

WEDNESDAY, 8 OCTOBER 2008

IN THE CHAIR: MR PÖTTERING

President

1. Formal sitting - Ingrid Betancourt

President. – Ladies and gentlemen, President-in-Office of the Council, Commissioner, it gives me great satisfaction and a great feeling of admiration to welcome Ingrid Betancourt to the European Parliament today. A warm welcome to you, Mrs Betancourt!

(Applause)

The fact that you are with us today is a testimony to the fact that courageous people never give up hope in the fight for freedom and human dignity. After your release on 2 June 2008 I had the honour of writing to you on behalf of the European Parliament and welcoming you back to freedom. Now the moment has come for you to be here as our guest.

You were held captive for six years, four months and nine days. You alone know what you had to go through during those 2 321 days, but you have become a symbol of freedom throughout the world and a symbol of human resistance to enforced distress and the deprivation of fundamental human rights as well as a role model of dignity and courage for us all. Your children were with you all the way. I will never forget how your two children – your daughter and your son – sought me out several years ago when I was in a different role, and how they advocated for their mother. That was the love of children for their mother. You can be proud of your children!

(Applause)

Terrorism as practised by your kidnappers is a direct assault on our values, on freedom, on human dignity and on democracy.

Mrs Betancourt, your example shows us very clearly, yet again, that democracies must never retreat in the face of terrorism. It is a political and moral duty to ensure that the rule of law is always upheld.

During your captivity, many members of the European Parliament worked tirelessly for your release and I know that many representatives of the various Ingrid Betancourt committees are here today – active champions of your cause, people who are working for the freedom of all hostages in Colombia. I would like to greet and extend a warm welcome to all of you who spoke up on behalf of Ingrid Betancourt and are here in the European Parliament today.

(Applause)

Ladies and gentlemen, we must tirelessly continue our efforts to secure the release of all those who are still being deprived of their freedom. This is another reason for your visit to us today. You yourself said: 'For a victim of terrorism, the greatest danger of all is to be forgotten. When I was in the jungle, I had a face and I had a name. I am now asking we do the same for those who stayed behind.' Those were your words, and they still are. In the name of the European Parliament, we call today for this to happen.

This year we are celebrating the 60th anniversary of the Universal Declaration of Human Rights, which was adopted by the General Assembly of the United Nations on 10 December 1948. This declaration presented the first worldwide, formal obligation to protect the dignity of each and every person and the equality of all people, without regard to skin colour, religion or origin. Article 3 of the declaration states: 'Everyone has the right to life, liberty and security of person.'

Many, many people have been deprived of their freedom because they have defended human rights. At the conference entitled 'The defenders take the floor', which is being organised this week here at the European Parliament, we have heard numerous testimonies from people who have been oppressed, arbitrarily arrested or forced into exile because of their fight for fundamental rights and freedoms. We have also had the opportunity to discuss in detail how we can better protect these people and support their work.

Mrs Betancourt, we are all honoured and delighted to ask you now to address the European Parliament.

Ingrid Betancourt. – (FR) Mr President, ladies and gentlemen, it is a very emotional thing for me to be here with you today, on the very day when the United Nations and the European Union are commemorating the 60th anniversary of the Universal Declaration of Human Rights together.

Of course, all I can do is think what an extraordinary coincidence that is. Just three months ago, I was watching you at work from the deepest depths of the Amazonian rainforest, and my greatest aspiration was for others to come and speak here on our behalf, while we remained prisoners of the madness of some, and of the neglect of others.

It is a miracle, I truly believe, to be able to share these moments with you. I come here full of admiration, to a Parliament that I constantly envy. Like all Latin Americans, I dream that your example will be contagious and that our people will unite so that one day we can meet in a Latin American parliament, like yours, and through dialogue and respect find the keys to a great and generous common destiny for our continent.

I know only too well how much you thought of me during those difficult years. I precisely remember your commitment, alongside our families, at a time when the world had lost interest in the fate of the Colombian hostages and when talking about us was frowned upon.

In the jungle, I used to listen to the radio, which broadcast a session taking place here. I had no pictures, but I did have the voices of the journalists describing the session. It was from here, from this chamber, through you, through your refusal to give up and your silent disapproval, that my first help came. Thanks to you I understood, more than five years ago, that we were no longer alone.

If I kept hoping throughout those years, if I could cling on to life, if I could carry my cross day after day, it was because I knew I existed in your hearts. I told myself that they could make me disappear physically, but my name and my face would always live on in your thoughts.

That is why, from the moment I first set foot back in the free world, I wanted to come here, to this place that I feel is also my home. I had to tell you that nothing you said or did was in vain. If I am alive, if I have rediscovered the joy of living, I owe it to you. You must understand that your words delivered me well before physical help actually reached me.

Thank you!

(Applause)

Thank you to all of you. Thank you for opening your hearts to this tragedy such a long way away. When I thought about the creation of a status of victims of terrorism and I talked to the UN about the need to allow room for expression to the families of the victims, I thought of the example you gave us. I know you welcomed my family, my mother, my children, and you listened to them. In the jungle, when I knew that, it made all the difference to me. Through your generosity, the European Parliament has become a platform to tell the world about the scale of the barbarity we experienced and that more than 3 000 of my compatriots are still experiencing.

The words spoken here, which enabled me and my companions to be freed, created the need to act while respecting the lives of all the hostages, and also of all the guerrillas, who were our kidnappers. The fact that there was no violence was the result of your stringency and commitment. That is a particular, clear, concrete result of your action.

(Applause)

I would also like to pay tribute here to the thousands of human rights activists, the thousands of freedom fighters who have worked all over the world to secure our return, and the return of many, many other people throughout the world. I can see here the yellow t-shirts of the FICIB.

(Applause)

(ES) I would like to thank the FICIB for fighting for all hostages in Colombia. You were the first to open these doors. Thanks to you, fifteen of my companions and I found freedom. We need to keep fighting and battling to free those that remain, and I know that I can count on you.

(Applause)

(FR) There were many freedom fighters. There was the FICIB of course, and many other committees all over the world: committees in Paris, committees in Italy, in the Netherlands, many, in Greece, Germany, Ireland, Denmark, Sweden, everywhere. We had friends everywhere: in Canada, in the United States, everywhere in Latin America, but it all began here. Thank you!

(Applause)

Every day for more than six years, these freedom fighters organised actions to ensure our tragedy was not swamped by indifference. We are free, some of us, but not all. Their fight goes on.

More than ever we need your support for them, for your doors to be open, for your willingness and time. However, more than ever we need your word. The only weapon we should believe in, you see, is the power of words.

(ES) I would also like to talk about the extraordinary tool that words are, because today I am thinking, with a great deal of sorrow, about a woman who used words as her weapon and was fought against with violence and firearms.

A Colombian woman, Olga Marina Vergara, died on 22 September, murdered along with her grandson, her son and other members of her family. She was a human rights activist. She was a woman who spoke out, who used her words to defend others.

I am thinking about her today, and here, in this sacred place, I ask the authorities of my country, Colombia, to do what is necessary to seek out those responsible so that they may be brought to justice in a fair trial and therefore punished for the disgraceful acts they committed.

(Applause)

(FR) Words are extremely important, you know. It is with words that we can combat hatred and violence most effectively. I am sure that on many occasions you have felt the frustration of not being able to 'do', when 'saying' just seemed like spitting in the wind. I think perhaps that is something you will have experienced – it certainly happened to me when I was a member of the Colombian parliament – that you regret, for example, that you are not part of the government, the executive, where decisions are taken, cheques are signed and things get done. In a material world where what we cannot see does not exist, it is a frustration we all have to watch out for.

Parliament, though, is the temple of words, of words that liberate. This is where all the big awakening processes of a society begin. It is here that the things that really matter to our people are conceived and expressed. If the executive authorities end up taking action, it is because, well before that, someone here, one of you, has stood up and spoken. You know as well as I do that whenever one of you speaks here in Parliament, evil takes another step backwards.

Words have a genuine hold on the real world. Sartre felt it from childhood. Françoise Dolto expressed it beautifully when she said that humans were beings of words, and that words could care, heal and bring to birth, but could also cause sickness and kill. The words we say have the force of the emotions within us.

I was stunned to discover – and this is something quite personal, I am giving you a glimpse into my private life here – that my daughter had kept herself going during my absence on a store of words I had uttered without really thinking over the course of our lives. I did not imagine at the time the hope and strength these words would give her when I was far from her, in captivity. She particularly remembers a letter I had forgotten I had written, that I sent her on her fifteenth birthday. She tells me that she read that letter on each birthday...

(Applause)

...and that each year, because she had changed a bit, she always found something new in it that spoke to the person she was becoming...

(Applause)

The doctors have a name for this: it is post-traumatic stress syndrome. It has to be dealt with. That is all it is. I am sorry.

So I was saying that each time she found something new in these letters that spoke to the person she was becoming, what she was going through. My God, if only I had known! I would have been so careful to scatter her path with more love and more security.

I think of us, of you and me today. If we could really grasp the true measure of the effect that our words have, perhaps we would be more daring, more courageous, more demanding in our discussions about how we relieve the sufferings of those who need us to fight for them. Victims of despotic regimes know that what is said here today conveys the weight of their suffering and gives meaning to their combat. You have always remembered their names and situations. You have prevented their oppressors from taking refuge in the fact that their crimes are forgotten. You have not allowed them to dress up with doctrine, ideology or religion, the horror to which they subject their victims.

When I was a prisoner, on several occasions I heard Raúl Reyes, the Farc spokesman, speaking for me. I heard him say on the radio: 'Ingrid says this' or 'Ingrid says that'. I was outraged to find that with my kidnapping, not only had I been dispossessed of my destiny by the guerrillas, but they were also taking away my voice.

It is with the awareness that I have found my voice again that I am speaking to you, to tell you how much the world needs Europe to speak out. In a world in which anxiety is becoming even more pressing, where our fear of tomorrow means we are in danger of closing in on ourselves, we need to open up, hold out our hands with generosity and start to change the world.

The consumer society we live in is not making us happy. Suicide rates, levels of drug use and violence in society are just a few of the symptoms of a global malaise that is spreading. Global warming and its wake of natural disasters is there to remind us that the Earth is sick of our irresponsibility and also our selfishness.

(Applause)

What is the relationship between this and the suffering of victims of brutality throughout the world? I think there is a very profound relationship. When I was in captivity, I got the chance to study the social behaviour of my kidnappers, obviously at some length. The guerrillas guarding me were no older than my own children. The youngest were 11, 12, 13, and the oldest were 20 or 25 at most. The majority – I would say 95% of them – were working as coca leaf pickers just before being recruited by the Farc. They are known as 'raspachines'. They spend their time, from sunrise to sunset, turning coca leaf into coca paste, which will eventually be used as the base for cocaine.

These are young peasants who live in often very remote regions, but who, through satellite television, are very up-to-date with what is going on in the world. Like our children, they are bombarded with information and they dream, like our children, of iPods, Playstations, DVDs. For them, however, the consumer world they covet is totally out of reach. Moreover, their work on the drug plantations, though better paid than that of traditional peasants in Colombia, barely covers their essential needs.

They find themselves frustrated, unable to contribute to the needs of a family, pursued by the forces of law and order (naturally, because they are engaged in an illegal activity), often victims of the corruption and occasional violence of an unscrupulous officer, and subject to all the abuses, fraud and dirty dealings of the criminals who rule the region. This the empire of criminals, of the drug trade, of the mafia. They end up drowning their sorrows and the three pesos they have earned in alcohol at the makeshift bars where they find refuge.

When the guerrillas recruit, these young people feel they have found the solution to their troubles: they are fed, clothed and housed for life. They have the feeling of having a career, because they can rise through the ranks of the guerrillas' military organisation. They also have a gun at their shoulder, giving them the status of respectability in the region, that is, in the eyes of their family and friends. That is why, where there is poverty, being a guerrilla is a form of social success.

However, they have lost everything. They have lost their freedom. They can never leave the Farc, or see their family again. They will become, without realising it (but I have seen it), the slaves of an organisation that will never let them go; they are cannon fodder in a senseless war.

This body of some 15 000 young people, who form the bulk of the Farc troops, would never be where they are if our society had offered them real prospects of success. They would never be there if the values of our society had not become inverted and the thirst to own things had not become such an important part of living.

(Applause)

Our society is in the process of producing guerrillas by the bucket load in Colombia, fanatics in Iraq, terrorists in Afghanistan and extremists in Iran. Our society crushes human spirits and throws them out like the

system's waste: the immigrants we do not want, the unemployed who are such an embarrassment, the drug addicts, mules, child soldiers, the poor, the sick, everyone who has no place in our world.

We have to ask ourselves questions. Do we have the right to keep building a society where the majority is excluded? Can we allow ourselves to be concerned only with our own happiness when it produces unhappiness for so many others? What if the food we throw out by the tonne was redistributed in countries to those who are hungry? What if we looked for more rational models of consumption, to give others access to the benefits of modernity too? Can we conceive of a different civilisation in the future, where communication puts an end to conflict, to armed conflict, where advances in technology enable us to organise our time and space differently so that everyone on the planet has a rightful place through the simple fact of being a citizen of the world.

I truly believe that the defence of human rights demands the transformation of our customs and habits. We need to be aware of the pressure that our way of life is putting on those who do not have access to it. We cannot leave the tap of iniquity running and believe that the vase will never overflow.

(Applause)

We are all human beings, with the same needs and desires. We should begin by recognising the right of others – the person we see under the bridge, those we do not even want to look at because they spoil our environment – to want what we want.

(Applause)

Then there are our hearts. We are all capable of the best, but under group pressure, we are also all capable of the worst. I am not sure we can feel protected against our own capacity for cruelty. When I observed those holding me, I always wondered whether I could act like them. It was clear that most of them were under great pressure, the kind of pressure that group demands placed on them.

What can protect us from that? What will ensure we do not violate human rights, firstly within ourselves – when we accept it, close our eyes or make excuses – and secondly within the world? How can we protect ourselves from this? Our best shield will always be found in our spirituality and our principles. However, it is with our words that we must fight; words make the most extraordinary sword.

That is why I keep repeating that dialogue is essential if we are to bring an end to war in the world. Whether this war is the war in my country, the Colombian war, or if it is happening in Darfur, Zimbabwe, the Democratic Republic of Congo or Somalia, the solution everywhere will always be the same. We need to talk; it is essential that we recognise others' right to be heard, not because they are right or wrong, not because they are good or bad, but because by talking we can save human lives.

(Applause)

I want to convey to you the certainty that fills me. There is nothing stronger than words. We must shower the world with words, to touch hearts and change behaviour. It is by drawing on the treasure in our souls that we can speak on behalf of everyone. It is with the words that spring from the depths of our being that we will build peace. It is with words that we will protect the freedom of everyone; it is through words that we will start to build a new civilisation, the civilisation of Love.

(Applause)

Allow me to speak to you about Love. You know that since my release, I have constantly thought about the fate of my unlucky brothers, those who are today chained to trees like animals, who remained in the jungle when I left. Come with me to where they are.

(Applause)

I am sorry, I am so embarrassed.

(Applause)

Follow me to where they are, under the cover of huge trees that hide the blue sky...

(Applause)

... suffocated by vegetation that closes in on them like a vice, drowned in the incessant humming of nameless insects that do not even allow them the right to rest in silence, besieged by all sorts of monsters that pursue them...

I am sorry, I cannot do this. I am really sorry.

(Applause)

...besieged by all sorts of monsters that relentlessly pursue them, so their bodies are racked with pain.

At the present time, it is possible they may be listening to us and waiting, ear pressed to a radio, for these words, our words, to remind them that they are still alive. For their captors, they are just objects, goods, even less than livestock. On a daily basis, they are for them, for their kidnappers, for the guerrillas, a tiresome chore, they do not provide any immediate return, and they are an easy target for their irritation.

I would like to say each of their names to you. Please give me the gift of a few minutes as a tribute to them, because as they listen to us call out to them, they answer the roll call by their hearts beating a little faster, from the depths of their jungle tomb. We will have succeeded for a few moments in freeing them from the heavy humiliation of their chains.

ALAN JARA, SIGISFREDO LOPEZ, OSCAR TULIO LIZCANO, LUIS MENDIETA, HARVEY DELGADO, LUIS MORENO, LUIS BELTRAN, ROBINSON SALCEDO, LUIS ARTURO ARCIA, LIBIO MARTINEZ, PABLO MONCAYO, EDGAR DUARTE, WILLIAM DONATO, CESAR LASSO, LUIS ERAZO, JOSE LIBARDO FORERO, JULIO BUITRAGO, ENRIQUE MURILLO, WILSON ROJAS, ELKIN HERNANDEZ, ALVARO MORENO, LUIS PENA, CARLOS DUARTE, JORGE TRUJILLO, GUILLERMO SOLORZANO, JORGE ROMERO, GIOVANNI DOMINGUEZ.

I also think of that extraordinary woman, AUNG SAN SUU KYI, who is paying with her life for her people's right to freedom, and who has begun a hunger strike to make herself heard. She needs our words more than ever to lift her up.

(Applause)

Of course, I also carry in my heart the cross of another of my fellow countrymen, Guilad Shalit, who was taken hostage in June 2006. His family is suffering like mine suffered, knocking on every door, moving heaven and earth to secure his release. His personal fate is mixed up with political interests that are nothing to do with him, and over which he has no control.

GUILAD SHALIT, AUNG SAN SUU KYI, LUIS MENDIETA, ALAN JARA, JORGE TRUJILLO, FORERO,...

These names resounding within these walls carry the weight of evil. They have to know that until they are released, each one of us will feel like a prisoner.

I desperately hope that the applause that rings out from this Parliament can carry our love, all our strength and all our energy to them, across the space that separates us. May they know that we are totally committed. May they be sure that we will never keep quiet and will never, never stop our action until they are all free!

Thank you.

(Standing ovation)

President. – Ingrid Betancourt, you have shared your heart with us, the freely elected Members of the European Parliament and – ladies and gentlemen, I believe I can say this on behalf of you all – we have never before experienced such a deeply moving time in this Parliament as we did just now.

Mrs Betancourt, you have given us a message of solidarity and expressed a desire that your experience – the suffering that you had to endure and the freedom that you now have – will also lead to all those who are still being held captive by terrorists obtaining the same freedom that you now have. That is the greatest sign of solidarity that you can offer all captives around the world, and for that we thank you from the bottom of our hearts.

(Applause)

Mrs Betancourt, by your peaceful fight for freedom, for democracy, for human rights and for the dignity of every individual, you have encouraged us, the freely elected Members of the European Parliament, to continue

the struggle by peaceful means, without easing up, and with great commitment. You have encouraged us to enter into dialogue, and you have described words as the most important thing in life. Words were at the beginning of human communication. You encourage us to continue along this path.

Mrs Betancourt, let me say this in closing: we have been privileged to experience this deeply moving session with you, a time of deep human emotion, but at the same time a fervent call to action – a call to us, who have been elected in order to take action. Now that you have been given back your freedom and a new life, we hope you find peace in your native country, France – an important country in the European Union, which holds the Presidency of the European Union for this half of the year – and that you will find the happiness you wish for. Most of all, we wish you the love that you have spoken of. *Merci*, Ingrid Betancourt!

(Applause)

IN THE CHAIR: MRS KRATSA-TSAGAROPOULOU

Vice-President

(The sitting was opened at 3.55 p.m.)

2. Resumption of the session

President. – (EL) I declare resumed the session of the European Parliament adjourned on Thursday 25 September 2008.

3. Approval of Minutes of previous sitting: see Minutes

4. Composition of Parliament: see Minutes

5. Composition of committees and delegations: see Minutes

6. Documents received: see Minutes

7. Oral questions and written declarations (submission): see Minutes

8. Lapsed written declarations: see Minutes

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

10. Transfers of appropriations: see Minutes

11. Order of business: see Minutes

12. Preparation of the European Council, including the situation of the global financial system (debate)

President. – (EL) The next item is the statements by the Council and the Commission on the preparation of the European Council, including the situation of the global financial system.

Jean-Pierre Jouyet, *President-in-Office of the Council.* – (FR) Madam President, President of the Commission, ladies and gentlemen, I am sure you will understand how difficult it is to speak to Parliament immediately after such a moment of emotion, humanity and solidarity as we have just experienced with the personal account and call for action by Ingrid Betancourt.

However, we need to come back to reality. The European Council meets on 15 and 16 October. This new session assumes particular importance at this time of crisis and instability, which calls for the expression of political will, initiatives and decisions from the European Union. The economic and financial situation will dominate the work of the European Council.

As I said to Parliament on 23 September, this crisis is not just an American crisis. It is now a European crisis. It is now an international crisis. The crisis of confidence in the markets and in our financial sector has got even worse over the last few days. The EU must shoulder its responsibilities.

The Council Presidency is determined to spare no effort on improving the coordination and coherence of national initiatives. It did so on Saturday with the meeting of the European members of the G7, in the presence of the Commission President, the Eurogroup president and the president of the European Central Bank. It did so yesterday at the Council of ministers of the economy and finance. It will do so again at the European Council on 15 and 16 October.

We have reached an agreement between Europeans on the need for close consultation about how each Member State manages the impact of the crisis on its own financial system. Dialogue within Europe is a concrete reality. There is permanent contact between governments, administrations, central banks, banking supervisors and the European Commission. As

Jean-Claude Trichet reminded us, we respond to the crisis with our own resources and structures. We are not a federal government like the United States of America. We have nothing to be ashamed of; we have to work with the institutional context that is ours. It is time for action. The main thing is that Europeans work together and shoulder their responsibilities alongside the European Central Bank. In his declaration on Monday 6 October, the President of the European Council, Nicolas Sarkozy, recalled that EU leaders were unanimous in their desire to take all the necessary measures to ensure the stability of the financial system.

We should welcome the role of the European Central Bank and the other central banks – American, British, Swedish and Canadian – which have just agreed to a concerted rate cut by half a point. We must continue to act without delay. As the finance ministers pointed out in their meeting yesterday, there is an urgent need to reassure depositors and to supply the interbank market. This is how we will restore confidence. We must also conduct a detailed review of financial governance towards a system that is more favourable to long-time finance for the economy, to encouraging Europeans to save and to reducing volatility and financial speculation.

None of this is incompatible with maintaining a competitive and innovative finance industry. To improve governance, we are counting heavily on the European Commission's proposals. They need to be quick and daring.

Yesterday the Member States reached agreement on an immediate response, firstly to guarantee the stability of financial institutions by injecting capital or by any other means dictated by circumstances. From this point of view, the measures announced this morning by the British Prime Minister are most welcome. They are clearly in line with the commitments made by the heads of State and government on 6 October. Meanwhile, France is looking into a legal structure that would allow the government, if need be, to take a financial stake when and where necessary. The President of the European Council will continue to use these various initiatives and proposals as a basis for taking appropriate initiatives aimed at strengthening European coordination.

We also need to protect and guarantee the interests of depositors. The minimum level of protection for deposits in Europe is going to be raised, as you know, to EUR 50 000. Some Member States – very many in fact – have announced their decision to increase this protection to EUR 100 000. In the current exceptional circumstances, demonstrating flexibility in the application of Community rules on State aid and the provisions of the Stability and Growth Pact is a necessity. The European Commission, under the decisive impetus of its President, is helping us in this very specific case.

International coordination within the framework of the G7 at the end of the week is also necessary to restore confidence. As the Japanese finance minister and president-in-office of the G7 said, the G7 must send a strong, united message from the finance ministers and governors of the central banks. That is what the central banks have just done and it was a decisive and very positive signal, from that point of view. Obviously we need to bring in the large emerging countries on the stabilisation of the markets, in view of the international character of the crisis. That is exactly what the President of the European Council wants for the enlarged G8 by the end of the year.

Finally, the International Monetary Fund should be the main forum for conducting discussion among the major world players. It should go back to the role of financial policeman that it played originally, and look after monetary stability, financial stability, which was the plan immediately after the Second World War, instead of only controlling the situation of the emerging and developing countries.

Other than these extremely important developments concerning the economic and financial crisis, the Council Presidency wanted this Council to debate the energy and climate package. Under the decisive impetus of the German Presidency, in March 2007 the European Council made some ambitious commitments towards the environment. We want to preserve this environmental ambition of the package presented by the Commission, on which we are hoping – I am spelling this out – for agreement with Parliament in the First Reading. We must be ready and in a powerful position for the two meetings in Poznań in December 2008, then Copenhagen at the end of 2009.

However, the current background of economic slow-down is tending to exacerbate the concerns of some of our partners, as well as of our industries. We must respond to these worries together. We need to see what flexibility we can give them, though without compromising the targets, fundamentals and main balances in the package proposed by the Commission. What the package is about is the development model we will have to use in future; today's development model having been thrown into doubt by the current economic and financial crisis.

The Presidency also wanted the matter of energy security to be raised, in accordance with the conclusions of the extraordinary European Council on 1 September. On this subject, I will be quite plain: there is still a lot to do, particularly on energy efficiency, the diversification of energy sources, the interconnections, the development of infrastructure, cooperation with the big supplier countries, transit countries and the major consumers. We would like to adopt some orientations and guidelines in response to the legitimate concerns of many Member States and, particularly, of the most dependent Member States from an energy point of view, the central and eastern European Member States. We must set the guidelines so that, in November, the Commission can do what it has to do to make proposals for improving the energy security of our continent.

In accordance with the suggestion made by Ireland in June, which has been approved by all the Member States, the European Council will come back to the question of the Lisbon Treaty. This institutional issue, as we can see today, is more necessary than ever and is central to our concerns. As you know, the Presidency would like to have worked out by December a common path to be followed. The Irish Prime Minister, Brian Cowen, confirmed to the European Council President that he would present to his fellow heads of State and government the study commissioned by the Irish government analysing the reasons for the 'no' vote in the referendum and the conclusions that could be drawn from this. During his visit to Paris, he also announced the setting up of an ad hoc parliamentary committee, the discussions of which would feed into the discussions of the Irish government between now and November. On 6 October, Michael Martin, Minister for Foreign Affairs, confirmed before the Committee on Constitutional Affairs that the Irish government was determined to make concrete proposals. In parallel, the Presidency is calling for those who have not yet done so to complete the treaty ratification procedure. The instability we are currently experiencing is an additional justification for giving the European Union a new legal and institutional framework. We need it more than ever and we need it urgently.

The European Council will also be invited to adopt the European Pact on Asylum and Immigration, the text of which was the subject of political agreement on 25 September at the Justice and Home Affairs Council. I will not go back over what Mrs Betancourt said, but it is extremely important. Immigration remains an opportunity for Europe. The European Pact on Asylum and Immigration aims to give new impetus to the policy on migration, and is in line with the balanced framework of the comprehensive approach implemented since 2005 and the framework of the proposals made by the European Commission. It sets ambitious orientations for the future to progress towards a true common migration policy. The Pact embraces all aspects of managing migratory flows: not only the fight against illegal immigration and the control of borders, but also new areas such as economic immigration, proper harmonisation of asylum and the development of countries of origin. This seems absolutely essential to us as the Schengen area was enlarged this year.

As far as external relations are concerned, the European Council will evaluate whether Russia has complied with its obligations under the agreements of 12 August and 8 September regarding the withdrawal of Russian troops, on which the resumption of contact on the future partnership agreement between Russia and the European Union depends. EU-Russia relations will be the subject of a comprehensive and detailed evaluation by the Commission and the Council in readiness for the forthcoming Summit, planned in Nice on 14 November.

At the same time, the European Union is determined to maintain the support being given to its eastern neighbours with their efforts at economic and democratic modernisation. I recall in this regard the importance of the results of the EU-Ukraine Summit held in Paris in September, which marks an unprecedented step forward in relations between the European Union and Ukraine.

In the same spirit, the European Council will call for the strengthening of relations between the EU and Moldavia, which I visited last Monday, through a new country-specific agreement, more ambitious than the last, allowing it to be associated with various EU policies – if the forthcoming elections in the country go well. Furthermore, the General Affairs and External Relations Council will be charged with conducting a preliminary examination of the proposals on a future Eastern Partnership, which the Commission intends to present in November.

Madam President, President of the Commission, ladies and gentlemen, as you see, the French Presidency has a number of urgent matters to deal with. While it is certainly a Presidency of crisis management, it is also a Presidency that must not sacrifice its priorities. Europe taking action to meet today's challenges: that was the title we chose to give the work programme of the French Presidency a few months ago. That ambition is at the heart of our action more than ever. It should guide the work of the European Council on 15 and 16 October more than ever.

13. Welcome

President. – Allow me, before I hand over to the President of the Commission, to welcome the delegation from the Canary Islands Regional Parliament, led by its President, Mr Castro Cordobez.

(Applause)

14. Preparation of the European Council, including the situation of the global financial system (continuation of debate)

José Manuel Barroso, President of the Commission. – (FR) Madam President, Mr Jouyet, ladies and gentlemen, allow me first of all to make an assessment of the role of the French Presidency of the Council.

