the market. What practical measures is the Commission taking to provide consumers with greater protections against these unjustified price increases?

Answer

(EN) The Commission's competition policy aims at promoting and maintaining competitive markets and behaviour which brings the greatest benefits to consumers in terms of the quality and price of products and services.

Competition policy therefore acts against illegal practices such as cartels or agreements in which competitors agree to fix prices, to limit production or to share markets or customers between them because such practices tend to lead to consumers having to pay more for less quality. Furthermore, the

merger control exercised by the Commission ensures that businesses and consumers are protected from higher prices or a more limited choice of goods or services.

The Commission has also promoted opening up certain markets (such as for instance the air transport and telecommunications sectors) to competition allowing consumers to benefit from lower prices and new services.

In the field of consumer legislation, the Commission works in various ways to strengthen the position of consumers and make it easier for businesses to market and sell products in other Member States. For example Directive 2005/29/EC on Unfair Commercial Practices⁽³⁷⁾ will give consumers the same protection against aggressive or misleading marketing whether they buy locally or from other Member States'.

Later in 2006, the Commission will present a Green Paper organising a wide consultation with a view to identifying and avoiding possible gaps or inconsistencies in existing Community consumer legislation or the Member States' application of it.

As a final point, the Commission would like to draw the attention of the Honourable Member to the European Consumer Centre Network which has been set up by the Commission and the Member States to give advice and to help European consumers facing problems with cross-border purchases. Where such problems relate to competition, consumers may contact the Consumer Liaison Officer which the Commission has appointed within its Directorate General for Competition.

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⁽³⁷⁾ Directive 2005/29/EC of the Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market.