As Mr Jouyet has just said, in the midst of the French Presidency of the Council, first there was the crisis between Russia and Georgia and now there is an unprecedented crisis, this global financial crisis. It is a crisis that did not originate in Europe – it came from across the Atlantic – and it is a crisis for which we do not yet, and I stress 'yet', have the necessary rules in Europe that would enable us to give a typically European response. I can bear witness to the tremendous efforts the French Presidency and Nicolas Sarkozy have made to find a European response to this emergency.

The gravity of the financial crisis is clear to all of us and it is absolutely right that it should be at the core of the European Council meeting next week.

Addressing this crisis is an important test for the financial sector, for the Member States, for Europe and its institutions and for the international financial institutions. There is a wide variety of players involved – banks and other financial institutions, supervisors, the ECB and other central banks, the national governments, the Commission – so we need coordination. And events are moving very quickly – so we need speed.

Last week I called for a coordinated European response, because I am convinced that, without it, it will be much harder for Europe to overcome this crisis. Today I am encouraged by the determination of Member States to work together, as demonstrated by the statement of the 27 leaders of the Member States and myself on Monday, the Eurogroup and the Ecofin meetings. But I am not yet satisfied – we can and we must do more.

In particular I urge Member States to make a real effort at coordination – to improve cooperation amongst themselves and with European institutions. Yes, public intervention has taken place – largely at national level because this is where the money and competences are. This reflects the fact that we are a union of states, not one single state, with situations different at least to a certain degree. Member States' actions have in most cases been effective. But Member States need to act on the basis of common principles and within a commonly agreed framework and to take into account the cross-border effects of their actions.

I take this opportunity to welcome the measures announced today by the United Kingdom, which are in line with the set of principles agreed yesterday at Ecofin.

Of course, there are also many things that we are doing and we still need to do at the level of the European institutions, both in the short and in the medium to longer term. The proposals I have in mind are concrete, practical and realistic.

Let me be clear: tempting as it may be, this is not the time or the place for political posturing and grandstanding, for announcing grand initiatives that have no chance of being followed through. Markets would penalise this sort of behaviour immediately and the costs will be borne by economic operators and mainly by taxpayers. This is the time for ambition combined with realism and responsibility.

In this context let me pay tribute to the ECB, which has shown itself an assured and effective global player, with the euro a key steadying force.

The Commission has played its role to the full. State-aid and competition rules have been shown to be essential to give guarantees of a level playing field. The risk of action in one Member State spilling over with negative consequences for another makes these rules more essential than ever. At the same time the Commission has shown that it is fully capable of acting at speed and with the necessary flexibility. I welcome the fact that this beneficial role of state-aid rules and the way the Commission is applying them is recognised in the Ecofin Council conclusions. The Commission will shortly issue guidance setting out the broad framework within which the state-aid compatibility of recapitalisation and guarantee schemes could be rapidly assessed.

In the legislative area, we will come next week with two proposals. Firstly to promote the convergence of deposit guarantee schemes. Strengthened and more common rules here will be an important part of the exit strategy from the crisis. I am encouraged by the Ecofin Council, which has followed our proposal to at least double it, setting the common minimum threshold at EUR 50 000, with most Member States even going up to EUR 100 000.

Secondly, we will come with a proposal to make sure that European financial institutions are not disadvantaged vis-à-vis their international competitors in terms of accounting rules and of their interpretation. Last week I had a meeting with the representatives of the European banks, who were unanimous in telling me that this was a serious problem for them. The Commission role has been to promote awareness of the need to act and to create political momentum, and it seems that, now, the obstacles raised by some Member States have finally disappeared.

Then there is the medium and longer term: the measures needed to bring stability and sustainability back into financial markets. I have said it before and I say it again: apart from liquidity, we need also to inject credibility into the current economic situation. Fire-fighting is not enough. Here Commission work has been under way since the start of the crisis a year ago.

Member States need to show that we have learnt the lessons needed to build the right regulatory framework to minimise the risks of crisis. Progress on the Ecofin road map agreed last year will need to be closely monitored.

Let me highlight in particular three issues. First I would like the Council and Parliament to give real priority to our proposal of last week on capital requirements. Second, we will come next week with the proposal we announced on rating agencies. Again, I know I can rely on your support to fast-track work on it. Third, we will also review our December 2004 recommendation on executive pay, which unfortunately was ignored by Member States – or, to be fair, only one Member State decided to follow to some extent the recommendations that the Commission put forward in December 2004. This is a good illustration of the kind of resistance we have been facing in this area in the last few years.

The last point is of a more systemic nature. We also need to have a further look at European-level supervision in the single financial market. There are more than 8 000 banks in the European Union, but two thirds of total European Union bank assets are held in 44 cross-border institutes. Some operate in as many as 15 Member States. This is the single market at work – but cross-border banks have to deal with different systems of supervision in each Member State, and national supervisors are not able to address the entirety of the banking activity beyond the national borders. It makes sense to remove the mismatch between a continental-scale market and national systems of supervision. When a cross-border bank is under pressure, finding rapid solutions with several national supervisors in parallel is possible, as the past weeks have shown – but, honestly, it is not easy.

I know that we will face an uphill struggle with some Member States on this. The current debates in the Council on the Solvency II Directive show the large degree of resistance that any attempt at improving cross-border supervision still faces.

What we have proposed in Solvency II and in the Capital Requirements Directive is the strict minimum we need. Indeed, I am convinced we will have to go much further.

So it is important to underline this point. When the Commission speaks in favour of a common approach to supervision in Europe, we do not do it because there is any agenda for grabbing more competences. We do it because there is a reality – and the reality is that almost two thirds of the banking assets in the European Union already have a trans-border dimension. That means a European dimension, and we need to respond to this European dimension with a true European solution.

So we need to launch a reflection process in order to build common ground. That is why I will be setting up a high-level group to look at the right architecture to ensure that financial markets are suited to the realities of the single market and that supervisors can work together to meet the challenge of cross-border banks. I am proud to announce to you today that Jacques de Larosière, former Managing Director of the IMF, Governor of the Banque de France and President of the EBRD, has accepted my invitation to chair this group, which will be independent and will consist of high-level experts in the subject matter. I believe their ideas could feed into a general reflection process, hopefully with some solutions for the long term.

The current crisis has shown that we need comprehensive rethinking of our regulatory and supervision rules for financial markets – which include hedge funds and private equity, as highlighted by Parliament. So we will come back to these questions. I only hope that Member States will show – all of them – the same level of willingness as Parliament and the Commission.

Let me recap. In the short term we need to ensure that rescue operations and other public intervention take place in a coordinated and consistent European framework. The speedy application of state-aid rules by the Commission injects confidence between Member States, and we will hence come very rapidly with guidance. We will come next week with proposals on deposit guarantee schemes and on accounting rules.

For the medium term, there are three measures to highlight: last week's proposal on capital requirements, our forthcoming proposal on rating agencies and a review of our 2004 recommendation on executive pay.

And, in the longer term, the high-level group that I have announced should lay the ground for building consensus on cross-border supervision.

All these measures, together with Member States acting in a coordinated and consistent manner, will show a European Union addressing the real problems. The effect on confidence will be all the stronger if the institutions can show a resolution and a determination to act quickly.

As far as the Commission is concerned, I would like to inform you that I have decided to set up, inside the college, a permanent steering group on the financial crisis, composed of Commissioners Almunia, McCreevy and Kroes, which I will chair myself. I want to keep open lines with Parliament on these questions. I know that Parliament has already signalled its openness to fast-tracking proposals, and I hope that we can work together on this very important and sensitive issue, because financial stability is a public good. We have a duty to show our common determination to face this very difficult and urgent situation.

In all of this, the international dimension is critical, as was just now highlighted by the President of the Council. We need to come with solutions in Europe, but we need also to work with international financial institutions.

I particularly welcome President Sarkozy's proposal for an international conference. It is the right way forward. The more that public authorities can act in tune, the more effective our action will be, and the less the chance that action will undermine fair competition and the acquis of European integration.

The focus is on the financial crisis, and rightly so. But it would be a mistake to see European grinding to a halt as a result. There are two other areas where we must make decisive progress this autumn. There are in fact many other points but, because of time, I will just concentrate on two issues very briefly: the climate-change and energy package, and the Lisbon Treaty.

First the climate-change and energy package. Those who think that this is not the policy for an economic downturn are making a mistake. The package is central to Europe's future prosperity. Without it there will be higher costs later, we will be more vulnerable to energy shortfalls, and we will lose the chance of exploiting some big new markets. Of course industries are worried that change will bring extra costs. This is completely understandable. But I am also convinced that we can find ways to reassure industries that they will not be put at a competitive disadvantage.

I will be urging the European Council to press on and to keep up with the timetable being followed by Parliament and being maintained so effectively by the French presidency – I welcome the remarks made just

now by the President-in-Office of the Council. Yesterday Parliament took an important procedural step forward. Of course we are only at the beginning here of the interinstitutional negotiations. The Commission is ready to engage constructively in order to arrive at an agreement meeting with the largest possible support both in the Council and in Parliament's plenary.

Finally, the Lisbon Treaty. Now is not the time to prejudge the precise way forward. But it is a time to recall that the last few weeks and months have shown again how Europe needs the Lisbon Treaty. Honestly, can we, in the future, deal with crises like the one we have witnessed between Russia and Georgia with the President of the Council changing every six months? It is obvious that we need more stability. It is obvious that we need more coherence. It is obvious that we need more efficiency in the decision-making process of Europe. We need a more effective Europe, a more democratic Europe, a Europe with a clear voice on the international stage. That is why I think we should keep our commitment to the Lisbon Treaty ratification.

These are not ordinary times. These are unprecedented times, which require all of us – Commission, Council and Parliament – to rise to the occasion. Together we must call and work for a European response to the financial crisis. We owe it to our citizens.

(Applause)

Joseph Daul, *on behalf of the PPE-DE Group*. – (FR) Madam President,

President-in-Office of the Council, President of the Commission, ladies and gentlemen, the financial crisis that has suddenly struck our economies is very worrying. It is worrying for our economies, worrying for our jobs, and above all worrying for the millions of people who, having worked hard and saved to make sure they will have a pension and can leave a small inheritance for their children, are finding out that the fruits of their efforts have suddenly melted away or evaporated. The black Monday that all world stock exchanges experienced this week once again demonstrates that the markets can lose all connection with reality and that the financial system has become difficult to control.

There are many reasons for this crisis. The European Commission is right to insist that a large share of the responsibility lies with the US authorities. We must ask them for an explanation. The Commission is right. However, Europe must act too, to deal with the crisis and learn lessons from it.

At this difficult time, the first reflex of Member States is to think of themselves. However, as European leaders, our absolute priority must be to combine our efforts to prevent the financial crisis from having too great an impact on the real economy. We must at all costs prevent the crisis from having too severe and too lengthy an effect on finance for businesses, particularly for SMEs. President of the Commission, President-in-Office of the Council, I am afraid small and medium-sized enterprises will disappear with this crisis and nobody will care. We need a support plan for SMEs.

We need to make sure that our fellow citizens maintain confidence in the banking system and do not give in to this tide of panic, which would only precipitate a downward spiral. I am therefore calling on the Member States to act in a coordinated, resolute manner to prevent the crisis from affecting pensions, jobs and growth in Europe.

Like the Council Presidency, which we applaud for its determined action, our group believes that a unilateral approach is not the way forward in a global crisis. Clearly, the supervision of the financial markets is not working. That is why we need to set up a European control system. Once again, Europe must set an example for the rest of the world. The current lack of supervision poses an extremely serious problem, and the inability of credit rating agencies to act in the general interest and publish the real solvency levels of the main players in the global financial markets can no longer be tolerated.

I would add that, in this period of uncertainty and precariousness for millions of our fellow citizens, my group feels it is absolutely unacceptable that directors who have led their institutions to bankruptcy should not suffer the consequences. Here too, people must face up to their responsibilities.

I would just like to reiterate what Mr Jouyet said: it is time for action. We need concerted action; we need courage and solidarity from all twenty-seven Member States to inject confidence into our economy again.

Madam President, ladies and gentlemen, the European Council will also discuss the Lisbon Treaty, and I would like to call upon all Member States that have not yet ratified it to do so as quickly as possible, so that each country can express a definitive opinion on the question. I know there are people in this room who cannot see the value of it, but I do not share their opinion.

We understand the situation Ireland is in and we understand that its government needs time to respond after the vote of its citizens, which we respect. However, although the European Union is prepared to demonstrate patience and understanding, the status quo is untenable in the medium and long term. I therefore call upon the European Council to demonstrate the political will necessary, after examining the situation in October, for a road map like the one you proposed along with a definite timetable to be adopted in December.

I also call upon the European Council to take responsibility for its decisions: either the Treaty of Lisbon will eventually apply, and it will apply to everyone, or the Treaty of Nice applies, and does so for all institutions. Of course, the European Parliament will have fewer seats and fewer powers than with the Treaty of Lisbon, but the European Commission will also have fewer Commissioners than Member States. The Treaty of Nice currently applies. That is also the reality. All political decisions come at a price, and if Europe wants credibility, it has to take responsibility for its political decisions, whether they concern the financial crisis or its institutions.

I would like to add, Madam President, President of the Commission and President-in-Office of the Council, that regarding the energy/climate package on the table at this difficult time, we need to proceed carefully, to keep the general orientations but not make businesses afraid, so that investment can continue.

To those who do not agree, I will simply say that I managed a very serious crisis: mad cow disease. For one and a half years, we had uncertainty; we have to reassure, accept and go on with the system, for the environment, for our planet, but we also have to accept what is happening financially. If we need another year, we will take another year to get where we need to be in order to save the planet and provide a future for our children and grandchildren.

Martin Schulz, *on behalf of the PSE Group*. – (DE) Madam President, I would also like to begin with the referendum in Ireland – that is, the Treaty of Lisbon. You are right, Commission President – we need the Treaty more than ever. Therefore, I am of the opinion that we also need a stable foundation in order to put it into effect, and that includes persuading the Irish people and Irish voters to vote in favour of this Treaty.

If the Irish Government cannot manage to do this before the European election, then we will decide the composition of the next European Parliament and the Commission on the basis of the Treaty of Nice. The matter will continue after that, however, because we need these reforms. We need them for enlargement, we need them to deal with crises, as we are currently experiencing once again, and in the time remaining until a new referendum is held in Ireland, we have sufficient time to find out exactly which sources the anti-Lisbon campaign is getting its funds from – the CIA, military-industrial powers in the United States, or whatever.

(*Heckling*)

Listen: the people I was talking about are already interjecting. We know where they get their money from. We will investigate this much more closely, you can be sure of that!

Commission President, you gave an accurate description of the crisis that we are currently experiencing, but there are several further comments to be made about what you said. Do not be angry with me, but I must say that even though much of your speech was good, one thing alarmed me, and that is the composition of the steering group you are putting together to deal with the crisis. It is a matter of course that you are a member, and it is also appropriate for a commissioner as well qualified as Mr Almunia to be part of it. However, now you have told us that Mr McCreevy is someone you want to include in this steering group to deal with this crisis. If ever there was an apologist for misleading market radicalism in this House and in your Commission, it is Mr McCreevy.

(*Applause*)

With the best will in the world, you cannot make arsonists into firefighters! It simply will not work. As far as Commissioner Kroes is concerned, you mentioned that we had 8 000 banks in Europe. Why not ask Mrs Kroes what she thinks of the public banking system in the European Union. In my country there are public banks that have less in the way of state guarantees than private banks are now being given by various states. In my country, your Mrs Kroes has just done away with savings banks – with the help of the government of the state of North Rhine-Westphalia, what is more! Trusting the cat to guard the cream is not the way out of this crisis!

For years here we have had to listen to the neoliberal dogma that the market would sort everything out. For years we have been told that the effects generated by the market would 'trickle down' and that in the end,

everyone would benefit. What has actually happened is that those who were supposed to benefit from all this, the taxpayers, are having to foot the bill. In a crisis like this, that has to be said.

The house is on fire, so the fire must be put out. The measures are the correct ones – and you are right, they must be coordinated throughout Europe – because we need to establish confidence and regain trust, because we need to conquer fear, otherwise this fear will become a self-fulfilling prophecy and merely accelerate the collapse that we are trying to avoid. We support these measures, too, but let me add this: the house that has just burnt down cannot be rebuilt just as it was before. The new house must be different. It must be built on a firm foundation, a foundation with clear rules.

The President of the Kiel Institute for the World Economy, Dennis Snower, who is not a member of the radical socialist movement, put it well in an interview when he said that the regulation of the financial markets had been neither sufficient nor appropriate and that was why the system did not work. Yes, he knows what he is talking about. However, those who for years have been asking to be allowed to create regulations have had to put up with being told by those of you on the right-hand side of this chamber that we were stuck in the 19th century. 'The voice of the past,' Mr Watson said of my demands in a recent debate here, when I called for regulation and transparency and when I talked about rating agencies and rules to achieve that. Well, the voice of the past has something to say: the rules of the past are the necessity for the future. That is the unequivocal answer that we give to counter this neoliberal mainstream, which has fallen apart in the classic way.

(Applause)

The difficulties that we are now facing will not be so easy to overcome. It will take a long time. During this long time, we must avoid one thing above all: a repetition, in the future, of what led to the current very serious developments. Therefore, when formulating the rules, we need to think very specifically about legal prohibition of certain types of speculation.

Nobody can tell me to what extent it is morally justified to bet on food shortages in international financial forums so that food prices will rise, because investing in the facilities of food companies brings high returns. A shortage of food creates hunger, but one man's hunger is another man's profit. That is a perverse system. There must be legislation to prevent such things. Commission President, perhaps this topic is something that the High Level Group on the architecture of the financial markets that you are putting together could consider.

To close, I would like to congratulate you. It is a good decision. I also want to say, however, that Parliament asked you to do this three years ago, in the Muscat report. You have ignored that request for three years. You are coming late to the matter, but at least you are coming, and for that, many thanks.

Graham Watson, *on behalf of the ALDE Group*. – Mr President, I would say to the President-in-Office: At next week's European Council you must move forward discussions on the Lisbon Treaty. You must be constructive, yet be considerate to the countries which have yet to ratify. You must adopt the European Pact on Immigration and Asylum – though we must still search for schemes to seek skilled newcomers and manage migration – and you should discuss progress in combating climate change.

But no one can mistake the most pressing issue facing this Council. A storm is battering global finance markets, and its effects are being felt across Europe – in jobs lost, pensions eroded and savings under threat. Our citizens are worried. The challenges we face may be the gravest for generations, and they are evolving at lightning speed. It is at moments like this that our Union is defined. We need a collective response. We cannot sustain a situation in which Member States surprise one another through unilateral decisions with multilateral implications. Europe needs coordinated and consistent policies to stem the flow of financial losses, to establish transparency and good practice and to prevent future woes.

There are some who think they can now tap-dance on the grave of capitalism; but solutions will not be found in closed markets and command economies. They only ever short-changed Europe's citizens. If you build your house there, Martin Schulz, it will be a house built of straw. What we are witnessing is not the failure of the market economy. Rather it is the excesses of unfettered, ineffectively regulated markets. Financial markets currently owe less to Adam Smith than to the Cincinnati Kid. The greed of individual bankers, traders and short-sellers is certainly to blame, but so too is the failure of governments to ensure transparency and honesty in their dealings.

Liberal Democrats have long warned of the dangers which caught the Council unaware and the Commission wrong-footed. Last May my friend Otto Graf Lambsdorff, together with Jacques Delors and others, signed a

letter to the Slovenian presidency of the Council. It highlighted the profound danger of economic collapse posed by recent banking practices. In that letter they wrote, 'Decent capitalism needs effective public policy. Profit-seeking is the essence of a market economy, but when everything is for sale, social cohesion melts and the system breaks down.' Europe was slow to heed such worries. It must now do what it can to put that system back to business.

Liberals and Democrats hope that the conclusions of the Ecofin Council will form the basis for agreement at the European Council. They are not an overnight cure, but they will help to remedy the underlying sickness. It is right to raise deposit guarantee protection to a EUR 50 000 minimum across the Union. Family savings will be secure and capital flight discouraged. We also look forward to hearing the Commission's proposal to promote convergence of deposit guarantee schemes, just as we support rapid adoption of your ideas for improving capital adequacy. When you look at credit rating agencies, look at who pays their fees and at how they are supervised.

But we also need to strengthen the links between national financial regulators. Representatives from the euro-zone central banks sit together in the Governing Council of the ECB. Similarly, we need a pan-European financial services authority to maintain order and transparency between financial institutions. The European Council should ask whether the European Union budget might be used to allow the European Investment Bank and the EIF to give credit guarantees for small businesses. They, after all, provide the jobs on which Europeans rely. It is those people who now need speedy and specific action, who need all parties and all Member States to work as one, who expect common solutions to a common challenge.

Pierre Jonckheer, *on behalf of the Verts/ALE Group*. – (FR) Madam President, President of the Council, President of the Commission, Mr Almunia, the European Verts Group – the group I have been asked to represent this afternoon – has approved the decisions of yesterday's Ecofin Council. I think the only thing that should concern us, and which is of concern to you, is the reaction of the markets today, which do not seem entirely convinced that the proposals are correct. I hope the markets are going to pull themselves together again and I hope the European authorities will continue to act in this sense.

I would like to share with you three comments, or three messages. The first message concerns Europe itself. Parliament is in fact divided, in part. Many people have wanted to point out that Europe was absent from the management of the banking and financial crisis. We, the European Verts, would like to point out that the banking crisis particularly reveals the inadequacy of common European rules and that, in this area as in many others, there is a need for more of Europe, not less of Europe.

The second message concerns the responsibility of those involved. I have heard and I understand that Mr Barroso in particular believes that the time has come for action, certainly, but I also think the time has come to identify where some of the responsibility lies. It would be all too easy for me to point the finger at the Council, the governments that make up the Council, or the Commission, since some Commissioners believed that better lawmaking meant self regulation, not lawmaking at all. To take a concrete example, let us look at the directive on deposit guarantee schemes: in November 2006, the Commission submitted a report which said that no further legislation was needed in this field. I am not sure you would uphold this position today.

However, it is actually Parliament I am addressing. A week ago, in this Parliament, we voted for a report by Mr Rasmussen. The first version was excellent and we supported it. Parliament had to secure a majority vote by lowering the requirements expressed by the rapporteur himself.

We are experiencing the same thing today with the Lamfalussy report on the structure of supervision of the financial markets. There again, everyone needs to take his own share of the blame. I believe the PPE Group and the Liberal Group, Mr Watson, have a particular responsibility for the watering down of the report that we will be voting on tomorrow.

Next, I would just like to say a few words about the crisis. This is a message to you, Mr Barroso, since you are the one setting up another reflection group (there are many, but a new one is perhaps welcome), notably on the link between the financial crisis and the environmental crisis. The financial crisis, as you have said yourself, does not erase the environmental crisis. From that point of view, I think what this banking crisis shows in the medium term is that there is a real problem with the allocation of savings in the European Union. What I would like – what the European Greens would like you to put on the agenda of this group – is reflection on the instruments that the European Union might have at its disposal. I am thinking in particular of the European Investment Bank, which should be charged with providing long-term finance so that the energy/climate package and the investment it represents are effectively guaranteed. I think this is essential.

Brian Crowley, *on behalf of the UEN Group*. – Madam President, first of all I want to pay tribute to the Council and congratulate them for their efforts, particularly with regard to Russia and the situation in Georgia. It took a lot of strength and courage and great diplomacy to find a peaceful solution to the difficulties which we faced. It proved – if anybody needed further proof – that collectively and with strong leadership we can achieve an awful lot more than mere military might or economic wealth can bring to us, simply by the example that we give and the tactics that we employ.

Secondly I think it is important to make sure that bringing the Euro-Mediterranean Partnership to life is on the agenda for the upcoming Council. Never at any stage in our history is it more required that we bring together our partners at the Mediterranean level to guarantee that we can bring about not just economic development but also the peaceful coexistence of nations. In particular we should follow the example of the Egyptian Government in their ongoing peace negotiations with regard to Sudan, Chad and other areas.

I have two further points. It would be wrong of me not to mention the situation with regard to Ireland and the Lisbon Treaty. Member States have already given Ireland a period for reflection – for which we are thankful – but this is no different to the period of reflection which both France and the Netherlands got when they rejected the Constitutional Treaty. It takes time to put forward proposals and ideas as to how these difficulties can be resolved. It behoves us in Parliament to ensure that we do not try to put the gun to any country's head regarding whether or not it will ratify the Treaty – in particular because it requires a democratic vote of the people to guarantee the ratification of that Treaty.

Secondly, regarding the present financial crisis, I do not blame or point a finger at any particular person. I congratulate the Council for getting their act together and taking decisive action. I once again congratulate the Commission for actually standing up and saying what needed to be said before the Council acted and for ensuring that credibility was put into the market by saying that we are capable, able and willing to take action, either through the ECB, Ecofin, individual Member States or whatever else.

But let us not make the mistake of saying that everything that went on in the last two weeks is wrong and that everything that comes in the future is going to be right. Our history must teach us that, over the period of time that we have been living in this world, there have been alterations and changes. Those alterations and changes bring horrors of hardship on people.

We must first of all guarantee to protect the ordinary person. The banks have got a bail-out. The banks have got a guarantee. With that guarantee also comes the responsibility for banks to now start lending to businesses and to people, to allow the economies to pick up again. It is not only about cutting the wages or salaries of executives; it is about ensuring that the economic cycle can get back to where it is supposed to be. The deposit guarantee is only a small aspect of this.

Francis Wurtz, *on behalf of the GUE/NGL Group*. – (FR) Madam President, President-in-Office of the Council, President of the Commission, for several weeks now we have been watching global panic and unbearable losses, against a dizzying background of billions of spiralling euros and dollars.

This has been generated by a system in the name of which European leaders have for years been recommending moderation on pay and caution on social expenditure, and have allowed inequalities to soar. These same leaders are now flying to the rescue of the banks to refloat them, before putting them back in the private sector, while announcing a long period of recession and sacrifices for the general population.

Many people following these events, totally stunned, cannot help but see a lesson in them, not about excess, Mr Watson, but about the very essence of capitalism in all its injustice and brutality, whatever the phenomenal transformations it has undergone over the last few decades. I think European leaders are going to have some explaining to do to our fellow citizens. Consider your responsibilities rather than seeking to challenge universal suffrage in Ireland, or anywhere else.

Today, I just want to make three immediate, good-sense proposals to deal with the most pressing issues while opening the way for a real change of political orientation. In the first place, I think we should not skimp when it comes to reassuring small and medium savers who are legitimately concerned about their modest assets. The announcement about this was, I think, late, timid and woolly. On 15 October, the whole of the European Council needs to formally provide an absolute guarantee for deposits throughout European Union territory.

Secondly, a rudimentary awareness of ethics as much as a simple concern for effectiveness should prevent sorcerers' apprentices from profiting now or in future from the public intervention made necessary by the collapse caused by their irrational exuberance. That is why every government should, or in any case should

be able to, compensate for the aid given to financial institutions in peril, through the lasting nationalisation of their healthy assets. The purpose of this would be to set up a public financial sector, in the future, devoted entirely to financing socially worthwhile investment, particularly the kind that creates jobs.

Thirdly, and more generally, the real economy must be assisted with an ambitious new credit policy. This concerns the EIB as much as the ECB. The EIB, to start with, should be given the responsibility and resources for achieving the task of guaranteeing SMEs access to all the credit they need to develop production, provided that real, properly paid jobs are created and the rights of their employees are respected. In this regard, the decision taken to assist SMEs by providing EUR 30 billion within three years is worthwhile, but I feel the amount is too low and the timescale too long. In France alone, SMEs need EUR 60 billion a year, and there are twenty-seven countries in the EU. Furthermore, it is now that they need the oxygen in many cases. Later may be too late.

As for the ECB, surely it is now or never that we must ask it to adapt its role to the vital needs of the economy and our companies by directing money not to the financial markets, but to the real economy? It has an instrument for doing this, and we do not understand why it is adamant about not using it. The instrument is selective credit, which is very expensive if it is used for financial operations, but is very accessible when it encourages jobs, training and all the worthwhile investments.

I am aware that some of these proposals are not very orthodox. So what? Instead of orthodox politics in a collapsing EU, I prefer the idea of reactive, creative politics serving the renewal of Europe and a life of dignity for Europeans.

IN THE CHAIR: MRS ROURE

Vice-President

Nigel Farage, *on behalf of the IND/DEM Group*. – Madam President, what a funny old European Union it is, isn't it? Last Saturday afternoon, after a jolly good lunch at the Élysée, the European leaders stood on the steps and they talked with fairly weak smiles about solidarity. The smiles were weak, of course, because President Sarkozy's US-style bail-out plan had already collapsed into the dust. But nonetheless, 'United we stand' is what was said. And yet, with almost comic hypocrisy, the German Chancellor decided that German interests come first and European interests come second, and she acted – and, perhaps for the first time in years, she got loud applause from her own electorate.

Of course it was the Irish that started this trend the week before by going their own way, and my admiration for Ireland grows by the day. But I think the last week is going to prove to be the watershed moment for this entire European project. You see, the only way to stop countries acting in their own national interest is to take that power away from them – to form a treasury department, there in Frankfurt, that has power over tax, and power over government spending. Indeed I have heard some of the EU extremists this afternoon effectively call for that. Yet you cannot do it, because it will not command public support. In fact to do that would be even more unpopular than your hated Lisbon Treaty.

No: it is more likely that what has happened in the last week marks the beginning of the end. The markets are saying it already. Italian government bonds now yield 1% more than German- or French-issued government bonds. The markets are saying that economic and monetary union will not last. And I am not surprised, because it never was an optimal currency zone. One interest rate could never fit all these different countries, and you have never had proper public support.

But it must be one thing or the other. It is either a full EU state that controls everything, or it is disintegration and back to national control. The credit crunch is hitting and hurting all of us, but I see a speck of light at the end of the tunnel. I see a dividend: possibly the beginning of the end of this whole mad and unwanted project.

Jana Bobošíková (NI). – (CS) Ladies and gentlemen, the representatives of the Commission and of the Member States of the Union should resist two temptations next week. Firstly, they should accept that the Lisbon Treaty is dead and that any pressure on the Irish citizens to make them change their opinion is unacceptable, and they should halt the ratification process. Secondly, all senior politicians should realise that there is no such thing as a free lunch. Right now they should stop acting as Messiahs who will save the Union's economy, while playing roulette with market freedom and taxpayers' money. The shareholders and bank managers should pay the price for bankers' bad management.

Ladies and gentlemen, at this moment all politicians are offering guarantees to bail out irresponsible bankers. By doing so they create a moral hazard. By offering State guarantees they are laughing in the faces of taxpayers and the much vaunted small and medium-sized enterprises. They send just one message to the major investors: you have the right to expect fat profits and in doing so you bear no risk and, in particular, no responsibilities. In exchange for this assistance, however, the politicians will expect a heavy price to be paid in return, and that will be market regulation. This will not prevent the crisis. This will merely postpone it. In addition, by abandoning the rules of fair economic competition we will be creating a jungle.

Ladies and gentlemen, we are facing recession and growing unemployment. At the same time, the political elite are facing a difficult test: whether or not to succumb to the lure of populism that always offers easy solutions. In the 1930s Europe did not weather the storm and failed. I firmly believe that we will weather the storm today.

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Madam President, President of the Commission, ladies and gentlemen. I will be brief. I just want to tell you, having listened to you, that the first lesson I have learned from the first part of the French Presidency is that one crisis does not make the other crises go away.

The financial crisis does not make the external affairs crisis go away, with Russia and Georgia and in other parts of the world; the financial and external affairs crises do not make the food crises and environmental crises go away. All these challenges have to be faced, even if we have to adapt in order to maintain our priorities.

There are three types of priority. You highlighted the first in your speeches; it is the return of confidence – as the President of the Commission said – so that our fellow citizens feel more protected in relation to Europe and to prevent a gulf opening up between the European Union – the idea we all have of Europe – and our fellow citizens.

The second priority is to adapt our institutional system so we have a more involved Europe, a better organised Europe, a Europe more capable of deciding – and deciding quickly – because we know that none of these challenges can be dealt with individually or at national level.

The third priority is to move towards a development model that is more sustainable, more focused on the long term, and towards the equitable management of resources, while taking account of the very sudden

slow-down in our economies that, as we well know, we are going to be facing.

I fully support what the President of the European Commission said. We need to be fair, we have to make up for lost time and review certain dogmas. I think the Commission President has understood this and the proposals he is making are headed in the right direction. We clearly need to move towards greater integration and better financial supervision at European level.

I will not go back over the various measures listed, but obviously it is up to the Council and the Member States to shoulder their responsibilities and it is up to this Parliament to assume its responsibilities in relation to the proposals on the table – which are very necessary – concerning standards, the credit rating agencies, capital to credit ratios, directors' pay and the pay of others working in the banking sector (there is also traders' pay, which is not often talked about but it also seems to me to be an important problem). From this point of view, I believe that setting up the high-level group is an excellent initiative. I would just like to say, however, on behalf of the Presidency, that I would prefer it if its composition was more diverse and as broad as it could be while remaining effective. As the President of the Commission said, what is a liquidity crisis today should not turn into a credibility crisis tomorrow.

Mr Daul highlighted perfectly what changes should be made in relation to the objectives that remain, particularly as regards the energy/climate package. It is also very important, as he pointed out, that we have a dimension that supports SMEs, that the European Investment Bank really takes strong action. Consequently, the finance package that has been agreed is important and it needs to be implemented very quickly as regards support for small and medium-sized enterprises.

I agree with what Mr Schulz said. We need much more coordination. We need an action plan. We also need an action plan to support business. That is what Mr Schulz said and I go along with it entirely. He knows we will support him on this. As he already has good contacts with Mr Steinbrück, I think he will also be able to convince him.

Concerning what Mr Watson said, I agree with him that we do not need more regulation, but better adapted regulation. That is what is important. We are not dogmatists regarding regulation, either. As many of you have said, it is clear that to regain confidence, we need regulation in the areas mentioned, and it should be better adapted, more reactive regulation. There again, it is up to the Member States to shoulder their responsibilities in this regard.

Finally, as pointed out by Mr Wurtz, we must ensure that the European Investment Bank has an active role to play in the current context. The European Council will also be speaking about this, and we must take the measures necessary to ensure we have an institutional framework suited to financial groups, financial players that increasingly operate across borders. That is the real hiatus we have to face in this crisis: that really, the way we are organised remains totally national, while the challenges are

trans-European. Together we must find measures that enable us to change the method of regulation rather than over-regulating, and we must make sure Europe unites to make its voice heard in the forthcoming international meetings so that, unlike in the past, we do not have the rules of others and disorder of others imposed on us, for which we have to bear the consequences, but rather we can move towards a more stable international order, one that is more in keeping with the challenges we have to face on a global level.

José Manuel Barroso, *President of the Commission*. – (FR) Madam President, I would just like to underline two or three points that seem important at this stage in the debate. Broadly speaking, I have noticed that there is nevertheless a consensus on the general lines we should be following.

It is necessary to understand that this is a highly unusual situation we are in, and that we have a mainly national framework with which to be dealing with a transnational crisis. The truth is, the supervisory authorities are national authorities. The Commission and the European Central Bank do not have powers of financial supervision.

Regarding the Commission's powers, particularly as regards State aid, we have put in some work on this, and I can assure you that there is excellent cooperation between our services and the governments, which were keen to be in contact with us early on. I can also tell you that cooperation with the European Central Bank has been excellent, and once again I have witnessed the extraordinary effort the French Presidency has had to make in order to achieve a European approach, against this difficult background of fragmented supervisory systems, though still with a European dimension. Anyway, I would applaud, in this context, the decision the European Central Bank has taken today to cut interest rates, a decision taken in coordination with other central banks.

As regards the points you underlined in your speeches, I would just like to highlight two things. One, raised by Mr Daul, concerns the issue of the real economy and SMEs. It is now certain – it is a recognised fact – that the crisis is already having consequences for the real economy, and that we have more difficult times ahead. I believe we should find targeted measures, within the framework of all the reforms being put in place by Europe, to adapt to a much more difficult context of competition and to find ways of helping SMEs in concrete ways. This is also the reason why, within the framework of these initiatives, the European Investment Bank has been encouraged to put measures in place for SMEs. The whole of this dimension, the dimension of the real economy, must be followed very closely over the next few months.

Another point raised by Mr Schulz concerns the problem of those outside Europe, the problem of the very poorest. I believe it is also my duty to draw your attention to an important problem here. We are talking at the moment about 'financial rescue', but we must not forget 'human rescue'. This year, according to World Bank figures, 75 million more people will be victims of starvation. Next year, they are predicting 100 million more.

That is why, while recognising that our problems in Europe have multiplied, we must not forget the problems in developing countries. We must not forget the tragedy in Africa. We must make the effort to respond positively to the request we recently received from the United Nations Secretary General and the President of the World Bank, in a letter addressed to all heads of State and government, and also, I think, to the President of the European Parliament, namely that the European institutions, that is Parliament and the Council, should approve the Commission's initiative concerning the implementation of an emergency plan to support farming in developing countries.

We must not forget, as Mr Jouyet quite rightly said, that all these crises are linked: the financial crisis, the world food crisis, the energy crisis, important aspects as regards the geopolitical crisis. I would very much

like to see Europe take part in a constructive approach, not just for us, as Europeans, but also for the rest of the world.

We contribute to a new order in globalisation, which we want to be fair, not by shutting ourselves off, not by questioning the concept of the market economy, but by trying to apply fairer principles and rules in the market economy. As has been said, the current problem is also a problem of incapacity, not so much of the market – though many market operators are using unacceptable behaviour – but more of the competence of certain political or public authorities, which have not found suitable solutions for a market situation in terms of regulation.

To finish, I can tell you that in our daily contacts with the governments I am seeing a recognition of the need for this European dimension. For example, as you no doubt know, until now, Europe and even the euro zone did not really exist as such for the international financial authorities. It was only a few months ago, after many years' insistence, that the European Commission finally won the right to a seat, to a presence at the Financial Stability Forum.

It is an undeniable fact that, until now, even with the Stability and Growth Pact, even with a European Central Bank, the external representation of the EU in international financial bodies has fallen far short of the actual importance of Economic and Monetary Union and what the European Union project represents. Therefore, even at the heart of the crisis, I see opportunities. If we demonstrate wisdom, if we understand what we can and must do, I can see an opportunity for developing our idea of a Europe at the service of our citizens.

Philip Bushill-Matthews (PPE-DE). - Madam President, the current financial crisis is not just affecting banks and investors. Manufacturers, retailers, importers and exporters are all finding it more difficult to get the working capital they need, and there is a real risk that the major trade slowdown may intensify. So maintaining the free flow of goods – not just within Europe but also to and from the developing world, as President Barroso has just said – is therefore of particular concern.

That is why – and this is the first of my two related points – the rapid appointment of a new trade Commissioner is so important at this time. Colleagues in the House may recall that we all supported Peter Mandelson across most parties and delegations at the time of his appointment. Even the British Conservatives supported him. I would hope that this may yet be the case with his successor, but I should share with the House that a number of colleagues from different delegations have already raised real concerns about her apparent lack of experience for the important trade portfolio.

So I strongly suggest that it would be in her interest, as well as ours, for her hearing to be brought forward from 10 November, if at all possible. One month is a long time to wait and a long time for further doubts to develop. There is another reason: I have just been passed an e-mail saying that the Transatlantic Economic Council, scheduled for 16 October, has had to be postponed because the outgoing Commissioner has 'outgone' and the incoming Commissioner has yet to be confirmed. So please can we get the show on the road. It is all our interests.

My second point concerns SMEs, a point passionately mentioned by my good friend and colleague, Joseph Daul. When the Council talks about the big picture, please can they talk about the little picture as well? I noticed the other day that the end of August was the closure date for consultation on the Late Payments Directive. I think that timing was unfortunate. Whatever companies may have said up until the end of August, they would have a more powerful message now. Could I please ask for that consultation period to be reopened just for a further couple of months, because I think the fresh message about the lack of working capital is something that we really ought to take on board. I am not convinced that a Late Payments Directive review would solve the problem, but I do think this sort of analysis would contribute to an understanding of the problem.

Pervenche Berès (PSE). – (FR) Madam President, President-in-Office of the Council, let me say what a pity it is that the minister responsible for the Ecofin Council is not here. She is the President of this Council and is calling for strong European cooperation. I think her rightful place today was among us.

President of the Commission, I hear you and I am not going to copy those who say it is all just words, but all the same, when have I really seen you mobilised on these issues since the crisis began? You have come here on occasion with proposals, when you felt that within the Member States, particularly the largest (I am thinking of France and Germany on the issue of sovereign wealth funds), there might be trouble. You came with a proposal drawn up within your own cabinet, independently of the Commissioner in charge, Mr Charlie McCreevy.

However, since then, I have not really had the impression that you are particularly mobilised. Anyway, I wanted to ask you something: where today have you hidden the Commissioner responsible for the state of the financial markets? I am wondering why he is not at your side. I am pleased to see our friend Joaquín Almunia beside you, but I find it a little strange that the Commissioner responsible is not here.

As for the Commissioner responsible, in July 2007, when all his services were mobilised, what did he do about informing us that the situation for the European banks was going to be dramatic, that the aftermath of this crisis for the European economy was going to be dramatic? Your services were told. That was the moment, Mr Barroso, to come with proposals that would have made it possible to reassure European savers on the deposit guarantee, on how we were going to manage these difficult situations. Where was your Commissioner then?

You are delighted that the Commission – listen to me, Mr Barroso – was invited to sit on the Financial Stability Forum. Did you know that when the Forum met last Monday, your Commissioner, Mr McCreevy, did not go because he was in Dublin? What did he say when the country he comes from decided to go it alone on the question of deposit guarantees in the sector for which he is responsible in the Commission?

You tell us there is resistance within the European Council, but do you really need to await orders from the finance ministers to set up a deposit guarantee scheme or to look at how accounting standards will be applied at European level?

Mr Barroso, it is your political responsibility today to demonstrate courage, leadership and initiative. Up to now, I have seen no such thing.

Wolf Klinz (ALDE). – (DE) Madam President, ladies and gentlemen, events are happening very fast; the markets are in free fall. Nobody knows whether it is due to the loss of confidence that has set in everywhere or whether perhaps speculators are at work, trying to find out whether, and to what extent, they can still bring the market to its knees.

In a whole-day workshop in February this year, the Group of the Alliance of Liberals and Democrats for Europe already attempted to identify the causes of the crisis and determine concrete measures that we should vote in to avoid a repetition of this crisis in the future.

Blaming individual market participants achieves very little. Basically, we must admit that we have all failed: the investment banks in which products were developed that were ultimately so complex that nobody understood them, the mortgage banks that waived credit assessments, the rating agencies that generously disregarded conflicts of interest, and the supervisory organs that did not work closely enough with each other or with the relevant central banks and did not make the effort to achieve true transparency of special purpose vehicles that were not required to report individually on their balance of accounts.

Nothing has been done for far too long! The Commission, which we asked years ago to look into the rating agencies to give us some clarity about their activities and to improve transparency in other areas, waited far too long before taking any measures. Now, measures that would have been unthinkable a few months ago are being taken practically every day: the G7 on Saturday, the 27 Member States on Monday, the Ministers of Finance on Tuesday, the measures by the British Government today, and at the same time, a coordinated initiative by the central banks and a reduction in interest rates! Good; I hope that these measures will help, but they could also be misunderstood by the markets and seen as an expression of a pervasive panic – and that must certainly be avoided.

The house has 27 rooms, flames are billowing out of the roof, but what are the 27 residents doing? They are acting individually, each one fighting the fire in his own room, instead of working together.

Hélène Flautre (Verts/ALE). – (FR) Madam President, with this financial crisis, the European Pact on Immigration and Asylum will fade into the background. Perhaps that is no bad thing. Perhaps that is where it should have always been. We were actually wondering how this Pact on Immigration and Asylum differs compared with the policies followed for years by the European Union and by Member States.

Well, it is true! With this new Pact, what will change for migrants who are the victims of police violence, of human trafficking, of absurd red tape? Does it sanction their human dignity, their rights? Will it sanction the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families? No!

For the victims of poverty, war, natural disaster, the increasing restrictions on the right of asylum, what will change? Will people start to question how ridiculous it is having to apply for asylum in the first country of refuge? Will there be an end to summary examinations and the unreliable, shall we say, lists of safe countries? For migrants who are legally employed and who are a real part of our economic and social life, will this mean that they are officially recognised? No!

What about migrants, including minors, who are imprisoned or expelled, even to countries where they will be mistreated, where they have no family, where they do not speak the language; will this change? Will we abandon readmission and transit agreements in countries where there are human rights violations? No!

You realise that people all over the world are booing asylum and immigration policy. You can no longer go to an international conference without hearing about the massive rights violations suffered by migrants due to European asylum and immigration policy. I believe that this has to change. We need a policy based on pragmatism and not on hypocrisy, which is the trademark of the European Pact on Immigration and Asylum.

Cristiana Muscardini (UEN). – (IT) Madam President, ladies and gentlemen, we fully agree with what President Sarkozy said in Evian: that only the coordinated action of central banks and governments will make it possible to curb the systemic risk.

This does not take away the fact that, notwithstanding today's interesting debate, we still have some worrying doubts over why the European Central Bank did not lower rates sooner in the light of events in the US market, in the global markets and in the financial markets, particularly in some EU countries.

We question this because there has been no clear position on the issue of derivatives, when we know that these products caused major public institutions and authorities in Italy and Europe to run up massive debts.

We question it because the consolidation policy of banking institutions has continued, on many occasions creating idols with feet of clay without taking into account the real system that exists in our countries, and the reason why consumer credit has been uncontrolled, leading to huge debts being amassed both by individuals and, as a knock-on effect, banks.

In short, we are asking for Europe to have the courage today to review the Stability Pact, which now belongs in the last century. With an exponential number of new crises emerging, we need swift and sure-fire decisions. Since we were talking about small and medium-sized enterprises earlier, we also need the Council to be clear about the fact that the Commission has a duty to introduce further cuts in fuel costs.

Frank Vanhecke (NI). – (NL) Madam President, a little modesty never goes amiss, and this includes politicians. Let us make this clear from the start: the institutions of the European Union are scarcely more than utterly powerless onlookers, and the European Parliament barely more than an utterly powerless talking shop, in the global financial crisis.

I shall therefore start by discussing a few other things for which we do bear responsibility. Originally, the summit was to be dominated by the Irish question and the moribund Treaty of Lisbon. However, recent statements by leading eurocrats give me a very strong feeling of *déjà vu*. One example is Commissioner Wallström, who stated just this week that the Irish referendum actually had very little to do with the Treaty itself, but more to do with ethical issues and taxation. It boils down to the fact that, in the eyes of the Commission, the Irish 'no' was in fact a 'yes'. The reason I have *déjà vu* is that identical statements were also made by members of the European establishment following the French and Dutch referendums back then. The people say 'no', but the eurocrats hear 'yes'.

Such contempt for basic democracy is evidently a structural feature of this Europe. A certain European politically autistic elite, screened off from the people, goes ahead and takes decisions in spite of the people and then looks on utterly powerless when real disasters occur, as is the case now.

Another example is as follows. Recent surveys have shown that opposition to the accession of Turkey is stronger than ever among the citizens of our countries – but what do we do? We further accelerate the process of negotiating this accession. The Europe we see now is the exact opposite of anything related to democracy. In addition, we cannot solve this problem of citizens' mistrust by now acting out a play, pretending we are making a significant contribution to tackling the financial crisis.

Jacek Saryusz-Wolski (PPE-DE). – (FR) Madam President, Minister, Commissioner, my message to the Commission and Council is this: in the midst of this financial crisis, let us not forget the follow-up to the extraordinary Council meeting of 1 September, and particularly the Georgia and Belarus question.

Georgia lost the war but should win the peace, and we have to do our utmost to make this happen. It means two things: helping Georgia with strong financial support for reconstruction and helping to consolidate democratic reforms.

The European Union was quicker and more efficient than our American friends in handling the Caucasian crisis, and our response was coherent and based on a common approach – and thanks and congratulations to the French presidency for that.

We have to take into account the impact of the Georgian crisis on the whole region and on the European Union itself. It is more necessary than ever to set up our relations with eastern neighbours, namely through eastern partnership at a higher level. We need a strong democratic Georgia, as Georgia needs us. There is also our common European interest, and I mean here energy security and the availability of a Caucasian corridor for alternative transit of oil and gas. We expect from the Commission and Council that they ensure the protection of existing pipelines and develop further the dramatically missing common foreign policy on energy.

Now on Belarus: the situation there is slightly improving and there are the first signs of liberalisation. Elections were not democratic. We need to respond with a new policy to end the isolation of Belarus, but with a measured opening, based on strict conditionality and a gradual give-and-take approach. That means the following elements: selective application of European neighbourhood policies and human rights instruments, selective suspension of visa sanctions for officials, lowering by half the cost of entry visas for Belarusian citizens, re-establishment of political dialogue, support for opening more economic cooperation with the European Union, protection of civil society, NGOs, national minorities and free media, and all that in close consultation with those representing the democratic position in Belarus.

Enrique Barón Crespo (PSE). – (ES) Madam President, President-in-Office of the Council, Commissioner, ladies and gentlemen, the message that I think we should send to the forthcoming European Council meeting is the need to restore and bolster the confidence of European citizens in our project.

The reason is that we have decided to create an economic and monetary union, which is under construction but is not yet complete. For a week, due to being infected by the US epidemic, we have run the risk of either a stampede or a mass exodus, which I think has been corrected. It has been demonstrated in time that the European institutions work: specifically, in the case of the Ecofin meeting yesterday, and also with the coordinated drop in interest rates today.

What we need is to be able to help our production system; in this respect, besides the Community initiatives, I will mention, for example, the case of my country, where yesterday it was decided to launch a EUR 30 billion fund, because what we need to do is to help businesses to function.

The second area in which it is important to bolster confidence is the ratification of the Lisbon Treaty. I also had the opportunity to have a discussion with Minister Martin. He made an accurate diagnosis of the situation, but a diagnosis without a prescription for medication does not work. What we need, therefore, is for our Irish friends, having reflected and thought things over, also to be aware that this is not a neutral exercise, in other words, that in a Union based on solidarity, it is also costing us, and it is going to cost us dearly if the Lisbon Treaty is not adopted before the elections.

The only positive aspect of non-ratification is perhaps that it will make the European elections the centre of attention. However, it is important to fight and work to have the Lisbon Treaty in force by the forthcoming European elections, so that the Union might be stronger and more cohesive.

Sophia in 't Veld (ALDE). – (NL) Madam President, citizens are currently looking to Europe to provide protection and stability and to show unity. A strong Europe is more important than ever at this time. Everyone agrees that intervention was needed, and it is good that the action has been swift. This was unavoidable.

There are a number of developments that I nevertheless find worrying, and I also sense a degree of ideology behind some of the action that has been taken. Some people in this House have already been celebrating the death of capitalism. To be frank, however, politicians are not bankers. Emergency measures are one thing, but I have also noticed that some operations amount to the common-or-garden nationalisation of banks. To be frank, there are a number of bankers who are clearly no longer to be trusted and to whom we cannot entrust our savings. Ask yourselves, however, whether you would entrust your savings to politicians acting as bankers. To Mr Schulz, for example. I for one would not.

The crisis must not be seized upon to circumvent, weaken or even abolish the rules. I find the call for flexible application of competition policy or the Stability and Growth Pact extremely worrying. These are the very rules that have made Europe robust.

I have a specific question for the Commission – and, incidentally, I note with regret that Mr Barroso evidently does not consider the debate absorbing enough to stay until the end. This afternoon the Dutch Minister for Finance stated in the debate in the lower house of the Dutch Parliament that the purchase of Fortis and ABN-AMRO – not only the bank, but also the parts not of systemic relevance, such as insurance – had not been declared as State aid. Therefore, I should like to know how the Commission intends to deal with this kind of case in the coming period. After all, Commissioner Kroes stated last Monday – and I totally agree – that the competition rules and the Stability and Growth Pact continue to apply in full. How do we deal with this kind of case? What will happen if it is subsequently found that there has been an infringement of the rules on State aid?

Ryszard Czarnecki (UEN). – (PL) Madam President, the main challenge facing Europe today is most definitely the economic crisis. Despite the quite recent assurances by German politicians and European Commission officials, this crisis is starting to hit Europe in a big way. The question is not whether it will reach us, but when. Last Saturday the self-appointed leaders of several of the European Union's largest countries failed to agree on any common tactic in this regard.

Moreover, from the example of the deposit guarantees announced by states such as Greece, Ireland and Germany, in contrast to other EU Member States, it is obvious that there is not a single common tactic to deal with this. If a common strategy on this is not worked out at the forthcoming EU summit, it will be a very bad signal for citizens of the EU Member States, because it is precisely in times of crisis that the people of the EU most need to feel that the EU is standing by in case of need and that it is there not only during the good times, but also when there is a problem.

Werner Langen (PPE-DE). – (DE) Madam President, unfortunately, the President of the Commission is no longer here. He said – I noted it down at the time – we do not yet have the rules that allow a European answer. In that, he is truly right. Mrs Berès told us why he is right – because the commissioner responsible, Mr McCreevy, might as well have been dead for the last four years! He consistently ignored Parliament's suggestions in at least 10 different reports. That is the reality, not neoliberalism, but remote control from Dublin and London by the commissioner responsible for the financial markets. If the President of the Commission had any backbone, he would take this role away from Mr McCreevy and give it to Mr Almunia, where it belongs, but he does not have the courage to do that. Instead, people keep talking here as if 'zero hour' were just beginning. All I can do is shake my head in puzzlement at what the President of the Commission has done. He will not be able to talk his way out of joint responsibility that easily.

I say this so emphatically because we cannot just sit here quietly and wait. We must act quickly. The issuing banks have acted; the finance ministers have acted. All that has become necessary because the crisis has now reached exactly the proportions that we have been afraid of all these years.

Where is Mrs Kroes? She is waffling around with her competition rules and also compromising security in the area of stability of the banks that are still functioning. She is setting deadlines instead of thinking about whether Ireland can allocate 200% of its domestic product as guarantees exclusively for Irish citizens and for future loans. Who has said even one word about that?

If the Commission does not have the courage to make suggestions with regard to a European supervisory authority, even if doing so means going against the will of the Member States, then everything will just collapse. If a European solidarity fund is then established before the rules are harmonised, that would be outright socialism.

Jo Leinen (PSE). – (DE) Madam President, listening to Mr Langen, one could almost speak of a grand coalition, because I agree with what he said.

A crisis in Georgia, a financial crisis, a crisis with energy prices – everything is crying out for a strong Europe. Therefore, as chair of the Committee on Constitutional Affairs, I am delighted that, apart from the anti-Europeans, everyone here has declared their support for speedy ratification of the Reform Treaty, and I thank the French Presidency for persisting with this matter. This must not be postponed indefinitely and I expect next week's summit to send a clear signal and produce a timetable for completion of ratification.

Sweden and the Czech Republic are to ratify the Treaty by the end of this year, and I still have not given up hope that ratification is still possible in Ireland before the European elections. Ireland's Foreign Minister, Micheál Martin, told my committee on Monday that there was a change in awareness taking place in Ireland and that people were recognising the value of the EU. In politics, six months can be a very long time!

Now to my second subject: we also need to explain to citizens why we need the EU. I am pleased that we will adopt a joint political declaration on the EU communications strategy at the summit. Here I would like to thank the French Presidency, which managed to bring together all three institutions. This now needs to be tackled for the referendum in Ireland and for the European elections. The EU is not the cause of numerous problems, but the solution to many! That should be made clear outside the EU.

Mario Borghesio (UEN). – (IT) Madam President, ladies and gentlemen, Europe has not protected people from financial speculation. Even the *New York Times* printed the prophetic saying by Ezra Pound that 'with usura hath no man a house of good stone'. Today the Federal Reserve and the US Treasury would like to paper over the cracks by lowering rates. It was this solution – easy access to credit – that caused the speculative bubble in the first place.

In 1933, a group of economists in Chicago came up with a plan: to re-establish an exclusive state monopoly on issuing currency, prohibiting banks from creating counterfeit money, and imposing an obligation on banks to have a 100% reserve. This made fractional credit fraud impossible and put an end to the financial games that were ruining ordinary people, hurting savers and crippling the real economy.

Nobel Prize winner Maurice Allais has always been openly critical of innovative finance, securitisation, derivatives and hedge funds, much beloved of the finance gnomes in a certain part of Europe's financial sector. He quite rightly calls – as we have been for some time – for derivatives to be made illegal. Let us adopt the Chicago Plan, the Allais Plan: reserving the creation of money for governments.

Enough of Europe being unsure of what to do. Even the Pope has issued a warning that wealth means nothing.

Tunne Kelam (PPE-DE). - Madam President, the Council also has to draw conclusions from the invasion of Georgia. In order to prevent such aggressions happening again, the EU has to make sure that the idea that 'might makes right' will prove absolutely disadvantageous for the invader. By invading a sovereign state, Russia, as a Security Council member, has shattered not just the regional but the international security and stability paradigm. If there is no setting of limits, the way will be open to further demonstrations of force against Ukraine, Moldova and others.

What we need today is a more efficient eastern partnership and a strong and democratic Georgia. Unfortunately, even before Russia has met its commitments, some socialist leaders visiting Moscow have declared that the EU and Russia need each other more than ever and that Russia and the EU have to cooperate in filling the possible security gap left by the weakening USA. There seems to be a dangerous confusion about who our real allies are and who is really interested in weakening and splitting Europe.

Finally, the EU has to react to the ongoing distribution of Russian passports abroad. This means artificially creating new Russian citizens to be defended according to Medvedev doctrine, so preparing new international hotbeds of crisis. Our reaction should be to deny visas for those new citizens, especially for the leaders of the new Russian protectorates. Finally, we should rapidly provide Georgians and Ukrainians with more generous visa facilitation than Russian citizens have been granted.

Proinsias De Rossa (PSE). - Madam President, it is my view that, sooner rather than later, the Irish Government must seek to resolve the Irish roadblock to Lisbon, and should do so by maintaining Ireland as a full member, not as a semi-detached member, which opt-outs would relegate us to.

We need Lisbon now more than ever to strengthen Europe globally and to respond effectively to citizens' concerns. The financial crisis is yet another market meltdown. It has happened again because most governments bought into the fairytale that global markets could be self-regulating, and failed to apply democratic controls to the market.

The euro is an example of what Europe can achieve when it seriously shares sovereignty. Certainly, if Ireland had opted to keep the Irish pound it would have disappeared, sunk without trace by now.

President Barroso has admitted he got little cooperation from Member States in producing a coordinated response to the crisis. He is silent, however, about Commissioner McCreevy's continued resistance to

re-regulation. Commissioner McCreevy is incapable of abandoning his neo-liberal ideology and I am therefore very concerned that he is being included in the three-person body that President Barroso is establishing.

Could I just make one final point? I propose to put Mr Farage's speech today in this Parliament on my website, because I believe the more Irish people hear what he has to say about Ireland and about Europe, the more likely they are to vote 'yes' for the European Union.

Cornelis Visser (PPE-DE). – (NL) Madam President, the question is whether this financial crisis will lead to further European integration or whether the reverse will be true. In my view, a crisis of this magnitude can be tackled only at European level – which must lead to further European integration. This requires leadership, however; not only by Member States but also, in particular, by the Commission. Up to now, the reaction to the financial crisis has been provided mainly by Member States – which I welcome, for example when action was taken in the Fortis crisis – whilst the Commission has remained silent.

In my opinion, the financial crisis has been caused by the rapid innovation in the financial sector over recent years. Banking products have been packaged such that rapid profits are possible, but also great risks. However, these risks were not transparent, and in some cases they still are not. It is terribly complicated for experts to make a proper appraisal, and thus to assess the value of these new financial products.

Therefore, the Commission must now present measures to increase the transparency of financial products and to improve bank governance. It must also present measures to improve supervision, and proposals to reinforce cooperation between central banks themselves and other supervisors. Parliament will express this opinion in the report on the Lamfalussy follow-up and the future structure of supervision in the financial sector, which we are discussing next.

Incidentally, I deeply regret the abstention in the parliamentary committee, on such an important report, by the Socialist Group in the European Parliament. I wonder whether it will do so again tomorrow. The crisis demonstrates the importance of Europe. If the European authorities act individually in this connection, State aid and also discrimination against foreign savers, customers and investors can result. Only Europe can offer a rounded approach to the crisis, and that is why the Commission must take the lead, starting today.

Józef Pinior (PSE). – (PL) Madam President, just as the situation in the Caucasus this summer presented the European Union with a new geopolitical challenge, so today the crisis in the financial markets in the global market is presenting a challenge linked to the global economy, and the European Union is having to face up to this. Everyone is agreed that at this time we must put together a coordinated response from Europe in relation to these challenges. How can we do this without the Lisbon Treaty, though? It is not possible, surely. This is why ratification of the Lisbon Treaty is absolutely fundamental – 'to be or not to be' for the European Union, a serious response from the European Union in the current global order. President Barroso said that the EU institutions, and the European Commission, too, are not properly represented in the global financial architecture. This is yet further evidence of the need to ratify the Lisbon Treaty as soon as possible in those countries that have not yet done so.

Another matter I would like to raise today is that the market is fine as long as it is a regulated market. A capitalist economy that bears the human factor in mind. This is a completely fundamental question. That, after all, was Europe's response to the crisis of the early 20th century. Europe built up its strength precisely for that reason.

One final matter – let us salvage the shipyard industry in Poland. I am addressing the European Commission on this – in view of the current crisis, what good to us are a further 100 000 unemployed?

Jerzy Buzek (PPE-DE). – (PL) Madam President, the most important matter today is overcoming the financial crisis, but the main threat posed by the financial crisis is an economic slowdown. We cannot concern ourselves with finance alone, because in the end it always comes down to the competitiveness of the economy, growth, and jobs. The adoption of the wrong legislative solutions as part of the climate and energy package could worsen the prognosis for a way out of the financial crisis. We wish to act on a fundamental principle – a 20% reduction in greenhouse gases by 2020. The President-in-Office of the Council spoke of flexibility in the climate and energy package, and of the balance that must be maintained in its adoption. What does this mean? It should mean a capacity to adapt the package, and particularly to adapt the emissions trading system, to the current situation, and this situation is completely different to what it was a year ago, six months ago or even two months ago.

This same aim – a reduction in emissions – may be achieved through various methods. We know the results of the voting on this Emissions Trading Directive that took place yesterday in the European Parliament in the Committee on the Environment, Public Health and Food Safety. We have taken note of them. What lies before us now is a very difficult dialogue, as regulation is adopted here subject to numerous reservations.

We have not had enough time in Parliament to discuss all the problems linked to the Directive on Emissions and Trading. I am therefore appealing to the French Presidency and to the European Commission to bear in mind the conclusions and amendments of the minorities as well, despite the fact that some of these amendments were unsuccessful in the majority voting in European Parliament committees. If we wish to find a good solution, we must be guided today by common sense, and by the situation, which is constantly changing and is steadily deteriorating where economic forecasts are concerned.

Othmar Karas (PPE-DE). – (DE) Madam President, Commissioner, ladies and gentlemen, I will start by saying that I find it very disappointing that it always takes a crisis for us to find the right sense of determination, the right choice of words, the right dynamics for finding common ground and European responses. Action by Europe and European rule are an essential part of the solution. They are not only an answer to crises but also necessary to prevent crises in our globalised world.

We need both short- and long-term measures. These crises show us how dependent we are on one another, how global, how interwoven the financial world is these days. I have here a collection of requests by the European Parliament since 2002, only a fraction of which have been answered by the Commission, and many of which have been frustrated by the Member States, which impedes us from finding European solutions.

Ladies and gentlemen, we need legislative suggestions in the areas of European supervision, capital for receivables, rating agencies, the granting of credit, crisis management models, and minimum standards for all forms of investment.

In the same breath, I would stress that we must not misuse the crisis in the financial markets to create disproportionate regulations. This is not about condemning the market and demanding nationalisation. It is about creating as much market as possible and putting in place the amount of regulation that is required in the global world. Everyone needs regulation – we must not exclude anyone – but this regulation must be in proportion to the risk and must relate to the product. That is what I am asking for and I hope that the Council will implement this.

Colm Burke (PPE-DE). – Madam President, at next week's European Council summit, nothing new will come from An Taoiseach Brian Cowan in relation to the current Lisbon Treaty impasse in Ireland. Instead he will make an intervention similar to that of his colleague, Minister Micheál Martin, where only an analysis of the results was communicated on Monday to the Committee on Constitutional Affairs of the European Parliament. Nothing concrete will be proposed until the December Council summit, where a clear road map ahead is expected to be outlined.

In order to expedite moves towards this road map, I would like to expound my idea on how to now move forward. First, in my view, there cannot be a second referendum for at least 12 months, in order to allow adequate consultation with the Irish electorate. A second referendum should be called during the autumn of next year, possibly in October. This means that Parliament elections will have to take place under the Nice Treaty, but this is the lesser of two evils in my opinion.

As to the nature of the second referendum, I would propose an extended plebiscite on the Lisbon Treaty in Ireland, where we would have a constitutional referendum on yes or no to the Lisbon Treaty while, on the same day, polling consultative referenda on key opt-in, opt-out issues such as the EU Charter of Fundamental Rights and European security and defence policy.

If in the extended referendum Irish voters were to opt out of either of these two areas, the Irish Government could then seek a separate agreement at the European Council to be signed by all 27 Member States. This move would be similar to the precedent of the Edinburgh Agreement sought by the Danes at the Council meeting in December 1992, which granted Denmark four exemptions to the Maastricht Treaty. This allowed them to ratify the Treaty overall.

With this plan, Member States who have already ratified the Lisbon Treaty would not have to do so again. This extended plebiscite would offer the Irish electorate a choice as to the extent of the role that they want to play within the European Union.

IN THE CHAIR: MR DOS SANTOS*Vice-President*

Gunnar Hökmark (PPE-DE). - Mr President, I have three points to begin with. Regarding Russia, we must maintain a policy of being open and firm at the same time, never accepting Russian claims to any interests in other countries, be they 'near abroad' or far away. This will be of fundamental importance in the years to come.

Secondly, the budget review must aim to open up and deregulate European agriculture, creating more opportunities for farmers in Europe, as well as in other parts of the world – though with fewer subsidies – aiming for a global, functioning agricultural market to meet the new demands for food all over the world.

Thirdly, the actions regarding climate change must start now, in spite of the financial crisis, so that we can benefit from a long-term process; in this way we can fight climate change and be prepared to meet the other changes it will bring about.

Regarding the financial crisis that we have been speaking about today, many of the speakers have forgotten that we are now at the end of a long-term process, unique in human history – that of global growth that has brought prosperity in a way that we have never seen before. We are now at the end of that. I did not hear anything about this from Mr Schulz earlier today. Of course, we have a number of problems, but they do not only concern the market. No one can say that the sub-prime loans in the USA are the result of market forces. They are the result of decisive political interventions.

What we need now is to ensure that we have transparency, accountability and supervision that covers the modern markets as they are. They are both European and global, and we need to ensure that we can catch up with the reality of the financial markets. Then we can also be constructive regarding the development of a real economy.

Piia-Noora Kauppi (PPE-DE). - *(FI)* Mr President, instability spreading like wildfire is typical of today's world. This is especially true of the financial markets, which these days are among the most global of all business sectors. Irresponsibility, over-zealousness and failure to regulate on one side of the world will potentially hit the pockets of ordinary consumers everywhere. I too welcome the Commission's initiative to set up a standing working group to deal with the financial crisis in the Commission. As the Commission's President, Mr Barroso, said, we can and should do much more.

I think, however, that the Commission has been saddled with too much responsibility here. Responsibilities need to be kept clear. The European Central Bank is there to make sure that prices and the value of money remain stable. The ECB has acted effectively to ease the crisis. Today's coordinated interest cuts are a good indication of this. On the other hand, Community institutions – the European Commission and the European Parliament – are responsible for ensuring that the single market remains open and that legislation is in place. Market actors must comply with the law, control their risks and encourage households which owe them money to seek appropriate solutions. Finance groups must attend not just to their own business but also take wider social responsibility. The main responsibility, however, lies with the finance ministers, because most of the instruments for growth and solutions to the crisis are in their toolkit, and are not to be found at the ECB or among the European legislators or market actors.

The financial ministers have shown initiative. In October 2007 they adopted clearer rules to prevent crises in the financial markets. Considering how long-term this job is going to be, the 13-point list from yesterday's Ecofin is pretty pathetic. I am not against the proposals, but I think that the action programme is inadequate. It is not enough to do something: we also have to do the right things, and it is even more important to know how to do nothing, when legislation is not the right solution to the problems. We should not allow room for all populist pressures.

Zsolt László Becsey (PPE-DE). - *(HU)* Thank you, Mr President. And I would ask the interpreters to forgive me for speaking off the top of my head. The key words here are solidarity, supervision and security. We continually assert that solidarity is of particular importance in the current financial crisis, especially coming as we do, as I do, from a country which is brimful of bank branches, affiliated organisations and subsidiaries, so what is essential here is how the head offices in their key positions, and their supervisory bodies, react to the problem facing us.

On the subject of solidarity, I can mention here that the Common Agricultural Policy came into being five years after the creation of the European Economic Community and now, almost five years after enlargement,

it is time for a Common Energy Policy, too. I am glad that the Minister has said that this was a good idea but it still had to be achieved. But what I can also say, this business of deposits, here it is about solidarity. This is possible, and it is a time when we are able to present a positive picture of the European Union in central European countries; if we do not hang about one after the other, but say together that indeed in a case of crisis we will give a guarantee for the entire population's deposits. For up to six months, or a year. We can decide, and the sooner we do this the better, as we are talking about people here, people in parlous circumstances, who we must rescue as quickly as possible. I do not believe that this will cause such very long-drawn-out problems.

The second question is solidarity and our defencelessness. It is really about supervisory authority and that will be the next point. I understand that we wish to establish chambers, or colleges, and I believe it is important that we move towards some centralised supervision, just as we transfer certain key matters in competition policy to the appropriate EU body or to the ECB, the European Central Bank, but it is very difficult to comprehend how we could build up confidence in each other in a collegiate system. Thank you.

John Purvis (PPE-DE). - Mr President, I would say to you, and to Mr Jouyet and Mr Almunia, that it is absolutely essential that the interbank market is restarted. The only sure way to achieve this is to have sovereign state guarantees for wholesale interbank deposits, as indeed Ireland and Denmark have done in their domestic markets.

Admittedly the contingent liability is enormous; however, when the interbank market restarts, the banks will stop hoarding, they will start lending again to businesses and individuals and householders, interbank rates will return to normal levels, and it is an absolute certainty that those guarantees will not need to be used.

I agree with Mr Jouyet that this has to be done on a global basis. It is the proper role of the IMF, as he said, to coordinate this action, and only with such a bold move, on a global basis, will we put out the fire and start to rekindle confidence.

Csaba Sándor Tabajdi (PSE). - (HU) The most important thing to be done here, and I quite agree with the French presidency, is to find some kind of a solution for Ireland and the ratification of the Lisbon Treaty. As for the financial turbulence, I would remind Parliament that in February 2008 the Hungarian Prime Minister Ferenc Gyurcsány proposed a single European supervisory authority and a single supervisory rule book, in view of the crisis in the international financial markets. Unfortunately, there was no majority vote for this at the Council's March sitting. I think that this proposal should be revisited at the next sitting. The Hungarian Prime Minister will propose it again as, without it, without a European financial supervisory authority, global problems will occur again and again. I would ask the French presidency and the other Member States to support this. After all, a solution to this problem is in all our interests.

Marios Matsakis (ALDE). - Mr President, the fat cats of the American banking industry, together with the corresponding fat cats of Europe, have for the last few years embarked on an orgy of fraud, embezzlement and corruption at the expense of ordinary people. Yet those authorities such as the central banks, finance ministers and EU Commissioners, whose duty was to protect the citizens, have in essence done nothing to stop them.

After their conspiracy of silence, negligence and cover-up, these authorities now have the nerve to commit taxpayers' money so that the same fat cats can get even richer. This is outrageous, scandalous and shameful. This is not justice. Those to blame for the current global economic catastrophe and those who offered them a cover-up should have their assets seized and should be sent to prison. This is true justice and this is the type of justice that the EU should be about. This is the bald truth about what EU citizens think.

Marie Anne Isler Béguin (Verts/ALE). - (FR) Mr President, a question first of all to the Council. What about the High-Level Conference on Georgia proposed by the French Presidency, and how the current EU Presidency plans to defend the territorial integrity of Georgia, when two separatist regions, Abkhazia and South Ossetia, are recognized by another country? It is a shame that Mr Barroso is not here, because his speech lacked conviction. Perhaps because he himself is not convinced by his own proposals. I believe that the financial and economic situation is much more serious than he described. Even today, I think anyone on the internet can clearly see that stock markets are continuing to collapse, despite all the intervention. I see this as a real meltdown of the current system, a system which is completely obsolete, a system which has led to bankruptcy, which has led to the land being completely exploited and suffocated by greenhouse gas emissions, which has led to underdevelopment in the South, and underdevelopment in our towns and cities.

(The President cut off the speaker)

Konrad Szymański (UEN). – (PL) Mr President, in today's crisis we are dealing with the subject of public aid for threatened economic sectors. The German Hypo is being rescued by subventions to the value of EUR 50 billion, aid for the British Bradford & Bingley is a further EUR 35 billion, and the Fortis rescue is EUR 11 billion. The European Central Bank has meanwhile pumped a further EUR 120 billion into bank deposits to keep them liquid.

Meanwhile, Commissioner Kroes is bringing about a political crisis in Poland through the repayment of around half a billion – let me emphasise, half a billion – euros in public aid for three Polish shipyards. I am curious to know how the European Commission would like to explain to Poles a situation in which hundreds of billions of euros are flowing into banks in the old Europe, while half a billion euros may not be transferred to three shipyards that may fail as a result of the Commission's actions. I suggest that we remember this when decisions on further cash injections for the financial sector come up during the next session of the Council.

Ioannis Varvitsiotis (PPE-DE). – (EL) Mr President, a French Prime Minister, Édouard Balladur, issued a statement to the effect that complete freedom in the market was tantamount to the law of the jungle. He added that our society, democracy and institutions could not allow the jungle to take over. In spite of this, we now find ourselves in a jungle and are paying for the complete market freedom that used to reign in the United States.

If you consider that for each dollar of actual investment, the US banks were lending USD 32, as against the European banks' paltry USD 12, you will understand the unaccountability that was rife in the US banking market. I now fear that neither Mr Paulson's measures nor those of the US Government will bring the world out of this crisis. Considering the future, I think that strict rules need to be applied from now on.

Victor Boştinaru (PSE). – (RO) Mr President, Mr President of the Council, Commissioner Almunia, honoured colleagues, over the past few years there were important leaders, especially socialists, who talked about the need to reform the world's financial system, some sort of a post-Bretton Woods, able to face the challenges of globalisation. Unfortunately, nothing happened.

This is why I salute the recent interventions of president Sarkozy and of the French presidency as well as of other European leaders who have referred to the need to make such a reform. Today I was happy to hear the words of the President of the European Commission, Mr. Barroso, who spoke about the need to look beyond the financial crisis and beyond Europe.

Therefore I suggest, Mr. Barroso, that the European Union and the European Commission make an explicit commitment to the need to reform the world's financial system together with other major actors such as the United States, China or Japan to provide mankind with the necessary instruments to govern the financial aspects of globalisation.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, Commissioners, ladies and gentlemen, since I have already spoken, I will be brief.

Regarding the management of the financial crisis, I am very sorry that my being here is not enough for Mrs Berès, but I am glad that she is satisfied with seeing Mr Almunia here. More seriously, the speeches by Mrs Berès, Mr Karas and Mrs Kauppi, in particular, show that what we need – as has already been said – is to make sure that we effectively adopt the Commission's proposals which are on the table and which cover all aspects of the supervision, regulation and modification of accounting rules.

This will be in the sense of an adaptation of existing regulations, of an adaptation of the rules rendered necessary by the present situation, and not in the sense of overregulation. As we have already said, in this area we need more of Europe and we need to adapt our regulations to the interdependency of financial institutions and the interdependency of our rules for financing the economy. We need to get up to speed very quickly in this area and regain the momentum we had a few years ago – you will be discussing this – in order to finalise the organisation set up as part of the work carried out by Mr Lamfalussy.

It is also important for the Commission to have competencies – to have a role to play in this respect – and the Commission is perfectly right to insist on that point. We need to be logical about this. If we want more integration, if we want to implement the solutions that we have seen work for others, we need to create an organisation can meet the financial challenges that we will have to face, and we need to act swiftly. The French Presidency, as I said, will do everything within its power and devote all of its energy to increasing the necessary coordination and adaptation of rules in this area.

We clearly need there to be – as there indeed is – coordination between the European Central Bank, European finance ministers and the Commission in this area. This is more important than ever. We need to find concrete answers and we also need to anticipate the consequences that this crisis will have on the financing of the economy, and on the economy itself. We can already see the first signs of this. Here too – and this is an essential part of building confidence – we need to adopt major groundbreaking measures, particularly for SMEs.

In terms of external relations, elements of which were raised by Mr Saryusz-Wolski and Mrs Isler Béguin, I would like to tell Mr Saryusz-Wolski that the priority of the European Council, as I mentioned earlier, is to define precise strategies and to issue guidance for energy security and solidarity. One crisis should not mask another. Three months ago, we had an energy crisis. This still exists. Countries were dependent on other countries for their energy supply. That is still the case. We must have a European energy policy with substance, and here too we have fallen behind and need to move swiftly.

Concerning Belarus, I wanted – we will be debating this in more detail shortly – to tell Mr Saryusz-Wolski that there will be a troika during the General Affairs Council and that we will meet with the Belarus authorities then. As you know, and Mr Saryusz-Wolski underlined this, we have expressed our concerns in terms of the election process, which we are not satisfied with. We will be open about this, but, at the same time, the Council is considering a possible relaxation of certain sanctions, particularly the visa restrictions imposed on some Belarus officials affected by the sanctions. The Council is still reflecting on these developments.

I liked the expression you used, Mr President, concerning the conflict between Russia and Georgia. We must restore peace and ensure that there is peace in Georgia. This allows me to answer Mrs Isler Béguin. We will hold a High-Level Conference on 14 October, in the evening, and on 15 October. On 14 October, foreign ministers will meet with Bernard Kouchner, and on 15 October there will be a meeting of senior officials and leaders in order to find appropriate solutions to the situation in Abkhazia and South Ossetia, recognition of which – I must say this to Mrs Isler Béguin, although she is well aware of it – remains extremely isolated, which is fortunate as this unacceptable act was strongly condemned by the European Union and by the Presidency.

In terms of the European Pact on Immigration and Asylum, I would like to answer Mrs Flautre – although I have no doubt that Mrs Isler Béguin will let her know what I said – by saying that the difference with this Pact is that there is better coordination; harmonisation, if you will, particularly in terms of asylum applications and in terms of applications made by migrants. The Pact actually clarifies the status of migrants, which represents progress for them. We would actually prefer a more pragmatic vision, a more balanced approach, an approach that can be interpreted in the context of the enlargement of the Schengen Agreement. The demographic crisis, the demographic challenge, is also one of the challenges that we must face under the French Presidency.

Finally – and this point is crucial, because everything boils down to this – these crises are interdependent. These crises are interlinked. The economic and financial crisis is the most visible. However, three months ago, it was the energy crisis. In any case, we still face a food crisis, we still face an external crisis. I will say it again, to respond to these crises, to respond to these challenges, there needs to be more Europe, more coordination, greater capacity for decision-making, more visibility and more responsiveness. The answer to this is more institution, and the way that we will have more institution is through the Treaty of Lisbon. We must ensure that the treaty comes into force soon. We must find a solution with our Irish friends. We will use our best efforts so that, by the end of the year, we have a political solution to this institutional problem, which, when we look at the challenges that we face and that we have debated all afternoon, must be resolved as a matter of urgency.

Joaquín Almunia, Commission. – (ES) Mr President, Minister, ladies and gentlemen, I will start with the end of Mr Jouyet's speech. As President Barroso said in his opening speech, the entry into force of the Lisbon Treaty is essential in order for us to move forward with European integration, especially at a time like this. Some of you have mentioned aspects of external action and the common foreign and security policy: Georgia. The Lisbon Treaty will enable us to increase the effectiveness and the intensity of our action in such important matters for our own security and defending our values outside our borders as in the case of Georgia and other countries.

Some of you have quite rightly mentioned the importance of the debates on energy and climate change that are going to take place in the European Council. The French Presidency supports the Commission's ambitious package of proposals, which we hope will be adopted and implemented. The Lisbon Treaty will give the European institutions – not just the Commission – increased powers to tackle this very important challenge.

Some of you have quite rightly mentioned immigration, the immigration pact, a commendable initiative by the French Presidency, along with some other Member States. The Commission has also made proposals during recent times on immigration, which have been discussed and adopted, or are being discussed and adopted by the Parliament and the Council. Once again, the Lisbon Treaty will enable the European Union to move forward towards a common immigration policy, which is essential.

Finally, the majority of the speeches have focused, naturally enough, on economic and financial matters, which we are particularly concerned about at the moment.

I agree with you, with the Presidency, and, of course, with the President of the Commission in his opening speech, that we need to step up the concerted action of all of us who have responsibilities in Europe. There are responsibilities in the Commission, without any doubt, there are responsibilities in the Council, there are responsibilities in Parliament, there are responsibilities in the Member States, in the supervisory bodies and in the central banks.

We all need to act in a coordinated way, each according to our responsibilities. For a year, since the beginning of the crisis, the Commission has been developing initiatives to tackle the future of our financial system, with a medium-term vision, as discussed and adopted a year ago by the Council and the Commission, in the informal Council meeting in Oporto and the Ecofin meeting in October last year.

However, the Commission is also actively participating in the short-term, urgent, essential measures that are part of the conclusions of the Ecofin Council yesterday, including a commitment to improve deposit guarantee schemes, which are seriously affected, not by the insecurity of deposits in financial institutions, but by some unilateral initiatives with negative impacts for other countries.

The Commission is cooperating and also working to develop and apply the principles established yesterday in the Ecofin conclusions, which are essential in terms of the way in which the difficult situations in each of the financial institutions should be tackled: through recapitalisation and, in some cases, through other instruments.

The Commission is working, as President Barroso has said, to move forward more quickly than we have been up to now in terms of supervision at European level, at cross-border level, which we obviously need. We have all had experience in recent days of the need for these mechanisms.

The Commission, like the Council and Parliament, is satisfied with the speed with which the European Central Bank and other central banks have acted today, with a coordinated reduction in interest rates, which should relieve some of the tension in the market.

I fully agree with Mr Purvis on the need to adopt measures, each within our responsibilities, to facilitate the recovery of the interbank market. This is essential. We cannot contemplate only having the central banks as a source of liquidity in the functioning of the financial system in the future and, of course, the Commission – and I am responding in particular to a speech by Mrs in't Veld – said in front of the Heads of State and Government in Paris on Saturday, and said again yesterday at the Ecofin meeting, that when it comes to regulating State aid, the Treaty has sufficient clauses and provisions to deal flexibly with compliance with competition rules and the rules on State aid in a situation such as we are facing now.

Either today or tomorrow, my colleague, Commissioner Kroes, is going to publish, as she announced yesterday in the Ecofin Council, guidelines on how the Commission considers that the margins for flexibility in the Treaty can be used on this specific point, while avoiding discrimination between different solutions and different types of aid.

She will also refer – and some of you have also mentioned this – to the implementation of the Stability and Growth Pact. We revised it in 2005 and from then onwards, as I believe I also said here the other day in another debate, the consensus on the implementation of the revised Pact has been total, one hundred percent. Yesterday, again, the Ecofin Council, as on Saturday in the meeting in Paris, unanimously agreed to say that the current Pact, as revised in 2005 – and Parliament also took part in that debate and in that consensus – has sufficient room to manoeuvre to deal with the situations that are beginning to occur and are unfortunately going to continue to occur, such as the increase in public deficits. This can be done within the framework of the established rules, not by putting them aside.

This was clear on Saturday in Paris, it was clear yesterday at the Ecofin meeting, and it is clear here, in today's debate, and I assure you that the Commission is going to ensure that it is clear from now on, even though

we are going to experience very difficult circumstances, not only in the financial system but also in the real economy.

Tomorrow we are going to Washington, to the Annual Meetings of the International Monetary Fund. The IMF's forecasts have once again been revised downwards. Our forecasts in a few weeks are going to be revised downwards. This is not just an exercise in economic forecasting, a theoretical exercise; unfortunately, it means less growth, less employment, greater tension in the employment market and, along with the inflationary pressure that we are still suffering from, although it has calmed down in the last two months, it means a loss of purchasing power and difficulties for real citizens.

However, this should not cause us to forget the medium term. It should not cause us to forget the lessons we learned in past crises. I think that, with this spirit, the vast majority of the speeches that I have heard this afternoon reinforce, support and agree with the consensus that we reached yesterday – which I think was a very positive consensus – in the Luxembourg Ecofin meeting.

President. – The debate is closed.

The vote will take place during the next part-session.

Written statements (Rule 142)

Jean-Pierre Audy (PPE-DE), in writing. – (FR) I would first of all like to congratulate the President-in-Office of the Council, Nicolas Sarkozy, for his pragmatic and effective measures, and the excellent work of the French Presidency, represented today by my friend Mr Jouyet. The European Union was formed amid the suffering caused by war.

It seems destined to continue amid suffering and crises. These crises – the Caucasus crisis in Georgia, the financial crisis, the failure of the WTO – show how much we need the new-look institutions that the Lisbon Treaty gives us, and particularly a permanent presidency of the EU.

On the subject of the financial crisis, the ECB has just decided to cut interest rates, and I welcome this decision. It has finally awakened from its indifference; it should learn a lesson from the failure of its monetary policy, since nothing would be worse than increasing rates again once economic growth returns. There is a growing need for the Commission, based on Article 105(6) of the EC Treaty, to refer the matter to the Council so that it can give the ECB a policy mandate for the prudential supervision of credit institutions with a view to establishing a European banking regulator.

Sebastian Valentin Bodu (PPE-DE), in writing. – On 24 September I was asking in a written statement if Europe is prepared to absorb the shock induced by its indissoluble link with the US market and if the EUR 36.3 billion injected into the market by the ECB and Bank of England is enough to make the danger disappear. A few days later Fortis Bank and Dexia Bank were also caught in the stream of the financial crises. Furthermore, Iceland's banking system hit the ground (culminating with acquisition by the government of Glitnir Bank) and the UK Government announced further money infusion (GBP 200 billion) in its economy.

The events that have occurred so far provided an answer to my question that was posted as a rhetorical one. Now, what is going to happen next? We know by now the financial institutions that were hit. The big ones. What we do not know is who else was hit and keeps the thrash hidden. What about the dozens of regional US banks who were involved in lending easy money in the housing sector? What about the European banks who could not stay far from investing in all kind of US exotic financial instruments that invaded the markets this decade?

Ilda Figueiredo (GUE/NGL), in writing. – (PT) Despite the somewhat emotional words on the financial crisis and related crises, basic measures to deal effectively with these crises are still not forthcoming. Even when some ad-hoc measures that were rejected only a few months ago are accepted, such as the nationalisations of banks that have gone bankrupt due to poor management on the part of their administrators and some of their main shareholders, who have pocketed the substantial profits and gains and left the general public to deal with the damage, this is always done in defence of big business, without really taking into account the interests of workers and the least well-off. They do not tackle the root of the issue. They do not abolish tax havens. They do not scrap the false independence of the European Central Bank. They do not do away with the Stability Pact. They do not adopt a Solidarity and Social Progress Pact.

The ECB lowered its own base rate too late, after a short-sightedness that has already cost the more fragile economies and those who are in debt to the banks dearly.

In this way, the issues that are on the table are of prime importance and call into question the neoliberal policies that gave utmost priority to free competition, worsening exploitation of workers and multiplying the problems of micro, small and medium-sized enterprises. There needs to be a clear break with these neoliberal policies at the next Council.

Petru Filip (PPE-DE), in writing. – (RO) Apart from its trans-national character, the current global financial crisis risks creating a state of major panic very rapidly, not only in the financial, banking and economic sectors, but also at the level of the ordinary European citizen. I believe that, even more than the severity of the economic phenomenon which must be kept under control both financially and economically, the danger of having European citizens being stricken by panic is much more difficult to measure and its effects will need a much longer time to heal.

Therefore, I am making a public appeal to you, in your capacity as presidents, and ask that you, whatever steps you take to directly, immediately and efficiently solve the current economic and financial crisis, make sure that such steps are transparent to European public opinion, so that citizens feel protected by the European Union, whose aim was precisely to provide a protective framework in cases of grave emergency.

If we do not manage to strengthen European trust and solidarity now, we face the danger of seeing everything that we have consolidated with difficulty over the past 50 years disappear.

Filip Kaczmarek (PPE-DE), in writing. – (PL) We should not count on a single meeting of the European Council solving the problems of the financial markets. The Council's aim should rather be to look for ways of making European banking systems more secure. There is no doubt that the current involvement of national governments is necessary at this time, but it will surely not replace joint actions at the level of the EU as a whole.

What is of particular importance today is the avoidance of any populist auction of promises and protection of citizens from the extreme cynicism of certain politicians. This cynicism is based on peddling pessimism while calling on other politicians to do something. If the dark prophecies are fulfilled, the cynics will say: did we not tell you so? If the worst-case scenarios do not come to pass, the pseudo-saviours will say: we wanted to be cautious; in situations like this it is better to blow cold.

Now the cynics are rubbing their hands with glee at having come up with a no-lose stratagem. This glee is evidence of extreme irresponsibility and a denial of fundamental values of democratic policy – prudent care for the common good. It may even be that the greatest danger to Europeans' wallets is this very cynicism. It is also interesting that this fake concern for the future of citizens is proclaimed by those who are making efforts to block the new European Treaty and do not like the idea of a common currency. I hope there will be no false prophets at the Council meeting. Thank you very much.

Mairead McGuinness (PPE-DE), in writing. – The global financial crisis will rightly top the agenda of the October Council. The crisis is man made – from the USA to the EU and beyond, the meltdown in the banking and financial sector is as shocking as it is real.

There is a sense of disbelief that the unthinkable – namely the collapse of the banking system – is now upon us. The demise of individual banks and dramatic intervention of governments to shore up the fragile financial sectors has resulted in great public unease about the ability of politicians to protect them against such eventualities.

Banks do not want regulation, and it is now clear that regulation was weak and ineffective in protecting not just the banking customers but the very institutions themselves.

Yet, when times got tough for the banks, they ran to the politicians to rescue them. So it is up to us to seize this moment and place the power back where it should always have resided, and that is in the political system, rather than in the financial markets.

Esko Seppänen (GUE/NGL), in writing. – (FI) The United States of America has gone down with mad money disease. Its symptoms are bank collapses, the socialisation of banks and insurance companies, and a junk bank used for the socialisation of debts and as a landfill site for bank waste. The crisis shows that capital needs the state for purposes other than just going to war in far-off foreign lands: in America's case, Iraq and Afghanistan. The good side to the crisis, caused as it was by cheap 'funny' money, is that the United States cannot now afford new wars.

It looks bad when a superpower is flummoxed because its esteem in the eyes of others slumps. That is how it has gone for the United States: many are of the opinion that, as a superpower, it has suffered the fate of the Soviet Union.

All of America's political and economic resources will be needed to extinguish the fire at the bank that was ignited with cheap money, debt and speculation. This is no longer just a matter of the economy, however: the giant that stood on a pile of securities has seen its authority collapse. Preening America, winner of an ideological struggle, is no longer credible in the victor's role.

Georgios Toussas (GUE/NGL), in writing. – (EL) The statements of the Council and the Commission, and the positions adopted by the political representatives of capital during debates in the run-up to the EU Council summit, signal a stepping-up of the anti-popular policy on management of the capitalist economic crisis. The crisis is spreading inexorably through EU Member States and developed countries generally, laying the EU's reactionary nature even barer.

These statements, the state-monopoly interventions announced by Ecofin and the bourgeois governments of the EU Member States, as well as the bailing out of the debt-ridden banks and other monopoly business groups with public money, are measures to support EU capital in a bid to shore up the monopolies' economic and political dominance. This proves that capitalism has no answers when it comes to the peoples' interests.

Faced with the risk of crisis, the EU and the bourgeois governments of its Member States are intensifying their attack on the working class and the masses.

The peoples of Europe have nothing to expect from the EU summit conference. The only way ahead for the workers is to disobey and break with the anti-popular policy of the EU, and the bourgeois governments of its Member States.

15. Lamfalussy follow up - Future Structure of Supervision (debate)

President. – The next item is the report (A6-0359/2008) by Ieke van den Burg and Daniel Dăianu, on behalf of the Committee on Economic and Monetary Affairs, on Lamfalussy follow-up: future structure of supervision [2008/2148(INI)].

Ieke van den Burg, rapporteur. – Mr President, since 2002 I have been dealing with the issue of stability and supervision on the financial markets. Already at that time, in a report for Parliament on prudential supervision, I pleaded for a strong system of European supervision comparable to the European system of central banks.

Thank God we have the euro and the ECB in these turbulent times, but it is all the more embarrassing that we do not have this strong supervisory architecture. At the time I could not get a majority of Parliament behind a revolutionary reform; everyone was speaking about evolution. Nevertheless, when I have spoken over the years with a number of supervisors and other high-level representatives from the industry and supervision, people told me: 'We cannot say this publicly, but you are right that something more has to happen; a real crisis situation will show that this is not sufficient'.

So we needed a crisis to create the sense of urgency. Needless to say, I would have preferred to avoid such a crisis and I wish that we had been better prepared. But the crisis is there now and the tsunami that Mr McCreevy still did not want to look at some weeks ago, when we dealt with the Rasmussen and Lehne reports, is there and it is unprecedentedly heavy, I would say.

I would now expect this momentum to be there, but I am disappointed and embarrassed that what we are doing in the European Union is too little, too late. The whole world is watching but we are not managing to really get a common approach. Even economists and commentators that were the cheerleaders of this wonderful innovative financial engineering that should not be hindered by regulation are almost unanimous in their disappointment at what Europe's leaders have done so far. I could refer to the editorial in yesterday's *Financial Times* for instance, where they say: 'Thus far, Europe's leaders have displayed a purely declaratory brand of unity, jointly proclaiming that they will each take care of the problems in their own back yards.' So the *Financial Times* also concluded that we need a conductor and not only solo singers.

Tomorrow I think there is an opportunity for Parliament to show that we not only sing our own arias of regret and anger and play the blame game, but we can make a real contribution constructively to establish leadership and pick up on very concrete proposals that the European Commission could immediately initiate.

It may look quite technical for many other Members of Parliament but I can assure you that these have been well thought through and well prepared by us in the Committee on Economic and Monetary Affairs. It only needs leadership and courage from you, Commissioner, to give the green light and to start up the process. You should not listen too much to the City lobbyists keeping you from doing things, and of course you should listen to experts – but the political responsibility is with you to take these initiatives.

Mr Barroso has already mentioned some short-term measures. I am happy with what he said about a wise persons' group but, here again, this was something that we in Parliament proposed two years ago, and we did not get your support for this. In relation to the CRD proposals, the measures for the credit-rating agencies: it is not quite clear to me what measures you are going to present on the recommendation on executive pay. Here, I hope, you are not listening only to the weak proposals of the Ecofin Council but that you are prepared to move a bit further. Finally, on the supervision: it is not only long-term measures for the wise persons' group; we should already start with something now. Concerning my Amendments 5, 6 and 7: I hope there will be support for a proposal which immediately leads to an independent chair and vice-chair for the European supervisory structure.

Daniel Dăianu, *rapporteur*. – Mr President, I am going to use this moment just to say a few words on issues which seem to frame the public debate on regulation and supervision.

Firstly, free markets are not synonymous with no regulations. A lax monetary policy can lead to higher inflation and eventually to recession but cannot by itself cause the meltdown of a financial system. The features of the financial system that have brought the threat of collapse are structural traits of the new financial system.

The root cause of this crisis is an inadequately regulated financial system. Mortgages are not toxic per se; badly constructed securities based on them are toxic. The packaging of financial products can bring a lot of opacity to markets. Compensation schemes that make behaviour irresponsible: that is toxic. Misleading models are toxic; extreme leveraging is bad. Not to address these problems would be terribly wrong.

Not all financial innovation is benign. It is baffling therefore to hear that fresh regulation is bad because it would stifle financial innovation.

Building up proper regulation and supervision is not about bringing in socialism. It is about what kind of market economies we want to live in. That may lead to the recreation of elements of state capitalism, I agree, and that is for discussion.

Relying on industry-led initiatives is quite insufficient, for such initiatives frequently serve vested interests.

Why is it that we fail to learn from previous crises? Clearly, vested interests can have a long arm and try to influence regulations and supervision, including the behaviour of people like us.

Do moral values matter? Yes, I believe they do matter. The mess that we are in today is also because some believed that moral values do not matter in business. Regulators and supervisors should understand that there are systemic risks. They should always be alert to financial stability.

Strains and crises cannot be entirely avoided, but we can limit the damage they cause. We need comprehensive answers to crises and genuine coordination among the EU, US and other major financial centres, particularly during bad times.

Charlie McCreevy, *Member of the Commission*. – Mr President, let me start my remarks with the situation on financial markets. We are in the most serious crisis in living memory. What started as a sub-prime crisis has now moved way beyond this to embrace the whole economy. Fears about the ability to raise financing are creating even greater lack of confidence among all economic actors. Unless there is a rapid unfreezing of lending, we face a continued downward spiral with obvious impact on economic activity. Freeing up lending is the number one priority today. The measures taken by central banks today will be an important contribution to unblocking the flow of lending.

One thing we have seen over the past few weeks is that no economy or financial market is immune from what is taking place.

At ECOFIN yesterday the concern of Finance Ministers was evident. We recognised the need for governments to intervene to shore up the financial markets, whether it be by capital injections, guarantees or other means. There is no silver bullet here. Strong, fast responses are essential.

For its part, the Commission is showing its capacity to respond quickly. I will be bringing to the college next week amendments to the deposit guarantee scheme which will increase the minimum level of protection, as well as requiring Member States to put in place procedures for rapid pay-out.

At Ecofin yesterday it was agreed that Member States would increase the current level to at least EUR 50 000, with many going beyond this to EUR 100 000. This reflects to a degree the differences in average savings in Member States.

In addition, we are urgently putting into place changes to our accounting rules to ensure banks in the EU can avail themselves of the same flexibility that is offered to banks in the United States, namely the option for individual banks, if they wish, to move assets from their trading books to their banking books. This is a comitology measure to which I hope Parliament will be able to give its agreement as a matter of urgency. In the mean time, I would hope that national supervisors would apply these new provisions already so that banks who wish to could avail themselves of this new possibility for their third-quarter results. In addition there is the IASB's acceptance of the US SEC's clarification of the use of fair-value accounting when there is no active market information. This is also highly relevant for banks and should be used for third-quarter reporting.

We are, of course, continuing to work for the rapid implementation of the Ecofin road map to strengthen the European Union's capacity to prevent and manage future financial crises. Overall the implementation of these initiatives is on track.

In times of crisis, politicians need to be seen to do things so as to reassure the public. Things are no different here in Brussels, except that our margin for manoeuvre is more limited. We do not have access to the financial resources that are necessary to combat this crisis. It is central banks and finance ministers who control the purse strings. What we have do is endeavour to maximise a common approach by Member States. There can be no doubt that, by working together, Member States are in a much stronger position to counteract the downward spiral we are currently in. We must continue to assist Member States to work towards common goals and shared approaches. Where we have the tools, we will continue to move forward quickly with any necessary measure.

Turning now to your report on the 'Lamfalussy follow-up and future structure of supervision', I would like to congratulate the Economic and Monetary Affairs Committee – in particular Mrs van den Burg and Mr Dăianu – for their excellent work in producing such a thought-provoking and wide-ranging report. It highlights many of the challenges facing us now in the context of the current financial crisis. Innovative and well-thought-through proposals for regulatory and supervisory reform are crucially needed in the current situation.

You include in your report quite a demanding list of recommendations of where legislative action will be needed. It is heartening to see that so many of the issues you highlight are those that the Commission is also prioritising. In many cases, work is either ongoing or is planned on initiatives corresponding to the recommendations.

Let me mention here some of our most important ongoing initiatives, such as the Solvency II proposal, the proposals for revisions to the Capital Requirements Directive, which was adopted by the college of Commissioners last week, and the legislative proposal on credit-rating agencies, due shortly.

This reflects many of the recommendations put forward in your report.

The proposal for amendments to the Capital Requirements Directive covers critical areas and will fundamentally strengthen the regulatory framework for EU banks and the financial system. I hope you will fully support us on this. Reaching agreement by next April is essential.

Soon we will also go forward with a proposal on credit-rating agencies. The proposal will aim to introduce a legally binding authorisation and robust external oversight regime, whereby European regulators will have to supervise the policies and procedures followed by the credit-rating agencies. The Committee of European Securities Regulators (CESR) will play a strong coordination role.

On the EU supervisory framework, we are working on a revision of the Commission's decisions establishing the three committees of supervisors. By the end of the year, these committees will be assigned specific, practical tasks, such as (i) mediation, (ii) drafting recommendations and guidelines, and (iii) an explicit role to strengthen the analysis and responsiveness to risks to the stability of the EU financial system.

Also, we have now to think about the longer-term vision of European supervision. Current events are showing its limitations today. The European Central Bank's handling of the crisis has been exemplary. We now have to reflect seriously on how our supervisory arrangements for the cross-border financial institutions are constructed. As President Barroso announced earlier, we want to establish a high-level group to work through the various options and make recommendations on how we should proceed.

This takes up the suggestion in your report of a high-level group to tackle European supervisory arrangements.

I have been around here long enough to know that agreement on reforms to supervisory arrangements will not be easy.

But if we do not draw the lessons from the current crisis, then we are doing a great disservice to the European Union. This reflection should not blind us to the necessity to take the pragmatic steps to strengthen supervision that we have put forward in the Solvency II proposal and in the Capital Requirements Directive. Colleges of supervisors are essential.

The time ahead will be fraught. All of us have to take our respective responsibilities. Now is the time for us to show that, by working together, we can confront the challenges. I look forward to the strong support of Parliament in this regard.

Piia-Noora Kauppi, *on behalf of the PPE-DE Group*. – Mr President, I think it was Mrs Tumpel-Gugerell who said in Nice in mid-September that the worst mistake we made was not to include the financial supervisory architecture into the Maastricht Treaty. We should have dealt with this issue already, together with EMU final phase decisions.

I completely agree with this view, and Mrs Tumpel-Gugerell is definitely not the only one who has said this. But whom are we to blame for the lack of progress on supervisory architecture? I do not think it is the Community soldiers we need to blame – and by Community soldiers I mean the European Commission, which has delivered, and also Parliament: as Mrs van den Burg said, we have been dealing with this issue since the beginning of 2000, and we have made several proposals to the Council, but the Council seems totally reluctant to move.

I still wonder how it was possible to have the Lamfalussy regime in place. Maybe it was the deal between the UK and Germany to offer the CESR location to Paris which finally made the difference, but I think that in Council they have been totally unwilling to move forward on this issue. So now it is the right time; maybe it is too limited and too late, but at least something is also now being done in the Council.

Parliament has made several very important proposals. In order of priority, these three are the most important:

First, the mandatory colleges for all cross-border financial institutions, with legally binding rules on how they operate, how they share information and what kind of decision-making procedures they use.

Second, improved legal status for the Level 3 Committees, and more effective working methods for them too. Maybe on this issue, the Commission could give a little bit more room for manoeuvre to Level 3 Committees, so that they would not only be consultative but also decision-making bodies in the future.

And third, strengthening the role of the ECB in financial stability. The ECB should get more information. It should be linked to CESR and CEOPS and they should work more together.

Finally I want to say something about the transatlantic dialogue. Now is not a good time to put the transatlantic financial services on hold. I know this is not the fault of the Commission but it mainly depends now on US actions, but I think the more you can do to keep that discussion going, the better it is. It is very important for the future...

(The President cut off the speaker.)

Antolín Sánchez Presedo, *on behalf of the PSE Group*. – (ES) Mr President, we cannot shut our eyes to this. The current crisis has revealed a lack of supervision and economic governance in the financial markets.

Citizens are very clear that identifying risks and preventing them is much better than correcting them when they have resulted in imbalances and caused damage to the financial markets and to the real economy. The times when a large proportion of these financial markets operated in an opaque, uncontrolled manner, abandoned to the irresponsible games of imprudent or unscrupulous operators need to come to an end.

Free movement of capital, Economic and Monetary Union, the growing complexity in the field of financial services and globalisation demand that we go beyond a national supervisory framework. We need to move towards European supervision. The European Union cannot be absent from and left out of new concepts such as macro supervision, systemic risks, global financial stability, and the need to participate in global economic governance.

We therefore need to move towards European supervision and do so in a decisive way. Not to do so will be a serious strategic error at a time when global power is changing. We will need to overcome inertia in order to break the deadlock on *Solvency II*, and we will therefore have to rectify and accept an integrated European approach.

In order to ensure consistency and fairness in resolving differences between authorities or between the different financial sectors we need to abandon unilateralism and progress towards a genuinely operational European system. The differences between two authorities cannot be solved through a decision made by only one of them; it is not possible to be both judge and interested party at the same time.

I therefore fervently support the van den Burg and Driessen report. I am grateful that my amendments have been taken into consideration and have inspired some of the compromises, and I hope that their most ambitious proposals will triumph. This will be good for our citizens and essential for the financial markets.

Wolf Klinz, *on behalf of the ALDE Group*. – (DE) Mr President, Commissioner, ladies and gentlemen, at the start of this decade, Baron Lamfalussy presented a report in which he suggested ways in which supervisory authorities in Europe could cooperate better and more intensively. At the time, the Council welcomed these suggestions, but did nothing about them. If the financial crisis that we are currently experiencing has a positive side, then perhaps it is that the topic of improving supervision has moved to the top of the agenda.

It is surprising, however, that it takes a report from the Committee on Economic and Monetary Affairs according to Rule 39 for the Commission to start to tackle this topic seriously. What is certain is that we can face the challenges of an integrated and growing financial market successfully only if supervision develops increasing convergence and becomes increasingly integrated. In the meantime, 58 of the 100 financial conglomerates are now active across borders. That statistic alone shows how much has to be done!

The report by the two rapporteurs points in the right direction. Mrs Kauppi alluded to it: the wide-ranging establishment of colleges to supervise cross-border financial conglomerates; the strengthening of the Level 3 committees. That is fine, but it should also be remembered that the small Member States are often represented in these colleges only as a host country supervisor and that it is therefore important to take proper account of their interests.

In the short and medium term there are probably no other ways to improve the situation; in the medium to long term it will not be enough. We must have a system that earns the right to be called a European supervisor, and this system should align itself with that of the European central banks.

IN THE CHAIR: MRS ROTHE

Vice-President

Pierre Jonckheer, *on behalf of the Verts/ALE*. – (FR) Madam President, Commissioner, I said earlier on behalf of my group that we supported the conclusions of the Ecofin Council. I notice that the stock markets have plummeted again today, and that markets across Europe have gone into freefall. These measures are therefore insufficient.

On the question of responsibility, I agree with Mrs Kauppi on the fact that there has effectively been a great deal of resistance in the Council, but it is clear that the Commission – yourself in particular – has never been a fan, to put it mildly, of more regulation at European level. Your entire tenure has been dominated by this idea of industry self-regulation. This is why we are lagging far behind in terms of European legislation on the topics under discussion today.

In terms of the report that will be put to the vote tomorrow, my group will support all of the amendments tabled, particularly by the rapporteur Mrs van den Burg. From our point of view, these also try to ensure that there will be more binding provisions on securitisation and the mechanisms that hinder speculation. They mean that the Lamfalussy Level 3 Committees are almost a forerunner of this European supervision, of the European supervisor that we want.

This is the direction that we would like to move in, and I believe that the Commission, which has a monopoly on legislative initiative, has failed in its duty during this legislature. From this point of view, grandstanding is all very well, but you have very little time in which to get up to speed.

John Purvis (PPE-DE). - Madam President, I appreciate the co-rapporteurs' willingness to work towards a consensus on this report. It is still not perfect as far as I am concerned – they will probably be pleased to hear that! – but it is much more appropriate than it was, and I feel we can be justified in supporting it.

I raise two particular points. Securitisation is seen as one of the demons of the current financial crisis, and now it seems to be seen as a necessary solution that we require originators to retain a percentage of their products. The Commission is proposing 5% in its capital adequacy review. We must at the very least have an impact assessment of this idea. I hazard to suggest that the only result will be to clog up the financial markets, and investors may even be tempted to omit full due diligence because of it. What really matters is being able to trace back originators through intermediate repackages and hold them to account for any misrepresentation, negligence or incompetence.

And the second matter is the way of settling disputes or disagreements in the colleges of supervisors. The rapporteurs have suggested a rather complex and formal appeal process with chairmen and vice-chairmen and a new bureaucracy. Surely such situations must be resolved quickly, and we have proposed therefore that the parties to any disagreement which cannot be resolved amicably should agree mutually on a mediator whose decision, at least in our view, should be final.

Lastly, Commissioner, I appreciate the introduction that you gave to your speech on the present crisis and am sorry you were not present during the previous debate with Mr Almunia and Mr Jouyet, when all these matters were represented by the Members of this Parliament, including myself. Maybe you can read through those speeches at great length and give us a response to our points of view.

Sharon Bowles (ALDE). - Madam President, this report is ambitious but also realistic. It analyses the causes of the financial turmoil and proposes future changes. Many of these changes, as others have said, would have been suggested without the present situation, because there was already a view that the Lamfalussy process had not progressed as far as it could or should have done.

So this is about the next generation of supervision, rather than a fix for the current crisis – though we think it will help prevent any similar occurrence, and now there should be more willingness at Member State level to have formal integrated decision-making structures.

But I reiterate that it is important for regulation to be smart. The solution to our current problems, and the calmer future when it arrives, will not take the form of regulatory spam with thousands of compliance tick boxes, which, as we now know, causes it to be pushed off to specialist departments to do the ticking, without proper 'hands-on' at board level.

We should have clear, simple rules. Some, yes, fuller in scope, but rules that do not swamp the big picture, so that those at the top are properly accountable and know what is going on.

Finally, as part of crisis resolution, we need improvements on winding up, but that is not just in crisis situations: we also need to look at cross-border winding up in normal times. Here again we may need to tread on territory that makes Member States uncomfortable, but it has to be faced.

Margarita Starkevičiūtė (ALDE). - Madame la Présidente, first of all allow me to disagree with those saying that we are not able to deliver an EU-wide response to the financial crisis. We responded by bold actions at national level where they were needed. Because our national financial markets differ, we have room for manoeuvre in stressful times, taking into account the different level and scope of our financial markets in Member States. In Vilnius we do not have a City, so our actions are different.

Somehow I am not surprised that the Commission proposals are based on the needs of cross-border financial groups; I have been a Member of the European Parliament for five years. What does surprise me is that the Commission cannot figure out that the cross-border group model cannot survive during downturns in the economy. We are witnessing this now. Business leaders have to come up with plans to modernise their model by adding flexibility at subsidiary levels, to reflect the diversity of needs of the real EU economy. The EU supervision and regulation system has to ensure the smooth restructuring of the financial industry. The starting point for reform has to be an answer to the question: 'Which treasury will pay for the bail-out bill in the end?' This is in the interest of the stability of the whole European Union.

However, I would like to ask my colleagues not to forget one small neighbour of the European Union which is closely related to us – Iceland. We have left them on their own.

Olle Schmidt (ALDE). – (SV) Madam President, Europe is now feeling the full brunt of the financial crisis. The decision taken yesterday by Europe's Finance Ministers on a common minimum level for deposit guarantees is an important step, as are the rescue operations being undertaken by individual banks. Today's coordinated interest rate cuts by several central banks are necessary to restore confidence in the financial markets. These measures are targeted and must resolve a crisis here and now.

We decision-makers also need to take responsibility for ensuring that the market functions in the long term. This means that we must adopt a methodical and clear approach when we introduce new legislation so that it also creates good prospects for growth. The importance of impact analyses is no less as a result of the financial crisis; on the contrary they are even more vital now.

The proposals which have been presented here in the Lamfalussy process mean better coordination of European supervision and are an important step towards a better European market. I would like to thank both colleagues, in particular Ieke van den Burg, who has done a magnificent job for many years and has been extremely persistent. That is a good thing in politicians!

The proposals build on already existing systems which must also be improved and made more effective without checking the economy. We must not confuse our responsibility for reacting quickly and managing the crisis with an even greater responsibility – that our rules must work, not only in this crisis period but also for the benefit of Europe's future growth.

Protectionism is never the answer and this is not the end of the global economy.

Avril Doyle (PPE-DE). – Madam President, I should like to welcome Commissioner McCreevy. I have listened to many colleagues' reaction to the Irish response to our banking confidence crisis and liquidity problems and the follow-through from other countries in the days since, because, having criticised the Irish, they then had to follow on. It is more than ironic that we now debate today the supervisory architecture for financial services in Europe. I do not know if you could call it a happy coincidence or too little, too late.

Would things have been so much different if we had had some sort of supervisory architecture in place, particularly in terms of the rating agencies? It seems to me, when you go back to the first base, that they are really the cause of many of the problems. They allowed the sub-prime crisis to get out of control by continuing to give strong ratings to institutions that had packaged these devious products and sold them on. Hence the problem we have with us today.

Let us be sure that our response reflects cool heads and proper thinking, given the crisis within which we are talking.

Harald Ettl (PSE). – (DE) Madam President, Commissioner, when, if not now, will it be necessary to improve European supervision? All the omens are clear: there is a need for action and we have something to do here. The provisions for monitoring the stability of the financial markets are critical. We need stricter monitoring regulations for macroeconomic policy and financial market supervision, particularly by the European Central Bank.

Key parameters for making decisions via qualified majority voting in the colleges of supervisors dealing with a cross-border institution in the European authorities are critical. Naturally, we must work on a case-by-case basis when it comes to dealing with and assessing the size of the Member States. A smaller country must not be swamped by a larger country. There needs to be a structure at EU level, backed up by legislation, to run the blockades and resolve conflicts between national and sectoral supervisors. We must make use of all the management options at Level 3 in order to create a better architecture.

Czesław Adam Siekierski (PPE-DE). – (PL) Madam President, the main reason for the current collapse in the financial sector is the irresponsibility of financial institutions, unsuitable risk management, bad loans and allowing excessive debts to arise without proper guarantees, which has ultimately led to a loss of liquidity. The entire supervision system was also ineffective. It seems that the current solutions are failing to keep pace with the rate of change in global finance. We therefore need to bring them up to date, to soften the potential consequences of further crises in the future. Bearing in mind the current difficult situation in the financial markets, we should give absolute priority to legislative work to establish cohesive and effective means of supervision. At the same time, in recognising the fact of increasing integration and growing dependences

between individual financial markets, we need to ensure maximum compatibility between the new European system and the American, Japanese and Chinese systems.

Charlie McCreevy, *Member of the Commission*. – Madam President, can I briefly respond to a few points made. One relates to the previous debate, referred to by Mr Purvis. I was not invited to the previous debate. I would seldom pass up an opportunity of coming to the European Parliament to hear regular fans of mine on the Left praise my contribution to all things European. I could never miss an opportunity to hear people as eminent as Mr Schulz and Mrs Berès and many others speak about me in such glowing terms, so if I had been invited I would have gladly been here.

Regarding European solutions, I should like to give two examples.

My predecessor initiated an item regarding pay; this was issued in the form of a recommendation, which is possibly the one of the softest instruments that the EU has at its disposal. That was the only chance it had of having anything accepted, because the competence in this regard lies with Member States. We produced a report about a year and a half ago, but only one Member State has implemented most of the recommendations. The others have, by and large, ignored it. The Member State that implemented it – to give credit where credit is due – was Holland. I am not saying it has implemented every exact letter of it, but it is the only Member State that has gone down that particular road.

So a European solution was there. A lot of comment is being made at the present time about the bonus culture and executive remuneration. We tried to come forward with a type of European solution, which was put forward by Mr Bolkestein – I think it was technically me who put it into effect but I give credit to Mr Bolkestein for initiating it. That is what we did, and that is what our report shows.

Secondly, regarding supervision – the main subject of this report – I have spoken on many occasions in the Parliament and elsewhere about the issue of the cross-border supervision of financial institutions. I have spoken at Ecofin and at press conferences. It is practically impossible to move forward on this particular issue because Member States do not want us to have a European solution to this.

However, I should like to point something out to Members of the European Parliament.

Last year I initiated the Solvency II proposal regarding insurance, and advanced the idea of colleges of supervisors, group supervision and group support. Both in the Council of Ministers and in the negotiations with the European Parliament, it has been watered down considerably. If we are to get this directive through in the lifetime of this particular legislature, a lot of heavy lifting will have to be done with the Council of Ministers because there are large divergences, not only on those particular items but on other items as well.

Although I have been in politics for all of my adult life, and have ceased to be amazed at contradictory positions that politicians may adopt – and no doubt, if you look over my long political career, you might find some of them as well – I still find it totally ironic and amazing that, when we advocate a European solution, for example regarding supervision to do with Solvency II, the people who advocate European responses – both Ministers and Members of the European Parliament – are often the same people who come back and lobby for their own national state positions when a particular piece of legislation comes before them.

Those of us who were brought up in the Catholic religion know the prayer of Saint Augustine which says more or less, 'Make me pure, but not just yet'. It is a bit similar here. This does not surprise me because I have been a politician for all of my adult life so I am used to that type of irony, to put it in its politest terms.

Be that as it may, there are only 44 or 45 cross-border financial institutions and we have a supervisory system which is way out of date for such operations.

Finally, may I make this point regarding the current crisis, which I have spoken about here and in other forums including press conferences. There is not one single magic bullet solution to all of this. If there had been, it would have been found long ago. These are unprecedented times and unprecedented responses have been given, both on this side of the Atlantic and in the United States.

Can I just remind Members here – and I am sure President Barroso did so as well in his contribution – that we in the European Commission do our best to coordinate and encourage Member States to give a total response. But, as I said in my opening remarks, these responsibilities lie with Member States, with Member States' central bankers and with Member States' ministries, because they are the elected people. They are the people who are in control of taxpayers' monies and they are the people who must give the responses.

We have attempted – and we have succeeded somewhat – to get a European response in some of these particular areas. May I finally make the point that we must remember the structure of Europe. We are not a federation like the United States. We are not a central government, as found in the 27 Member States, and therefore we can only act to the limit of the powers that are given to us.

Ieke van den Burg, *rapporteur*. – Madam President, there is a lot of material for debate.

If I may quote the Commissioner on some of the things that he said, I should like to start with his statement that, in times of crisis, politicians should do something.

I think they should do it much earlier. Before a tsunami comes over us, we should take the measures and be proactive and prevent this type of thing from happening. So I agree with what others have said: if we are starting to act now, it is too little, too late.

My second point is this issue of the supervisory steps to be taken. You mentioned the Solvency II example where you also accuse us, Parliament, of weakening these proposals on group supervision. I do not think it is a weakening of the structure that has been proposed, as I think my colleague Mr Sánchez Presedo has mentioned already. What is proposed in fact by the Commission is a system of group supervision where lead supervisors, which often are the big Member States, take the lead in the process of a college.

I support the idea is that we should create colleges and that we should take some of these supervisory issues at a common, joint, level, because these cross-border groups act at the joint level. But the point is that there may be conflict between the interests of these lead supervisors of one national Member State and the supervisors of a host Member State, a big part of whose markets may be dominated by this other group.

So in these cases of conflict, it is not fair to just say that you can have a sort of voluntary mediation by the Level 3 Committees followed simply by advice to the lead supervisor, and then in the end the lead supervisor can either comply or explain that he is deviating from this advice.

This is what is worrying the host Member States, and that is why you cannot stick solely to national supervisors dealing with this. There you need a neutral, impartial, independent arbiter at European level, and this is what I have already proposed in this report: not a bureaucratic supervision structure, just something to build on the present structure simply by adding to the other chairs of these three Level 3 Committees an independent chair and an independent vice-chair to act together with these Level 3 Committees and to deal in a binding way with the resolution of conflicts that may remain between supervisors.

This is what I think should be the guarantee to enable host Member States, smaller Member States in particular, to give their assent to this type of group supervision and these mandates to lead supervisors.

So this extra level, the extra add-on that we need to solve this problem, as well as for the short term, is in Amendment 7 that I have tabled for the vote tomorrow.

Another issue is the role of these supervisory committees as compared to the Commission. I also have the impression, like Mrs Kauppi, that in the Commission you would only prefer to have these supervisors as advisors and not really have an independent role for them to play, for instance in the international connection, in connection with the IASB standard-setting board or the FSF.

A direct question to you. We have been told that Mr Barroso was very proud that now the Commission is invited to this financial stability forum, but that although you were invited last week you did not go to that meeting. Maybe you can directly respond to say whether this is true or not?

A final thing, on the executive pay recommendation, the only thing you have mentioned is that this is soft law and one Member State is following up on this. There is room to come up with stronger proposals, so please come up with your proposals.

Daniel Dăianu, *rapporteur*. – Madam President, let me say something which, in my view, has not been properly outlined. Regulation and supervision is not only about the building; it is about the object: what we regulate and supervise – and that is the crux of the matter.

We could have had an independent, EU-wide oversight body regulating in Europe and we would still have experienced the eruption of the crisis, because the problem is that the flaw lies in the financial system, not necessarily in the non-existence of a unique body of oversight and supervision.

Secondly, we are going to experience a very severe recession. We have to recapitalise the banks, and this will cost a huge amount of money. It is going to put tremendous pressure on public budgets, and I am asking myself – because we have to look at the broad picture – what is going to happen. I think that the current crisis shows that the size of the EU budget is nothing when the time comes to intervene and do something, so we have to rethink the EU budget.

(The President cut off the speaker.)

President. – The debate is closed.

The vote will take place tomorrow.

Written Statements (Rule 142)

Elisa Ferreira (PSE), in writing. – (PT) In the absence of effective mechanisms at European level, we are witnessing a cascade of often disjointed and even competing emergency financial interventions by various countries.

Action at European level has been reactive, ‘a posteriori’, seeking to forestall even greater damage. The net result is that the confidence of EU citizens has been dented.

Regulation needs to be thought through in calmer times. Neither citizens, nor we, their elected representatives, can understand the apathy that has greeted Parliament’s many specific initiatives.

Now, in the midst of the turbulence, is not the right time to discuss where the responsibility lies.

One thing is certain, however: the rules of the system have to change.

The text that we shall vote on tomorrow is central to better regulation and supervision of the EU’s financial markets. It is a proactive response by Parliament and not a reaction to recent events – which unfortunately have just served to confirm its relevance.

Many of those who were politically opposed to a minimum degree of transparency, regulation and supervision of the new financial instruments are now holding their tongues or changing their tune.

We hope the Commission will finally shoulder its responsibilities for initiative, strengthening the soundness of European financial institutions and helping to restore some confidence to citizens.

Cătălin-Ioan Nechifor (PSE), in writing. – (RO) The financial crisis that has extended to almost the entire planet should be analysed at the level of the European Union’s institutions. It is inadmissible that the youngest territorial organisation in the world, the European Union, cannot intervene in identifying a solution acceptable to all parties and I insist on creating fast action instruments, as the EC high-level task force is also defined. We presently live in historical, unprecedented times.

We are on the edge of a financial collapse endangering the achievement of the goals undertaken by the EU, both for the 27 Member States and for the other countries on our planet. Any second lost in administrative and bureaucratic proceedings means huge losses for the international banking system and the financial stock exchanges on all continents, as well as the deterioration of the standard of living for all inhabitants. Europe is forced to make a stand and become a standard bearer in the fight for stopping the current financial crisis.

At this moment, we need to prove the functionality of the European system and institutions; we need coordination and cooperation between the Member State governments, the European Commission and the European Parliament. We have the necessary maturity and expertise to intervene in solving a dangerous situation for the future of the European Union, as well as of humankind.

16. Welcome

President. – I am delighted to welcome Alexander Milinkevich and Alexander Kozulin to the distinguished visitors’ gallery today. Our two visitors are prominent leaders in the democratic opposition movement in Belarus. During the presidential elections in 2006 they bravely challenged the undemocratic government of the time, repeatedly showing great courage, and were greatly hindered in their untiring efforts to bring freedom and democracy. It is a great honour for us that Mr Milinkevich, the leader of the freedom movement and winner of the Sakharov Prize for Freedom of Thought in 2006, and Mr Kozulin, a former political

prisoner and the honorary chairman of Hramada, the Belarusian Social Democratic Party, are present for today's debate here in Parliament on the situation in Belarus.

(Applause)

17. Situation in Belarus (debate)

President. – The next item is the statements by the Council and the Commission on the situation in Belarus.

Jean-Pierre Jouyet, *President-in-Office of the Council.* – (FR) Madam President, Commissioner, ladies and gentlemen, I would also like to congratulate my friends here in the House, and whom I have met with. I know that you are all extremely concerned about the situation in Belarus, as indicated by the resolution that you adopted in May and our recent exchange of views on 16 September within the Committee on Foreign Affairs, following the General Affairs and External Relations Council.

We explained then that the Council would be closely monitoring the legislative elections in Belarus, which took place on 28 September. The results are not encouraging. The Office for Democratic Institutions and Human Rights has of course identified a few positive developments, but the election process did not satisfy OSCE requirements for democratic elections. We note that no member of the opposition will have a parliamentary seat.

In the Presidency's declaration, published on 30 September, we spoke of our concerns on the subject of democracy and human rights. We continue to call on the Belarus authorities to cooperate fully with the Office for Democratic Institutions and Human Rights in order to comply with international democratic standards.

The Council will continue to work on a strategy for Belarus. There is wide consensus among Member States that the measures taken must reflect the actions of the administration over the summer, and particularly the release of the last remaining political prisoners. We must also take into account the geopolitical situation created by the Georgia conflict. We must ensure that the positive signals observed recently continue, such as the peaceful opposition demonstration following the election results, which took place without intervention from the security forces. We must also guarantee the safety and freedom of movement of political dissidents.

The Council is currently discussing a possible resumption of political contact and a possible suspension of visa sanctions. It is of course selective, and these discussions are ongoing. The Belarus foreign minister, Mr Martynov, was invited to a troika during the Council meeting due to take place in Luxembourg on 13 October. We will review the situation with him. It will give us a chance to renew our commitment to progress in terms of democracy and human rights.

Before I conclude, ladies and gentlemen, I would like to once more congratulate Mr Protasiewicz, and Mr Milinkevich and Mr Kozulin, who are here in the gallery, and to reassure them that the European Union remains open to a progressive re-engagement with Belarus, to strengthening ties with the administration and the Belarus people, and committed to continuing to help Belarus civil society.

Charlie McCreevy, *Member of the Commission.* – Madam President, I am speaking in this debate on behalf of my colleague Benita Ferrero-Waldner.

The situation in Belarus is in a state of flux and calls for a measured and strategic response from the European Union. At the present time we are faced with a complex reality.

To begin with, it is very clear that we were disappointed with the parliamentary election on 28 September and the way it was conducted. The election did not match up to international standards or to our expectations. We are all agreed on this and I will not dwell on the subject.

On the other hand, some progress was made before the election with the freeing of political prisoners and also in connection with the election, where Belarus cooperated with the OSCE/ODIHR and its observers ahead of the elections. The freeing of the remaining political prisoners was regarded as an essential step not only by ourselves, but also by the opposition: this move reduced and eased the level of fear in civil society, where imprisonment on political grounds is no longer seen as a fact of life, even though the threat still exists.

And yet, while at the time we welcomed the freeing of the political prisoners, we did not respond tangibly with positive measures, with the election just around the corner. But now we should not delay our response any longer. Similarly, just as the freeing of the political prisoners was a decisive gesture, the cooperation of

the Belarusian authorities with the OSCE observers cannot be ignored, nor can the – albeit limited – access to the media for all the candidates be overlooked. These are major steps forward compared with the previous, presidential, elections in 2006.

How do we now make sure that these steps forward are maintained and consolidated? How do we make sure that also in the future there are no political prisoners in Belarus? How do we make sure that the OSCE/ODIHR can continue its cooperation with the Belarusian authorities until the publication of its final report on the election in two months and, beyond this, follow up the report? What can be done to prevent any toughening of the rules applying to the media and to provide greater legal certainty for NGOs to work in?

I am here to listen to the Parliament's views.

It is our belief that resuming the dialogue at political level with the authorities, without ceremony but with realism, is the response we must give Belarus today. It is important that we can have contacts at the appropriate level, in order to make sure that our message gets across.

I would add that generally speaking, whatever the exact details of our response, our line must be 'gradual and proportional'. These two principles will guide the delivery of our response to Belarus and will enable us to encourage the democratic development we all hope for.

In the meantime, the Commission will make available all its expertise in order to strengthen contacts with the Belarusian administration in sectors of shared interest such as energy, environment, customs and transport. These contacts have demonstrated their worth by promoting the development of networks between persons and between administrations.

In parallel we will stick doggedly to our support to civil society, helping Belarusian NGOs, promoting development of an independent press and the European Humanities University in exile in Vilnius. I promise to keep up our effort and to strengthen our links with civil society.

In conclusion, Belarus, a country at the heart of Europe and a neighbour of three of our Member States, is faced with a historic choice: either it takes the necessary steps towards democracy and real independence, or it resigns itself to stagnation and growing dependence on one country.

It remains our wish to welcome Belarus as a full partner in our European Neighbourhood Policy and the future Eastern Europe Partnership. I therefore call for your support so that we can determine the right approach that will, at this crucial time for the stability of our continent, encourage Belarus to make real progress towards democracy and respect for human rights.

Charles Tannock, *on behalf of the PPE-DE Group*. – Madam President, when a sitting president wins all the seats in his Parliament, we can probably assume that something is amiss. Not even Robert Mugabe in Zimbabwe has managed a clean sweep as President Alexander Lukashenko did last month in Belarus.

I do not dispute that Lukashenko enjoys widespread popularity in a country largely insulated from post-Soviet reality. But his iron grip on power has turned his country into an international pariah.

For the European Union it does not make sense to welcome the presence of the last European dictator on our own doorstep. Nevertheless, we should always seek to challenge and also at the same time to engage with Belarus. The recent release of political prisoners therefore presents us with an opportunity. Whether Lukashenko's move constitutes an overture to the West remains to be seen, but we should be ready to respond with our own incentives to recognise and reward Belarus as appropriate.

We should not discount the possibility that Lukashenko is blackmailing the Kremlin, which has hitherto been vital to his stranglehold on political power. If this is indeed the case the EU should not be afraid to wield the carrot as well as the stick and therefore I welcome Foreign Minister Martinov's imminent visit.

Belarus has much to gain from closer ties to the European Union, not least the partial alleviation of widespread poverty caused by a stagnating economy. Nevertheless the fact remains that Belarus is still not a member of the Council of Europe. Ratification of its Partnership and Cooperation Agreement with the EU remains frozen. Belarus remains a country where human rights are routinely disregarded, political dissent is not tolerated and a free press is a distant pipe dream.

Once we have started dangling the carrot, we should also make sure we still have the stick in the other hand. I personally hope nevertheless that Belarus, if it does not reunite with Russia as some within the Kremlin would like, will one day enter its rightful place amongst the European family of free nations.

Jan Marinus Wiersma, *on behalf of the PSE Group*. – (NL) Madam President, firstly, we too are dissatisfied with the outcome of the elections in Belarus, and we agree with the conclusion of the OSCE/ODIHR that the elections fell short of our European standards. Therefore, there is absolutely no reason to change EU policy towards Belarus now.

We do agree that it is good to look at whether we can initiate dialogue with the Belarusian authorities on an informal basis, as has also been proposed by the French Presidency, on a possible follow-up. Follow-up measures must chiefly originate on their side. If Belarus is prepared to develop a dialogue with the European Union on the possibility of increasing freedom in its society, and to create elbow room, including for the opposition, the European Union will be able to respond. Until then, I do not support lifting the existing sanctions against a number of leading figures in the country who are not permitted to enter the EU. There have been a number of encouraging signs over recent months – these have already been mentioned by my fellow Members in this House – which indeed give cause to look at whether progress can be made by means of dialogue with the country.

Secondly, if the Foreign Minister, Sergei Martynov, is invited to talks in Luxembourg, I propose that the Council also contact the opposition. There are two prominent representatives of the opposition here – Mr Kazulin and Mr Milinkevich. Why has the Council not invited them, too, to talks?

On a final note, if dialogue is established with Belarus on possible reforms, we think it important that the opposition be involved. There is a precedent: some seven years ago a kind of informal dialogue was held in Belarus itself, partly under the auspices of the European Parliament, which was called the Parliamentary Troika on Belarus. It would be possible, if the Belarusian authorities were prepared to do so, to restart that dialogue via a kind of troika of the European Parliament, the OSCE and the Council of Europe. After all, whatever we do in Europe, whatever discussions we hold, the opposition must be involved.

Janusz Onyszkiewicz, *on behalf of the ALDE Group*. – (PL) Madam President, the course, and also the outcome, of the elections in Belarus clearly demonstrate that although Alexander Lukashenko is signalling a desire to develop relations with the European Union, he imagines that the dialogue may be initiated and conducted on his terms and without any concessions on his part. We must, however, be aware that an improvement in relations with the European Union is not only in the objective interests of Belarus, but also in the interests of Lukashenko himself. Constant pressure from Russia to take over control of key sectors of the Belarusian economy may lead to such dependence on Russia that Lukashenko's hold over the country will be seriously weakened. One possible way out, then, is to involve Western companies in a privatisation programme that has become necessary because of the condition of the Belarusian economy. This is the only way in which Belarus will escape being bought out by politically controlled Russian capital.

Dialogue must therefore be commenced, if only to bring about legal and political conditions in Belarus that will encourage the investment of EU capital in the country. This dialogue must not, however, provide an opportunity for the regime to acquire credibility or be legitimised. It must therefore be accompanied by actions on the part of Belarus that, albeit not greatly but at least visibly, will clearly indicate the direction of changes to the political system. Meanwhile, each conversation with representatives of the Belarusian authorities, wherever it might be held, should be balanced with meetings at the same level between EU politicians and the most important representatives of the opposition.

Elisabeth Schroedter, *on behalf of the Verts/ALE Group*. – (DE) Madam President, Commissioner, President-in-Office of the Council, ladies and gentlemen, on behalf of the Group of the Greens/European Free Alliance, I welcome the delegation of the well-known politicians Alexander Milinkevich and Alexander Kozulin, who are following our debate here in the European Parliament today and will then be able to report back to their own country on it.

It is still a problem that information on our work here for the country of Belarus has to take this route because there are no other options. This is a sign that the basic preconditions for democratic development in Belarus have still not been established. Freedom of opinion and freedom of information are essential for democracy.

This summer, President Yushchenko made a public promise to conduct the elections in his country openly, democratically and fairly, and he broke that promise. An election campaign that denies the opposition any possibility of presenting its candidates throughout the country and changes the conditions so fundamentally

that even a well-organised opposition is not able to get even one candidate elected is not a fair, democratic election. Therefore, our resolution is clear on this point.

We need to include the prerequisite of having the visa ban lifted and at this point, the prerequisite of a new financial instrument to be equipped with funds to support the opposition and the people in their efforts to establish democracy.

Konrad Szymański, *on behalf of the UEN Group*. – (PL) Madam President, the policy of fast-track door-opening to Belarus has been poorly drafted and conducted in an amateurish manner. Declarations of a warming of relations have begun to emanate from the European Union and some Member States before the Lukashenko regime has taken any lasting step towards freedom. We have done this on trust. This lesson should teach us to be more precise in future.

Of course we can open up to Belarus, but only when the government in Minsk takes concrete steps in favour of freedom: initiating political dialogue through a television channel or newspaper for the opposition; EU aid for at least a partially free parliament that includes opposition figures put forward by the people, not by Lukashenko. This is the only tactic – something for something – that will maintain our credibility and bring about an opportunity for the democratisation of Belarus.

Erik Meijer, *on behalf of the GUE/NGL Group*. – (NL) Madam President, if all parties have an equal chance of winning seats in elections in Belarus, there is every chance that the party of the incumbent President, Alexander Lukashenko, will win the most. He is held in high regard by those who set more store by social security than by individual liberties. They appreciate the much lower level of upheaval in Belarus compared to a number of other former Soviet republics. On the other hand, he inspires loathing among people who reject his pursuit of unification with Russia. They are attached to the separate Belarusian language, which was the reason for the establishment of the country almost 90 years ago. Many intellectuals who look more to Poland, Lithuania and the European Union have left the country.

There must be an end to the beating of demonstrators, the imprisonment of opponents and all other attempts to make it impossible for opposition parties to survive. Electoral law that makes it easy to exclude the entire opposition from parliament is bad electoral law. We must not seek confrontation with the country but rather do everything possible to support its democratisation.

Recently, there has been some improvement in the situation in Belarus compared to previous years. Political prisoners have been released and the government is seeking to engage with the European Union. The government had also announced that the parliamentary elections would be fair this time – but what happened next far from bore that out. Belarus still employs capital punishment and, in derogation from the law, the media are not independent. In the coming period, freedom of movement between the EU and Belarus must be promoted, and dialogue must be held with both the government and the organisations not under government control.

Bastiaan Belder, *on behalf of the IND/DEM Group*. – (NL) Madam President, many Belarusian citizens hope for an improvement in relations with the European Union, resulting in a positive dynamic of reform in their own country. I support this desire wholeheartedly. This is also why all the European institutions, without affecting their own political credibility and subject to strict conditions (see paragraph 10 of the resolution), should seek gradual engagement with Minsk.

I consider it an important tangible step in this direction that we adjust – that is, lower (see paragraph 13 of our resolution) – the cost of the EU visa for Belarusians: currently EUR 60 for Ukrainians as against EUR 35 for Russians. I should like to hear what the Council and the Commission think of this proposal.

One thing that I found strange in the resolution – which I otherwise intend to support – was paragraphs 7 and 8. In these paragraphs we call for truly democratic elections and also respect for human rights, but we only address the Belarusian Government. We should also be addressing the parliament, as that is our natural discussion partner.

Jacek Protasiewicz (PPE-DE). – (PL) Madam President, the elections that have taken place in Belarus have already been reported on by the OSCE mission. They were neither transparent nor honest nor democratic. It is, however, a fact that political prisoners, at least the main ones, were released. Nevertheless, the reasons for which they were imprisoned have not been eliminated. We do not have complete certainty that in the near future either they (those temporarily released) or new prisoners will not be arrested in Belarus. We have to ensure that the causes are eliminated and not just the effects. It is also worth recalling, given the opportunity

presented by this debate, that there are 14 other people in Belarus whose freedom is restricted by being condemned either to house arrest or to enforced labour for activities supporting human rights and freedom.

Our declaration is a very balanced one. On the one hand it expresses satisfaction at the release of the prisoners, while on the other it views the course and outcome of the elections with dissatisfaction. Meanwhile, in paragraph 12 Parliament agrees with the 'step-by-step' policy in future negotiations with Belarus and says that we may agree to a partial suspension of sanctions for a maximum of six months on condition that there are some very substantial changes, which would improve the situation above all for media freedom in Belarus. This is a good move, and I am a keen advocate of it, while at the same time I would like to appeal to both the French Presidency and the Czech Presidency, which will take over for the first half of next year, to ensure that whenever there are official meetings with representatives of the Belarusian authorities, time must also be found for meetings with representatives of the opposition. The will must also be found to reduce the cost of visas for Belarusians, because otherwise we shall not bring this nation closer to Europe.

As a Pole I would like to express my appreciation of the fact that Parliament decided to take note that the activities of the Polish minority in Belarus are restricted by the Belarusian authorities, and that there is a legally elected authority representing Poles, headed by Angelika Borys.

Justas Vincas Paleckis (PSE). - Madam President, the resolution on the situation in Belarus reveals what Brussels and Minsk could do in order not to lose the momentum for improving their relations.

I support the approach taken by Jan Marinus Wiersma, which also mirrors the stance taken by the Belarusian opposition of Alexander V. Kazulin and Alexander Milinkevich. The policy of the EU, to punish Belarus and the Belarusians for the actions of their regime, did not achieve the envisaged results. It is necessary to open all gates for people-to-people contacts, and bring down visa barriers which are contradictory to common sense.

Providing Minsk is really willing to improve cooperation with the EU, this should create more favourable conditions for the kick-off of mutual discussions, not only externally but also domestically. It can be done by starting talks on the political, economic, social and human rights issues involving all political parties, opposition forces, NGOs and trade unions.

Jeanine Hennis-Plasschaert (ALDE). - (NL) Madam President, President-in-Office of the Council, just a few weeks ago you thought it premature to invite the Belarusian Foreign Minister, Sergei Martynov, to Paris. Now you obviously believe that the time is right. To be frank, even after your statement, I am still at a loss to understand the precise reasoning behind this change in direction. After all, as everyone here has already noted, the elections of 28 September by no means met the standards that are familiar to us all and by which you, too, set so much store. A meeting at this level and in this setting – informal or otherwise – appears to be the regime's reward. A reward for what, however?

This morning I, too, had the pleasure of exchanging views once more with Mr Milinkevich and Mr Kazulin. The Belarusian opposition is united and possibly stronger than ever. The same opposition must then be given the opportunity to reach out to the Belarusian people, and the Belarusian people must be given the opportunity to experience European liberties directly. It is unacceptable that an EU visa should still cost EUR 60 when the average monthly salary in Belarus is a paltry EUR 250. How many more times must we ask for this?

I do not dispute the usefulness and necessity of some level of dialogue. It is clear, however, that Mr Lukashenko's fine words are often empty words, and so the dialogue envisaged must be justified, and also very targeted. My question here is as follows: what exactly is the Council's specific road map? I should very much like more information on this.

I wish to conclude with a question that Mr Wiersma also raised. Is the President-in-Office prepared to receive Mr Milinkevich and Mr Kazulin, too, next Monday – either before, during or after the conversation with Mr Martynov? That is for you to decide, but let it be clear that this would be the only appropriate signal to send out in the present circumstances.

Unfortunately I will have to leave the Chamber in a few minutes. I do apologise for the inconvenience but I would like to have a straight answer.

Wojciech Roszkowski (UEN). - (PL) Madam President, today the fate of Belarus, a country of 10 million Europeans, is being weighed in the balance. We cannot stand by and watch this happen. Dictators like Lukashenko only give way under pressure. There is only one question: in which direction will this giving

way take place? Since the economic key to the independence of Belarus is held by Russia, its constraints may end in Belarus losing its sovereignty. Pressure from the EU may be effective if Lukashenko has something to lose, and the EU something to offer. It seemed he would agree to changes, but the recent elections can hardly be termed anything other than a farce. The dictator's fear and obstinacy may lead to a loss of sovereignty for Belarus.

Lukashenko does not have to lose out over the democratisation of Belarus if he enjoys a large amount of popular trust. These must, however, be real steps down the road to democracy, not just a put-on show, with the price paid by the Belarusian opposition. Despite the risk of a black scenario, the EU cannot accept this price. Let us not, however, break off the dialogue if the independence of this country is at stake. As Mr Milinkevich said today, the future of democracy in this country depends on whether it can maintain its independence.

Árpád Duka-Zólyomi (PPE-DE). - (HU) Thank you, Madam President. Even if the Belarusian parliamentary elections, observed by the OSCE, did not meet the requirements for fair and free elections, next week's sitting of the Council of Ministers will in all probability give the green light for political dialogue. Lukashenko has not done anything unusual. After the war in Georgia three political prisoners were set free. This satisfied the EU's only condition for the initiation of dialogue. It is obvious that after the war in Georgia the West needed every little move it could make to try to counterbalance Moscow's growing influence in post-Soviet territory. But if even Lukashenko succeeded in arranging the dialogue to his own liking, what kind of dialogue can we expect with Moscow?

Brussels must initiate dialogue on the basis of a previously agreed benchmark system, otherwise the EU can only lose in this dialogue. Lukashenko will use this to reinforce his domestic authority and keep Moscow on a leash, not to offer gradual political liberalisation. Meantime the EU could lose its greatest Eastern weapon, its image. It's up to us to decide ...

Adrian Severin (PSE). - Madam President, I want to warn against a policy which tends to reward the Belarusian leadership in compensation for decisions of the Russian leadership which we do not like.

It is simply wishful thinking to believe that in this way we can generate a rift between Moscow and Minsk, or change the political orientation of President Lukashenko.

We should also not offer words for the liberation of prisoners who should not have been arrested. Indeed, the European Union must avoid the isolation of Belarus and engage in dialogue with the leadership of the country. To this end, it must put in place a motivating package which should convince the regime, and the ordinary citizens who innocently support it, that the European Union could contribute to improving the life of the Belarusian people.

On the other hand, any opening should be gradual, conditional, mutual and focused on principally bringing profit to society and not to the leadership.

Mr Lukashenko stated that opposition is good in any country but not an opposition supported 100% from abroad. The problem is that the opposition in Belarus could not survive because it is crushed by the regime. Therefore we must not abandon the democratic opposition.

IN THE CHAIR: MR MAURO

Vice-President

Marian Harkin (ALDE). - Mr President, the visa issue is very important to all Belarusians. But I would like to highlight a specific situation with regard to travel.

The Chernobyl Children's Project International founded by Adi Roche in Ireland brings approximately 1 000 children from Belarus to Ireland each year for a few weeks for rest, recuperation and, in some cases, ongoing medical interventions. In total, 17 000 children have come since the charity started.

Unfortunately, permission has been withdrawn for the children to come to Ireland, and this has devastated everybody concerned: the children, their host families and so many others. This is such a good project and everybody benefits.

An intergovernmental agreement is being worked on and I hope it will be finalised soon, but in the meantime I know that Ireland is seeking an exemption from the ban.

I would ask the Commission and the Council, perhaps in its informal dialogue, to do all they can to ensure the continuation of this very worthwhile project. I know it is just a small part of the overall situation, but it will make such a positive difference to so many lives.

Jana Hybášková (PPE-DE). - (CS) Mr President, we were outlining foreign policy, we were arguing about the Southern dimension and the Eastern dimension. On 21 August we, the Czechs and Slovaks in the Committee on Foreign Affairs, celebrated the 40th anniversary of the Soviet Army entering Czechoslovakia by debating the situation in Georgia. The Eastern dimension has become a reality. We cannot run away from it, and we must therefore act. Politics is not a concert. Politics is a context and we have the context. For this reason we must fully support Belarus on its route to Europe. I therefore give my full support to the motion for a resolution as it stands. We must not isolate Belarus but we must not call it a democracy either. We must call on Belarus to abolish the death penalty, to let students return to the universities, to allow those who have refused to serve in the Belarusian armed forces to return with impunity and to allow non-governmental organisations to be registered. What about us? What do we have to do? We must demonstrate that we are observing the Copenhagen criteria. We must act as Europe.

Józef Pinior (PSE). - (PL) Mr President, above all I would like to welcome Alexander Milinkevich and Mr Kazulin, representatives of the Belarusian opposition, to the European Parliament today. It is very difficult at this time to put a finger on EU policy with regard to Belarus. On the one hand we are constantly having to deal with an authoritarian state, while on the other we are seeing signs of a certain evolution and certain changes to this system of a complicated international situation. EU policy at this time should be directed entirely at the Belarusian people. The question is: who stands to lose most by sanctions? The Lukashenko regime, or the people of Belarus? This is a question we have to answer for ourselves in the various EU institutions. There is no doubt that we must try out a policy at this time that will specify our objectives and bring benefits from EU actions aimed at Belarus.

Jas Gawronski (PPE-DE). - Mr President, we are currently receiving conflicting signals from Minsk, and this is already some kind of progress in relation to before, but the recent parliamentary election reinforced the popular Western image of Belarus as a kind of banana republic. On the other hand, the recent release of political dissidents is a welcome development. If it is an attempt by Lukashenko to reach out to the West, let us reward his efforts with our cautious support. But we should be under no illusions about the widespread abuses of human rights and political freedoms in Belarus. Our focus must be the people and civil society of Belarus – a cause that this House has a noble and vital tradition of supporting, even more so after today's speech by Ingrid Betancourt.

The people of Belarus yearn to take their place in the new Europe. They need to know that we care and that we will not ignore them.

Libor Rouček (PSE). - (CS) Mr President, several important changes have taken place in Belarus during the past few weeks. The most significant was the release of political prisoners: Mr Alexander Kozulin, who is present here, Mr Syarhey Parsyukevich and Mr Andrey Kim. Nevertheless, the parliamentary elections unfortunately fell short of international democratic standards. What does this mean for us? My opinion is that the European Union should provide much more support for the development of Belarusian civil society, the concept of democracy and human and citizens' rights than it has hitherto provided. I also think that we need to consider increasing our financial support, for example for independent media, non-governmental organisations, independent trade unions, etc. Lowering visa fees or abolishing them completely for Belarusian citizens, especially young people and students, should form part of this support for Belarusian civil society. As we have already heard, a visa costs EUR 60, which is equivalent to the weekly salary of an average Belarusian citizen. We should give this some thought.

Colm Burke (PPE-DE). - Mr President, I call on the Council and the Commission to urge the Belarus authorities to end their practice of issuing exit visas to their citizens, in particular children and students. Whereas in most instances a visa is required to enter a country, in Belarus one needs a visa in order to leave the country.

I raised the issue of the international travel ban on children from this country with the Belarus opposition leader Alexander Milinkevich during the PPE-DE Group meeting this morning. He told our Group that the Belarus regime has imposed this travel ban as it does not want children to see how the other half lives.

From my own constituency of Ireland South, something like EUR 70 million has been raised and expended in looking after children and improving the conditions in which they live in their orphanages. My colleague Marian Harkin has already referred to the ban here this evening. I understand now that in fact the bilateral agreement between Ireland and Belarus will not be in place until May or June. Therefore I join with her in

calling for the exemption to be granted to Ireland so that children can travel for Christmas and get the help and assistance that they require.

Zita Pleštinská (PPE-DE). - (SK) Mr Milinkevich, Mr Kozulin, I am delighted that you are here for today's debate on your country, Belarus. To me, you represent the prospect of Belarus becoming a free and democratic country one day.

The unfair October election in Belarus once again strengthened Mr Lukashenko's totalitarian regime. Of the 110 seats in the lower chamber of the Belarusian Parliament, not a single one was won by the opposition. Although political prisoners were released in August, they could find themselves back in prison at any time.

Ladies and gentlemen, by making small improvements to the election process Mr Lukashenko is trying to persuade us that the EU has no longer any reasons to isolate Belarus. Although good relations with Minsk would be beneficial to both sides, the Union must demand more than just cosmetic changes in improving democracy. The EU must call for a free media in Belarus and for all democratic forces to be able to participate in the process of governing Belarus.

Jean-Pierre Jouyet, President-in-Office of the Council. - (FR) Mr President, the French Presidency pays close attention to all of the EU's eastern neighbours: Georgia and Ukraine, where the summit on 9 September marked an unprecedented step forward in relations between the EU and Ukraine – Moldova – I was there two days ago to discuss the future of relations between the European Union and Moldova in the form of a new and more ambitious agreement than the current Partnership and Cooperation Agreement. So it is in this context that we are closely watching developments in Belarus.

Like you, we are sorry that the regime did not use the elections on 28 September as an opportunity to signal progress towards democratic standards. At the same time, the EU is pleased to see a few positive developments, notably the release of political prisoners. There must be a debate between foreign ministers in Luxembourg on Monday, under similar to those used by speakers during this debate. Our message is that the European Union is prepared to budge if the authorities in Minsk make an effort. We need a progressive approach – in other words, sanctions are not going to be lifted overnight – and a conditional approach, in that the EU will react to positive signals from the regime, as well as an approach geared towards the welfare of civil society, as Mr Severin said.

I would like to explain that children and students can of course obtain visas. It depends on the embassy, but it is allowed under the Schengen system. We need to put pressure on the authorities in Minsk to ensure that these visas are issued, although the EU is not responsible for this. I would also like to point out that there are specific advantages in terms of young people, children who are close to the Belarus border.

The EU will maintain its support for the opposition. I myself have just had a meeting with Messrs Milinkevich, Kozulin and Protasiewicz and Parliament can pride itself on awarding the Sakharov Prize to Mr Milinkevich. I believe that this gesture is a tribute to the European Parliament. As we have already said, it is essential that if a representative of a Member State goes to Minsk, he or she should meet with the opposition. Therefore, we have not lost hope of the regime evolving towards greater liberalisation, so that Belarus is not left in an exclusive one-to-one with Russia.

Charlie McCreevy, Member of the Commission. - Mr President, on the question of whether we are prepared to receive the opposition on Monday on the margins of the GAERC meeting, this is an interesting suggestion. We will look into it and I will pass on the views of the Members to Benita Ferrero-Waldner. However, it is for the Presidency to extend the invitation. If the meeting with the opposition takes place, the Commissioners are of course ready to participate.

On the question of EU assistance to Belarus, assistance focuses on support to civil society and the needs of the population: the combined ENPI resources of EUR 20 million for 2007-2010 to address the needs of the population and democratisation in the broad sense, with the funding from the thematic programme for non-state actors and local authorities and the Instrument for Democracy and Human Rights to support democratisation and civil society in the more narrow sense.

We foresee actions to further the extent of the capacity of NGOs, in particular in the human rights field and independent media. The question was asked about Chernobyl orphans being banned from travel and from stays in Member States. The Commission, together with the heads of missions in Minsk, has raised the issue of Chernobyl orphans with the authorities and we will continue to do so as necessary. In addition the Commission will continue to support the alleviation of the Chernobyl catastrophe.

In conclusion may I say that this vivid debate demonstrates that there is a clear interest in the Belarus issue at this crucial time. Undoubtedly the time has come for making strategic choices on what should be our approach towards Belarus at this complex juncture. I have listened with interest to the views expressed by the Members of Parliament and I understand that, according to some of you, a limited and proportionate suspension of sanctions could be used as a positive lever to press for democratic progress.

We now await the Parliament resolution on Belarus which is due to be adopted tomorrow, and we will take due account of your opinion in our decision which will be taken shortly.

President. – I have received six motions for a resolution in accordance with Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Alessandro Battilocchio (PSE), in writing. – (IT) The results of the elections in Belarus speak for themselves. This outcome was largely to be expected: the opposition ended up being crushed by President Lukashenko's powerful machinery that effectively prevented the elections from being properly conducted.

It seems to me that Europe is again turning a deaf ear: claims of election-rigging, intimidation, violence and harassment have so far gone unheeded, despite international observers confirming the clear violations, light years away from the required democratic standards.

I expect the European Union to speak out more clearly and plainly, and to take the necessary political and diplomatic action. Let us avoid the usual proclamations and fine resolutions, the declarations of intent. This would just be hypocritical, symbolic of a Europe unable to express an authoritative and decisive position.

Adam Bielan (UEN), in writing. – (PL) Once again Lukashenko has 'outflanked' the European Union, which has shown its naivety in not setting any initial conditions for the regime. Lukashenko has turned out to be more shrewd a politician than Europe thought. The elections and what went on during the campaign showed that the EU's strategy was poorly prepared. This should make the EU aware of its naivety in its Eastern policy. To begin with Europe will demand specific actions aimed at citizens' freedoms on the part of Minsk if the process of opening up to Belarus is to continue.

It is immeasurably important for the West to recognise these elections as a farce, because they were not free elections. If these elections are recognised, we shall be carrying on with Lukashenko's game with the West, in which Lukashenko will be the only one to benefit further. The media continue not to be free and there is no freedom of association. The mysterious deaths of political activists remain unexplained 10 years later. The liberation of political prisoners does not essentially alter anything. After the elections there will be more persecution.

So far, Donald Tusk's government has not managed to show anything whatsoever in the way of an Eastern policy. Nothing specific has been negotiated with Russia, Georgia has been pacified, Ukraine is continually moving away from Europe, and Belarus has treated our emissary as if he did not exist. I think it would be worth finding out who the author of this compromising Eastern policy is.

Janusz Lewandowski (PPE-DE), in writing. – (PL) Mr President, the European Union is analysing and adjusting its own policy with regard to Belarus. The policy of sanctions and isolation we have pursued so far has not brought the anticipated results. It has failed to alter the repressive nature of the authorities. The Russian offensive in Georgia, signalling a resumption of the Kremlin's imperial ambitions, was a new circumstance. It will most definitely have been noticed in Minsk and in other countries that Russia considers as its sphere of influence. An attempt to take advantage of this new situation with EU diplomacy would seem to make sense, with full awareness of the risk of dialogue with a dictator. This was done in agreement with the Belarusian opposition. An additional circumstance was provided by the parliamentary elections, as a test of good will on the part of President Lukashenko.

'Carrot and stick' diplomacy has not been a success, but that does not rule out a review of policy on Belarus in relation to the way the situation is developing in that country. The aim is still the same – to draw this European country into the sphere of democracy, a market economy and human rights. I am convinced that maintenance of Belarusian independence is a necessary condition, since it is only then that prospects for

democratisation of the country will become real. The alternative scenario – democratisation of a country that has been absorbed by the Russian empire – is a historical illusion.

Marianne Mikko (PSE), in writing. – (ET) Ladies and gentlemen, Belarus has repeatedly been described as 'Europe's last dictatorship' and remains so today. The parliamentary elections on 28 September were a litmus test. It was a fine gesture for President Lukashenko to release political prisoners before the elections. Yet it has also become clear that the opposition will not enter parliament in the short term. The OSCE assessed the elections correctly.

One of the most important aspects for strengthening Belarusian civil society is the European Union's visa policy. Civil society must be as fully involved as possible in the democratisation of Belarus. In order to be active citizens, people must have a broader world view. And the opportunity to get out of a totalitarian country.

Belarusians need visas in order to travel. Obtaining a Schengen visa is a complex and time-consuming process. The visa process needs to be simplified. People should not be punished. By making circulation of people a complex process, we restrict Belarusians from partaking in the values and culture of the European Union. It is not our intention to punish the civil society of Belarus.

It is high time to change. The people of Belarus deserve as much. And it is our job as Europeans to help them.

Athanasios Pafilis (GUE/NGL), in writing. – (EL) With outrageous audacity, and without citing a shred of evidence even as a pretext, the political forces supporting and serving the EU have signed a joint resolution to condemn the Belarusian Government for the elections of 28 September. The resolution proposed by the political forces of the European Left, through the Confederal Group of the European United Left/Nordic Green Left, is similar in spirit. It is obvious that the EU and the parties of the 'European one-way street' (New Democracy (ND), the Panhellenic Socialist Movement (PASOK), the Coalition of the Radical Left (SYRIZA)/Synaspismos and the Popular Orthodox Rally (LAOS)) are aligning themselves with the representatives of imperialism who are rallying round the so-called opposition – the NATO lackey, Mr Milinkevich. This opposition won a 'surprising' 6% in the previous presidential elections and failed to win a single seat in the recent parliamentary elections.

The election results should silence all the objections of EU and US imperialists, because the people of Belarus are supporting their government's policy against NATO and the EU. This is what is so infuriating and demoralising for the political forces of the 'European one-way street'. This time they do not have the pretext of released 'political prisoners', or the excuse of a lack of equal publicity for candidates. Now that they acknowledge the existence of such equality, they are shamelessly and high-handedly claiming that the new parliament has 'doubtful democratic legitimacy'.

The MEPs of the Communist Party of Greece condemn both of these unacceptable resolutions and express their solidarity with the people of Belarus in their struggle against imperialist dominance.

Toomas Savi (ALDE), in writing. – Recent elections held in Belarus can be described as anything but free and fair. Stalin's notorious principle that it is not important who receives the votes, but who counts the votes, is still very much respected in Belarus. The votes were mostly counted out of the field of view of the observers, thus the OSCE election observation mission, for example, was compelled not to recognise the elections.

Lukashenka's hypocrisy in his recent courting of the West is unmistakable. He has made promises on the nature of the elections that he has been unable to keep – the rights of numerous election observers were violated by depriving them of their right to oversee the election procedures fully. We should not disregard this severe breach from the ideals of democratic elections. No European Union sanctions should be lifted before an evident regime transition has commenced.

Andrzej Jan Szejna (PSE), in writing. – (PL) The position of the Council and of the Commission and the resolution of the European Parliament on the situation in Belarus have the objective of evaluating the results of the parliamentary elections held on 28 September, and also their impact on EU relations with Belarus.

The European Union finds itself in a complicated international situation. On the one hand, there is no doubt that Belarus has failed to fulfil its democratic obligations, but on the other we are seeing a gradual, albeit slow, 'melting' of authoritarianism.

During the elections it was possible to observe certain positive phenomena pointing towards democratisation, such as the liberation of political prisoners, the request for independent OSCE observers and an improvement

in election observation conditions. The Belarusian authorities did not, however, meet all their obligations. They should confirm their desire to improve cooperation with the EU and create better conditions for dialogue with the EU. They should take genuine action on a broader scale to move towards democracy, respect for human rights and the principle of the rule of law.

I fully support the call from the Commission and the Council to review and possibly suspend some of the restrictions that are in place with regard to Belarus. The development of a civil society must not be blocked. The sanctions imposed by the EU – especially those relating to visa procedures and the costs of obtaining a visa – hit ordinary citizens, not the state authorities.

18. Composition of Parliament : see Minutes

19. Corrigenda (Rule 204a): see Minutes

20. Enforcement of the ECJ judgment on the 'Turco' case (debate)

President. – The next item is the debate on:

– the oral question to the Council by Marco Cappato and Michael Cashman, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, Anneli Jäätteenmäki and Costas Botopoulos, on behalf of the Committee on Constitutional Affairs, on the enforcement of the ECJ judgment on the 'Turco' case (O-0087/2008 – B6-0470/2008), and

– the oral question to the Commission by Marco Cappato and Michael Cashman, on behalf of the Committee on Civil Liberties, Justice and Home Affairs, Anneli Jäätteenmäki and Costas Botopoulos, on behalf of the Committee on Constitutional Affairs, on the enforcement of the ECJ judgment on the 'Turco' case (O-0088/2008 – B6-0471/2008).

Marco Cappato, *author*. – (IT) Mr President, Commissioner, ladies and gentlemen, our fellow Member in the previous parliamentary term, Maurizio Turco, now an Italian Radical MP, submitted an application – an application that any ordinary citizen can make – requesting access to Council documents in which the names of national delegations that had adopted certain positions during the debate were censored. The Council refused to grant the request and access to a legal opinion was also denied.

The appeal before the Court of First Instance, which in the meantime had forced the Council to make available the identity of the national delegations, found against Mr Turco and for the Council, in order to prevent a ruling from the Court of Justice on the matter. However, an appeal brought before the Court of Justice overturned the original judgment.

The Court simply said that access to documents, particularly those with legislative implications, had to be compulsory because access to documents was democratic and that any exception was to be limited, since this clearly was in the public interest. Public and legal debate on documents increases the legitimacy of the institutions and bolsters public confidence in them.

The question that we are asking today, in brief, is this: how does the Commission and how do the European institutions intend to follow up this judgment? In other words, will they use it as an opportunity for a thorough review of the procedures allowing immediate access to documents?

I know that we are talking about an ordinary citizen, that this is an application that any citizen could have made, and not a reform following an institutional debate. However, I believe that this is precisely where the strength of Mr Turco's initiative lies, since it shows how an individual case can do much more than institutional initiatives allow.

We must have every possibility of publishing these documents. People need to know, for example, that today, during the European Commission press conference, it was confirmed that the Commission has still not requested information from the Italian Government on a matter that Maurizio Turco himself raised, namely discrimination in religious education in Italy.

How can this information not have been requested? It is a concrete example of mechanisms where the functioning of the European institutions becomes inscrutable for citizens. Therefore, this should be used as an opportunity for a radical overhaul of document access and publication procedures.

Anneli Jäätteenmäki, *author*. – (FI) Mr President, the legislative process in democratic countries is open and public. Citizens can find out how their members of parliament have voted and what lies behind a decision. That is unfortunately not the case in the EU. We cannot boast that the EU is democratic and open and that our citizens can access the documents which are the basis of legislation. We have therefore actually asked the Commission what it intends to do first to change the rules and practices as a result of this court decision, so that openness, transparency and democracy might be implemented, and what the Council has planned to do to implement openness and democracy and also to make national opinion visible after a decision. Unless opinion is open and public, people will not be able to control what those that represent them do. It is high time we took prompt action to ensure that the EU can at long last say, and be proud to do so, that we have democracy and openness and transparency of legislation.

(Applause)

Jean-Pierre Jouyet, *President-in-Office of the Council*. – (FR) Mr President, Commissioner, Madam Vice-President, ladies and gentlemen, I know how attached you are – particularly you, Mr President – to the issues of transparency, and the Presidency is with you on this. It is very important that our citizens can understand how European decisions affecting them are taken – this is the case for European legislation – and we must of course make progress in this area.

I welcome your question because it allows us to examine the difficult subject of public access to legal opinions. This is the subject of the judgment, but our entire transparency policy must be assessed in the light of this judgment.

The Turco judgment is important because it is the first time that the Court of Justice has ruled on individual cases, as you said, of legal opinions and the conditions of their access by the public. In its judgment, the Court issues a reminder of the importance of the openness and transparency of the legislative process to allow citizens to be more involved in decision-making. It also concludes that Regulation 1049/2007 on public access to documents in principle imposes an obligation to disclose the opinions of the institution's legal service relating to the legislative process.

To answer your question, Mr Cappato, the Council took the necessary measures to enforce this Court judgment in early July 2008. The Council executed the judgement and made the document requested by Mr Turco public. It then decided to adapt its practices to the Court judgment, taking into account this principle as laid down in the judgment.

It is true that there are exceptions – although it was the Court itself that defined them in the context of this judgment – concerning opinions that are particularly sensitive or have a particularly wide scope. In any event, as you know, any refusal of the Council must be substantiated.

The Council has received a number of specific requests relating to the legal opinions of the Council's legal service, and has applied the Court's principles. That said, you will not be ignorant of the fact that public disclosure of the internal legal opinions of an institution can affect the legitimate interest of the institutions to request and receive objective and independent opinions. We need to find a balance between the two. This is why the legislator was explicitly keen to protect the confidential nature of legal opinions, and this is a factor that remains in our opinion.

I recognise that these are very technical responses, and I apologise for that. However, these are the official answers given on behalf of the Presidency. Aside from that, I now have an opportunity to review the transparency policy. We need to distinguish between several aspects of this policy. First of all, in terms of direct access to working documents – this is the point of your question – I can confirm that the Council fully applies the provisions of Article 12 of Regulation 1049/2001 and Annex II of the Council Rules of Procedure, which requires a public register to be kept and specifies the arrangements for direct access to Council documents by the public.

I do not wish to bore you with too much technical information or too many figures. However, the fact remains that the figures tell a story, since the register made available to the public contains references to more than a million documents produced since 1999. You will no doubt tell me that quantity does not mean quality.

It seems to me that what matters is the readability and mediatisation of decisions taken by institutions. This is what Mrs Wallström is working on in the context of the legislative procedure, and the inter-institutional agreement on better lawmaking includes general commitments on transparency. Measures have already been taken under this agreement. All Council deliberations within the framework of the codecision procedure

are open to the public and the Council regularly holds public debates on important issues that concern the interests of the EU and its citizens.

In order to improve public access to deliberations, the Council also has a website from which provides a link to the video streaming of Council proceedings, which, as I am sure you will agree, is an important point and a particularly exciting one at that.

The Council presidencies also have a role to play. Like the websites of previous presidencies, the French Presidency has invested a great deal in its website <http://www.ue2008.fr>

, which is multilingual and has web TV with several channels, similar to the one launched, I am glad to say, by the European Parliament.

The third and final point is that we need to be able to satisfy requests for information from the public. To do this, a public information service has also been created – and it is this point that strikes me as the most important – because the area in which we are least well equipped is doubtless the practical information that we give to the public. This is why citizens have a right to be concerned and why they complain that the system is too opaque. This is because we have inadequate resources and websites that are not coordinated enough and do not allow the public to stay up to date on legislation. It is on this last point that the Council must focus its efforts.

These are the points that I wanted to make. Transparency is absolutely key. We have reached an important agreement on communication with the Commission and European Parliament with a view to increasing this transparency, and it is my belief that the interinstitutional negotiations that we had with Mrs Wallström and with the Vice-President of the European Parliament allow us to go forward under the best possible conditions.

This is a collective task and we must now make sense of it. Bear in mind that we have a political ambition to further this transparency, in the information and communication policy, particularly in terms of the practical information about legislation that must be given to citizens. To do this, we must make greater use of new information technologies. I know that this is a concern that is shared by Parliament, by the Commission and by the Council.

Margot Wallström, *Vice-President of the Commission*. – Mr President, I would like to thank the Honourable Members very much for their questions.

Of course, as we have already heard, this Turco judgement by the Court of Justice is a very important one. The Commission fully agrees with the Court when it recalls the great importance of an open legislative process. Needless to say, we will respect this judgement and take it fully into account in our daily work.

I want to be as clear as possible, but I will have to be rather brief in my replies to your five specific questions. The first one concerns better lawmaking, our interinstitutional relations and Regulation 1049/2001. This Turco judgement concerns access to documents by the public. There is no direct link to our interinstitutional cooperation. For that we have our framework for enhanced interinstitutional cooperation, which I believe works very well. Our two institutions have a good track record of working together in the legislative process to meet the better lawmaking objective.

Regarding your second question on accessible information on current public consultations, I would like to start by mentioning the PreLex database, as we call it in our jargon. The aim behind this database is to facilitate access to pre-legislative documents through a single entry point. In practice, it is a portal containing links to key pre-legislative documents. This database is operated by the Official Publications Office and it is based on information supplied by the Commission. More importantly, it is directly accessible to the public on the Europa server.

Regarding public consultations launched by the Commission, there is also a single access point on the Europa server. That is your voice in Europe. This website facilitates access to consultations and provides general information on the Commission's different consultation processes. It also gives comprehensive information on open public consultations and on related consultation documents and questionnaires. In addition, this access point also gives information on the follow-up, such as consultation reports and published contributions.

Regarding your third question about the TRANS-JAI project, I would simply like to assure you that full public access with dedicated servers – entitled 'public go live' – for the TRANS-JAI web portal is planned for March 2010.

This leads to your fourth question on the transparency principle and the principle of good administration. Of course these principles are closely interlinked. We are always committed to providing as much information as possible to the public. This is particularly the case for procedures which concern citizens and their rights and for the workings of the institutions, which we all know are sometimes not so easy to understand. The Commission's website gives information on its organisation and procedures, and we have an easy-access 'Who is who' directory of the Commission staff and the different directorates-general.

Your last question, number 5, concentrates on the public register of documents and the Ombudsman's draft recommendation in the 'Statewatch' complaint. A public register of documents has been up and running since 3 June 2002, as required by Regulation 1049/2001. Since then, the Commission has also put in place a dedicated register for comitology procedures and a register on expert groups. We are doing our utmost to modernise our internal IT systems but, as you know, unfortunately these things do not happen overnight. But one thing is clear. This is ongoing work. We always take into account the need to increase the coverage of this public register.

More specifically, on the Ombudsman's draft recommendation in this case, the Commission has of course submitted a detailed opinion to him. In that opinion we acknowledge that we still have to increase the coverage of our public registers and we confirm our commitment to further develop our public registers in the interests of enhanced transparency. On one point we were unable to share the Ombudsman's view. He concluded that the Commission should – and I quote – 'include references to all the documents within the meaning of Article 3(a) in the register'. I can share the aim and the ambition of this conclusion, but unfortunately it is impossible to achieve. It is simply impossible to reconcile the wide and imprecise definition of 'documents' in Article 3(a) of Regulation 1049/2001 with one single, fully comprehensive public register. Instead we have to provide the links or make different entry points.

I could, of course, mention that I have made the register of my own correspondence directly accessible on the web, and I could mention other examples of what can be done proactively outside the formal legislation, such as improved registers, greater user-friendliness and accessibility, active dissemination and quicker publishing of documents. But all this is not our topic for discussion today. I am sure we will have other opportunities to discuss these important issues in depth.

Charlotte Cederschiöld, on behalf of the PPE-DE Group. – Mr President, a precondition for the credibility and legitimacy of the EU is a set of working rules on transparency and the protection of data and information.

Transparency in the decision-making process is especially needed when European democracy is questioned. Member States have different experiences. More exchange of experience can lead to better administration in the EU, but also in the Member States. We have come very far since 2001 when the EU legislation on transparency was decided.

Most Member States already have some kind of Freedom of Information Act – Sweden and Finland since 1776, other countries like Ireland since a few years ago. It takes time – you have to respect that – to find common behaviour and attitudes. One national formula cannot be applied over the whole EU. The cultures are too diverse. Open government is essential in a representative democracy. The whole process is influenced by the fact that the digital revolution is transforming our society into an information society.

One important point that has to be better developed in Regulation No 1049 is the balance between confidentiality and transparency. We need an open decision-making process respecting the overriding public interest without infringing institutions' or the individual's rights to confidentiality. Judicial interpretation of complex matters, for example competition cases, cannot be left to the judgement of tabloids.

The Turco judgment can contribute to the development of better lawmaking. Which practical consequences will the Commission and Council draw from the Turco case?

Michael Cashman, on behalf of the PSE Group. – Mr President, as the original rapporteur on Regulation No 1049/2001 I find this a very interesting debate. What I find strange – since I know the participants in the debate here tonight are committed fully to openness and transparency – is that the argument as to why not enough has been done is 'we need more time'. This is unacceptable.

Only 30% of the European population have faith in the European Union. Why? Because they feel absolutely disconnected from what is done in their name. And the amazing thing is that we have a positive story to tell. Why is it that the institution has to be dragged screaming and kicking to the European Courts in order to do the right thing?

We need to do more than just explain. Commissioner Wallström, I know you are as exasperated and exhausted by these arguments as I am, but it is not enough to say we need more time. We actually need to demonstrate to our citizens that we will not only explain to them why we do what we do, but how we do it and the legal advice upon which we operate. Because, unless we do that, we will disconnect people from the European project.

It has been argued here tonight that this is impossible with regard to some matters, owing for example the imprecise definition of 'documents'. It is not imprecise at all. It is in fact well defined. It means all documents held, received or produced by the three institutions or the agencies set up by them. And 'documents' itself is clearly defined. So let us have the courage to have an open register. Not the maze that we have at the moment where, when you go into one register, you do not get access to all of the other registers or all of the other links.

At the moment we have citizens who go into a maze. Let us allow citizens to come into the door of the three institutions and let us expose ourselves to the scrutiny of public opinion. I tell you now that unless we do the right thing, the judgement will be made in the June election in favour of those extreme parties who are not in favour of the EU or the EU institutions. Time is running out. Act now. It is not impossible.

Eva-Britt Svensson, *on behalf of the GUE/NGL Group*. – (SV) Mr President, the Court of Justice plays a central role in the EU system and the Court has the power to interpret political decisions. When EU legislation is to be interpreted, the Court of Justice's decision prevails, irrespective of the aim of the legislature or the intentions behind the legislation. We saw this in the judgments on Laval, Rüffert and others. In those cases, the Court's decision went against workers.

In the Turco case, on the other hand, the Court's decision is positive. I welcome this, but my basic criticism still holds, that the Court of Justice determines EU policy and the Court always has the last word in any disputes.

In the Turco case I welcome the fact that the Court recognised that citizens' control of the legislative process takes absolute precedence. This is a step in the right direction, but unfortunately I must say that there are very many steps still to be taken before the EU leaves behind its closed working methods where only those on the inside can see the way forward. This is ultimately a question of democracy, participation and transparency.

It is important for account to be taken of the Turco judgment in the current review of the so-called public access regulation.

Costas Botopoulos (PSE). – (EL) Mr President, the Turco judgment is a significant step forward for law and democracy. It explains the concept of public interest as stated in Regulation 1049/2001 governing public access to documents. This concept is to be interpreted such that the right to broader knowledge of the facts leading to decision-making is considered to be more important than, and to outweigh, internal procedure secrecy whereby a decision is taken.

In other words, according to the Turco judgment, it is important that citizens should not only know – as they have a right to do so – how or why a decision is taken, but also be aware of the documents on which a decision is based, so the documents have to be as widely known as possible.

Now this leads us in tabling today's oral question to call on the departments of the Commission and the Council to take this decision into account. As the President-in-Office has said, let us interpret Regulation 1049/2001 in the light of this new case law.

Some problems might, of course, also arise in connection with what is known as document secrecy, especially in the case of the opinions of the Legal Department. I know only too well, as I am a lawyer. Never let us say, though, that such documents should remain secret in case they cause problems. Instead, I believe that we should call on a radical change in the culture of transparency. Transparency means balance and respect for procedure, not fear of knowledge.

Let me end with one final remark: we really must see the difference here between what happens in practice in the Council and what happens in our own institution. In Parliament, access to meetings and documents is almost total. I think the Turco judgment provides an opportunity to bring the Council into line with this, too.

Mairead McGuinness (PPE-DE). - Mr President, I want to pick up on this point about 'disconnect' which Michael Cashman rightly raised. Certainly in the Lisbon Treaty debate in Ireland there was a huge disconnect. But let us not blame ourselves here too much, because Member States have a great capacity to blame Europe for things they are uncomfortable with, even though they have agreed to them here. I think it is time we all grew up – all our elected politicians, governments, opposition and everyone in this House – and tell the truth.

I am dispirited to read this magazine this week where an unelected, unaccountable member of a wealthy elite is giving out about the unelected elite in Brussels. He has some cheek! But unless we do what Michael Cashman says and tackle him and his ilk upfront, the European elections in June will be a disaster for the people of Europe, and it is about time those of us who believe that said it loudly.

Anneli Jäätteenmäki, author. – (FI) Mr President, this court decision is important and categorical. It clearly shows that the legislative process in the EU must be under the democratic scrutiny of the people and that protecting the institutions in the decision-making process is of secondary importance. It is a clear argument.

Against this background, I am really rather disappointed with the responses. When I heard the Council's response, it was emphasised several times that transparency and openness were important, but there was not much else. What has been done? The Commission, meanwhile, has asked for more time.

The attitude the EU institutions have adopted towards the court decision I think is really interesting. What if our citizens were to adopt the same attitude towards the court decision as the Commission and the Council and did not care about the decision at all? It just would not happen.

Marco Cappato, author. – (IT) Mr President, ladies and gentlemen, the Council Presidency has mentioned the figure of a million published documents. When it comes to access to documents, there must be quality as well as quantity, but it is not just about quality. If we are going to be honest, there is a problem with the type of documents: meeting documents or documents that accompany the decision-making process.

It is this that is missing today. I will give you an example: Coreper I documents, which are so difficult to find, or documents on foreign policy, which are treated like diplomatic documents, and so are not in the registers. These are all documents that are vital for learning about the decision-making process.

I have only given you one example in the short time available to me. In view of the answers that we have been given, I believe that this should also be seen more as an opportunity than a risk for the functioning of the European institutions.

Jean-Pierre Jouyet, President-in-Office of the Council. – (FR) Mr President, Commissioner, ladies and gentlemen, what emerges clearly from our debate is that we must truly increase transparency and communication, because there is indeed a lack of understanding, as you have pointed out, among our citizens about how Europe works.

Better transparency and better communication go hand in hand. As I said, this is the basis on which we signed a political agreement with Mrs Wallström and Mr Vidal-Quadras to communicate better on the ground. Mr Cappato and Mrs Jäätteenmäki are right that we must be more transparent and explain how we work. This is why the Council will make a special effort with new technologies.

Even after reading the arguments given to me, I agree with Mr Cappato about the fact that producing millions of documents does not mean better transparency. What matters is providing documents that people ask for, and documents that are good quality. The COREPER I documents that you mentioned, for example, are available online. These have not always been ready in time due to a lack of technological resources. Now we have this technology and we will ensure that we resolve the problem you raised.

To be honest, we must also strike the right balance with the legal basis, with genuine transparency and with the proceedings actually involved. There are a number of proceedings and diplomatic issues that are actually quite difficult and where freedom of speech, of expression, of decision-making, must be guaranteed. I may seem too conservative to you, but I think that we also need to address this balance.

The French Presidency has embarked upon a review of Regulation 1049/2001 and we need to act quickly. Mr Cashman is absolutely right in this respect. With his help and coordination we are acting swiftly, and we hope to make solid progress by the time the French Presidency comes to an end.

As I said, we need to make sure that, as Mr Cappato pointed out, we put quality before quantity, because there is such a thing as too much information. Citizens are then faced with the problem of sifting through information. This also exists at European level. We must be able to freely help citizens sift through information.

What does this mean? It means, as I said in my presentation, ensuring that citizens are fully informed about practical information, about their rights, about the outcome of decisions, about the way in which these are taken and about the legal basis. From that point of view, there is no doubt that we need to reflect on the resources available to the Council.

Within the Commission, I think you have been confronted with the same situation when, for example, you have to explain the legal basis for decisions, particularly concerning SMEs, but you only have one or two people in the Member States or institutions who can answer these questions, and those people are on holiday. The end result is that citizens and small businesses are forced to wait two or three months before they receive a response. To me this seems equally as serious as access to official documents.

Finally, we need to give our debates political meaning. At a time when we are preparing for the European elections, I know that the European Parliament is fully committed to this, and you can count on the French Presidency to ensure that this duty of transparency, this duty of explanation, this practical and concrete obligation is applied because, if we do not, and this is where I agree with Mr Cashman, it will be the extremists who win the next European elections, and this is something that we do not want.

Margot Wallström, Vice-President of the Commission. – Mr President, first of all, the Turco judgment will be respected and implemented by the Commission too, of course. The Court judgment actually said that in this case the Council was wrong, that the Council has to correct its procedures, and I am sure that the Council will follow the judgment.

That is the starting point of this discussion. However, it has been partly confused with the discussion we had on Regulation No 1049/2001. The Turco judgment is one thing, and then there is Regulation No 1049/2001. As you know we presented a proposal and are in the process of dealing with Regulation No 1049/2001 and how that regulation should ultimately be designed.

I think there must also be some confusion about what I said. I did not ask for more time. I was explaining the fact that the modernisation of our information technology tools has to be done continuously, it cannot be done overnight. We already have a register. We are complementing the register with a number of things, such as comitology and all the expert groups. However – and I was very honest in trying to answer one of the five questions – I am not convinced that the best thing is to have one register. It is like having a telephone book for the whole of Europe instead of trying to have different national telephone books.

Are you sure that this is better, to have one huge telephone book for the whole of Europe instead of having different entry points? Because the definition you asked for today in your specific question is the definition which is in a certain paragraph, which also includes audiovisual form. This is a very wide definition. Are you sure it will be helpful to citizens to have one huge entry point for all of this?

Let us discuss that, but I am not sure that there is one simple solution like that. So we do not share that view. Modernising our tools in this area is a constant thing that we have to discuss all the time, because things happen so quickly. But we seem to share the same objectives of having openness and transparency and access to documents. That is the starting point and that is what we will continue to fight for and we will of course follow the Turco judgment.

On the specific issue where I mentioned that we have a target date for 2010, that is on a very specific project and I was just giving you the date for this. But in general we do not and should not need to ask for more time. This is something we have to do on a daily basis: to provide more openness, more transparency, to serve citizens because they need to know, and it has to be part of the culture and the attitude of all the institutions.

Along with your fellow Members I was able to applaud your good speech, Mr Cashman, because it contains the starting point for what is required now: to open up, to create access. I think that having our deliberations in the open will also help people to make their own informed judgment of what is going on and of why we have so many important things on our agenda.

President. – The debate is closed.

21. One-minute speeches on matters of political importance

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

Georgios Papastamkos (PPE-DE). – (EL) Mr President, as a member of the Committee on International Trade, I naturally devote some attention to relations between the EU and China. I have therefore noticed that, according to the figures for 2007, the EU trade deficit has risen to around EUR 160 billion.

This deficit is a consequence of the serious barriers blocking access to the Chinese market. It is certainly also due to the competitive advantage of Chinese products, but this is based on economic, social and ecological dumping practices.

However, this unequal trade relationship is not the only cause for concern; another is the case of unsafe products coming from China. We should therefore – and I address this message mainly to the Commission – ensure that products from China are subject to thorough, effective inspection, in the interests of public health and the protection of European consumers, and also in the interests of the competitiveness of European products.

IN THE CHAIR: Diana WALLIS

Vice-President

Neena Gill (PSE). – Madam President, the turbulent financial events of the last few days have changed the world. We have all been concerned for some time now about the potential problems in the global financial system, but the rapid fall of the major banks, one after the other in quick succession, has been astonishing.

I therefore welcome the moves by the UK Government today to increase stability. Although it is outside the Eurozone, the measures taken by the UK are all in line with the decisions made yesterday in the Ecofin Council. I only wish that some of the countries in the Eurozone had acted in the same way. In order to get through the challenges we will face, there is an urgent need for the European Union to provide leadership and coordinate a strategy with EU national governments. Europe must take a central role, not a back seat, especially if the EU wants to connect with the people of Europe.

But we also need to recognise that this crisis has been brought about by market failures, a lack of appropriate legislation and as a result of decisions taken by a few selfish individuals on fat-cat bonuses that will affect the lives of millions, and even billions, of people around the world. We need to ensure that such criminal negligence can never reoccur and we need those responsible to be held accountable for the full weight of their actions.

Cristian Silviu Buşoi (ALDE). – (RO) Ladies and Gentleman, I would like to take this opportunity to plead once more for stronger involvement of the European Union in the improvement of health services in the European Union Member States.

It is very true that organisation of the health system falls within the competence of the Member States, but the European Community has some competencies too and the important role of the European Community in the health sector was reaffirmed in the Lisbon Reform Treaty.

The peoples of the European Union are growing old and they are subject to new threats: pandemics, physical and biological incidents, bioterrorism; we must find solutions to all of these together.

We should also develop a mechanism for a structured cooperation among the Member States, an information exchange and a best practices mechanism for preventing, fighting and treating diseases in the European Union countries.

The Directive on transboundary medical services was a very good initiative. However, I believe that it should be followed by other initiatives just as brave, because an important role that the European institutions should assume is that of reducing health-related inequalities.

László Tőkés (Verts/ALE). – (HU) Madam President, as a Christian and a Hungarian, and a Member of the European Parliament, I speak out now in defence of the community of half a million people of Hungarian origin living in Slovakia, a part of the European Union. In other words, I speak in defence of democratic European values. While I can congratulate Slovakia on the economic results it has achieved, I have regretfully to say that extreme nationalist propaganda is directed against Slovakian Hungarians, resulting in an

intimidating hysteria. I would ask the President, Hans-Gert Pöttering, the European Parliament and the European Commission to take action against the brutal violation of human and minority rights and the ethnic intolerance, verbal aggression and discrimination ruling in Slovakia. As a European MEP, I am ready to undertake an intermediary role in the interests of Hungarian- Slovak harmony.

Mieczysław Edmund Janowski (UEN). – (PL) Madam President, I would like to draw Parliament's attention to the situation of Christians in Vietnam. For 50 years they have been obliged to renounce their faith, they have had their property confiscated and they have been resettled in different regions. In recent times this persecution has been particularly starkly manifested in Hanoi, where the authorities are brutally intervening against Catholics from the Thai Ha community who are protesting against the unlawful seizure of lands belonging to this community, which is run by the Redemptorist Fathers.

For example, on 31 August participants in a procession were subjected to brutal beatings. More than 20 people suffered serious injuries and were taken to hospital. Journalists were also beaten, including Associated Press reporter Ben Stocking. Let us do all we can to ensure that Vietnam, which is currently a member of the UN Security Council, observes human rights.

Gabriele Zimmer (GUE/NGL). – (DE) Madam President, this evening my report on promoting social inclusion and combating poverty, including child poverty, is the last item on the agenda. This is an own initiative report which is being handled according to Rules 131 a and 45 of our Rules of Procedure on short presentations in plenary, i.e. in a presentation without open debate by Members and without the opportunity to propose amendments.

I object to this self-limitation of the rights of Members of the European Parliament and call for us as the European Parliament to change these rules. It is wrong for important matters such as combating poverty and social exclusion not to be discussed openly here. All the same, the committee has debated intensely and made 200 amendments and 40 compromise amendments.

It is a matter of public interest and we are denying ourselves some of our own rights when we forego discussing it here in plenary.

Urszula Krupa (IND/DEM). – (PL) Madam President, in India the number of Christian martyrs horribly murdered by Hindu executioners is still on the rise. The Catholic Church is appealing in various parts of the world to governments and international institutions for aid for Christians in India, Iraq and Vietnam, so far without success. Sadly, the persecution of Christians is still accompanied by passivity, not only on the part of representatives of the government and legal institutions in that location, but also on the part of other democratic governments and international institutions that are actively involved in other instances of human rights violation, and this also concerns the European Union.

I would therefore like to protest before the European Parliament against the fact that human rights violations in India, Iraq and Vietnam are being ignored – I am also addressing the European Commission here – and I would like to appeal for diplomatic intervention and objection where such acts of barbarity have occurred. Passivity in the face of persecution may constitute evidence of a particular kind of discrimination against Catholics.

Sergej Kozlík (NI). – (SK) In the past 50 years, the strong Slovak national minority in Hungary of over 200 000 people has been almost completely annihilated. On the other hand, the Hungarian minorities in the surrounding countries, Slovakia included, are growing. Paradoxically, for many years the Hungarians have been making Europeans believe that it is their minority that is oppressed.

Several current Hungarian political leaders talk openly about the idea of a Greater Hungary. Sadly, this goes unnoticed by Europe's senior politicians. The Hungarian Parliament organises in its chambers a cross-border forum of Hungarian Members of Parliament for the Carpathian Basin. Representatives of ethnic Hungarian political parties in Slovakia and Romania openly meet to discuss autonomy. In today's Europe such attitudes are unacceptable and dangerous.

Marian Zlotea (PPE-DE). – (RO) Mr President, Romania is unfortunately facing a serious issue which endangers the safety and the health of European citizens: the use of non-sterile surgical thread imported from China in hospitals.

The Romanian Ministry of Health has known about this problem since August but, in spite of warnings that this might cause infections or even lead to the death of patients, it did not stop it in time.

The alarm was sounded after a patient died in hospital due to an infection and other patients are facing the same danger. I believe that this is a warning signal not only for Romania but for all of Europe.

The fact that more and more products brought from China raise question marks and endanger the health and safety of European citizens is a very serious matter.

Not so long ago we had problems with sweets contaminated from powdered milk containing melanine, also imported from China. We import products from China because they are cheaper, but I believe that Europe should put the health of its citizens first.

I am asking Commissioner Vassiliou to start an investigation in order to prevent any other incidents in the Member States. We need urgent measures to inspect these products so as to stop imports to the internal market in due time.

Pierre Pribetich (PSE). – (FR) Madam President, the fragility of demand for new vehicles is evidenced by the downturn in Europe's automotive industry. A leading French manufacturer has just announced 4000 job losses, plus 2000 job losses in Europe.

At the same time, despite a 37% increase in profits in the first half, it is still determined to go ahead with the job cuts. On the pretext of rationalisation, there is too much focus on profitability at the expense of and without thought for ambitious industrial policies and, more importantly, without thought for workers.

I would like to act as spokesman for these workers, who are the most affected by these measures, who are victims of this situation, and encourage this manufacturer to rethink its strategy and save jobs at the same time.

At a time when we face an employment crisis, this should be the main priority. In this spirit, the decision regarding the proposal for a regulation to reduce CO2 emissions from new vehicles must balance different aspects: sustainable development and safeguarding employment through innovative industrial policies at all levels, particularly at the social level.

Marco Cappato (ALDE). – (IT) Mr President, ladies and gentlemen, a violation of the principles of democracy is taking place in Italy to which I would like to draw the attention of my fellow Members: for the past 18 months, the Italian Parliament has refused to elect a judge to the Constitutional Court, as it is required to do by the Italian Constitution, and for the past six months the Italian Parliament has refused to appoint the parliamentary oversight committee for the information system.

I do not have time to go into details. We have sent Members a pack containing detailed information. My colleague Marco Pannella has been on hunger and thirst strike since midnight last Saturday to protest against the unlawful actions of the President of the Italian Republic. We have received votes of confidence from 25 MEPs, who have signed a resolution in accordance with Article 7 of the Treaties. My time is up, so I would just like to ask you to read it and to support it.

Milan Horáček (Verts/ALE). – (DE) Madam President, this year marks the 60th anniversary of the UN Universal Declaration of Human Rights. In the last 60 years countless human rights groups and organisations around the world have used this declaration as the basis for their activities, for example Charter 77 in Czechoslovakia, Solidarity in Poland and the human rights movement in Latin America.

Human rights policy is still just as important today. It has not yet made its way into all areas of politics. We must not allow human rights to be relegated to a special item alongside our other political areas, but must seek to contend for human rights, even though that entails certain disadvantages. As a fundamental value, human rights are one of the strongest supporting pillars in the European house, so we must also be more mindful of them in our own work as well.

I therefore support the idea of making the Subcommittee on Human Rights a standing committee, in view of its significance.

Zdzisław Zbigniew Podkański (UEN). – (PL) Madam President, the review of the common agricultural policy clearly highlights hazards in various branches of agriculture. Much has been said about the need for reform in the sugar market, the tobacco market and the fruit and vegetables market. There is mention of a need to increase quotas, including milk quotas, to release fallow land for the sowing of cereals, while other problems, such as the problem facing European apiculture, are left in the shade.

Bees are dying in large numbers because of a range of diseases, the best known of which are *Varroa* and *Nosema*. Bees are also linked to pollination issues and are a guarantee of biodiversity in our existence and persistence in the world of nature. This is why I would like to draw your attention to this subject today, as we usually see bees in terms of honey, propolis or wax. Were it not for Mrs Lulling's resolution, we in the European Parliament would undoubtedly be indifferently skirting around the problems associated with apiculture. What is needed is an urgent programme to rescue bees and apiculture in the European Union.

Ilda Figueiredo (GUE/NGL). – (PT) There have recently been closures of companies in Portugal, in particular in the textiles and clothing sectors, especially in the north of the country, for example, the textiles company Oliveira Ferreira in Riba de Ave and several in the Barcelos, Santo Tirso and Fafe areas. They were recently joined by the factory of the multinational Lee in Évora, not to mention the threat hanging over workers in many others, such as in Vila Nova de Gaia and Lousada.

Against this backdrop of dismissals, hundreds of other companies are not complying with labour laws and are using the threat of unemployment to pay wages below the legal minimum and are discriminating against young people and women, as was recently revealed in a study by the Textiles, Clothing, Footwear and Leather Workers' Trade Union of the District of Porto on the Tâmega and Sousa sub-regions.

It is therefore particularly important to know what the European Commission intends to do about the double checking system for trade with China, which expires at the end of this year, bearing in mind the need to defend production and jobs with rights in our countries.

Witold Tomczak (IND/DEM). – (PL) Madam President, in India repression aimed at Christians is showing no signs of waning. People continue to be murdered because of their religion – simply because they are Christians. Catholic churches are being destroyed. Violence is being used even against defenceless nuns who look after the poor. The Indian Government is not doing anything effective to guarantee human rights in this country, particularly the right to life and the right to freedom of belief.

The European Union, which has built its phraseology and its institutions on attitudes to human rights, has so far not reacted in any serious way to defend the rights of Christians who are being murdered in India. At the EU-India summit no pressure was brought to bear on India to cease the martyrdom of believers in Christ. At the European Parliament, on the 60th anniversary of the adoption of the Universal Declaration of Human Rights, we are celebrating an occasional conference devoted to human rights. Have the excellent speakers made any demands concerning the rights of the Christians being persecuted today, and not only in India? We are, then, faced with a question – do the EU and its leaders take the doctrine of human rights seriously? Do they apply it to all people? Are double standards perhaps being applied? Is the preaching of human rights meant to defend all kinds of minorities, including sexual minorities, but not the rights of people who are being murdered because of their Christian faith? Europe, wake up!

Irena Belohorská (NI). – (SK) From the outset, Slovakia has strived to create equal conditions for all of its citizens. Without any doubt, Slovakia today is a perfect example of how to treat national minorities. This cannot be said about Hungary, where the Slovak minority was brutally assimilated.

Of all the national minorities living in Slovakia, the Hungarian minority in particular has a special place. In Slovakia, it has a political party represented in Parliament. The school system allows education in the Hungarian language from nursery school right through to university, and many students leave universities without any knowledge of the Slovak language. Consequently, I consider the establishment of the Carpathian Basin Forum, comprising Hungarian Members of Parliaments from sovereign states that are members of the European Union, set on establishing autonomy, to be a provocation and absurdity that is inappropriate in this 21st century.

Mairead McGuinness (PPE-DE). – Madam President, amidst the angst and concern about the banking sector there is perhaps some hope. I am glad that the Commissioner for Agriculture is here to listen to me because maybe it is at a time of crisis that Europe can actually rise to the challenge.

Remember the BSE crisis when the entire beef industry and food sector was in collapse and confidence was gone, and Europe reacted by bringing in tough regulations from farm to fork, traceability with penalties.

Let us say to the banking sector, this is their BSE moment, and they will rise from the ashes, but they will have to be better regulated. They will have to be tagged and traced – the people and the money – and those who are engaged in bad practices will have to be penalised.

But there is hope. We have experience, and I believe that Europe will be better as a result of this crisis because we will regulate better.

Yannick Vaugrenard (PSE). – (FR) Madam President, I would like to go back to the rather unorthodox statements made by Mr Barroso. He implies that he would be willing to forget the sacrosanct rules of competition; that he would be less particular about state aid.

If it were a question of saving a particular sector of European industry, if it were a question of allowing Member States to invest in research or even of launching an ambitious European loan, I would welcome this U-turn. However, it is a question of the large-scale repurchasing of toxic financial products held by financial operators. It is a question, at the end of the day, of saving the financial hooligans who make light of the efforts of market regulators.

If the Commission reviews its doctrine, then so much the better. However, this has to be done properly, by being more flexible about the question of state aid in strategic sectors in Europe that are under threat, and by driving forward measures concerning rating agencies, the fight against speculation based on food prices and the regulation of speculative funds. We have been calling for this for years, and now we have the proof: the credo of free competition and the free market have clearly led to a dead end.

Marco Pannella (ALDE). – (FR) Madam President, for once we have something to smile about. In the current climate, in which Europe, the fatherland of yesteryear, is again in the process of destroying our European birthright, it is difficult to know what to say.

Well then, here is a surprise. Yesterday, the French newspaper *Le Monde* – and I would like to thank its new editor Eric Fottorino for this – published a wonderful editorial with a cartoon by Plantu, in which this non-institutional G4 that we have just invented is depicted as follows: we have the Krauts, the Eyeties, the treacherous Albion and the French uniting to destroy Europe, each one thinking of its own petty interests, faced with a Parliament, a self-styled Parliament, which still fails to make itself understood. Thank you *Le Monde*, thank you Plantu. Plantu for President!

(The President cut off the speaker)

Andrzej Tomasz Zapałowski (UEN). – (PL) Madam President, in its declarations the European Union expresses concern for the growth of employment and for a high level of social security. The Commission's approach to the question of the Polish shipyards, however, runs counter to these declarations. In the European Union public aid may be used to subsidise failing banks, and it may be used without restriction in areas that were formerly part of communist Germany. What about equal treatment of economic entities? Shipyards in what we call 'the old EU' have been receiving aid for many years and everything was fine. The new Member States, which should have the opportunity to catch up with the rest of the Community in economic terms, are being treated by the Commission as conquered territory.

I am convinced that, in the forthcoming elections to the European Parliament, the Polish electorate will show by their voting how opposed they are to this European solidarity.

Gerard Batten (IND/DEM). – Madam President, for years I have been warning that the European arrest warrant could be used to suppress free speech on the Internet. This has now happened. On 1 October, Dr Frederick Toben was arrested at Heathrow Airport on a European arrest warrant issued in Germany for alleged xenophobic crimes committed on the Internet.

Dr Toben is a Holocaust denier. His views are repugnant to all reasonable people. But this is not the point. He has been arrested in Britain for publishing his views on the Internet in Australia. Holocaust denial, while repellent, is not illegal in Britain or Australia. If this European arrest warrant is executed, its use proves that, if someone expresses themselves on the Internet in terms legal in their own country, they can be extradited to another EU country where those views are illegal. This would have profound implications for free speech within nation states.

Péter Olajos (PPE-DE). – (HU) Thank you, Madam President. Unfortunately, after the dispute about the foaming of the River Rába, there is now another Austro-Hungarian environmental protection debate in the European Parliament. The Austrian BEGAS corporation is planning to construct a 325 000-tonne-capacity waste incinerator just a few hundred metres from the Hungarian border, at Heiligenkreuz. This new plant will be able to take waste not just from local sources but from other areas too. The project has an exceptionally low level of support from the local communities in both Austria and Hungary. A particular cause I have for concern is that the planned incinerator would be barely a kilometre from the Hungarian town of Szentgotthárd,

which lies in the predominant wind direction, and the Őrség National Park, which is protected under Natura 2000 and which contains the Őrség, recently a winner of the EDEN prize. There would be unforeseen consequences for a region of Hungary which relies on its natural beauty, national parks and eco-tourism.

Finally, Madam President, I would like to ask why the Slovak Member who was uttering a diatribe full of hatred against Hungarians was allowed to speak on two occasions. This is a procedural matter. Thank you.

Monika Beňová (PSE). - (SK) I would like to object very strongly to the comments we have heard here accusing the Slovak Government of disseminating hatred and violating the rights of the national minorities in the Slovak Republic.

Ladies and gentlemen, my fellow Member, Mr Tórkés, the Slovak Government's Statement of Policy contains a declaration of rights of minorities and the government consequently observes these rights. I deeply regret the fact that the Hungarian Members are using one-minute speeches, in every single part-session of the European Parliament, to attack the Slovak Government and, by extension, the citizens of the Slovak Republic too.

Madam President, the Slovak Government appreciates good relations with its neighbours and wants to have good relations with its neighbours. However, two partners are needed for good bilateral relations. So far, it is only the Slovak Government that has offered the hand of friendship.

Milan Gaľa (PPE-DE). - (SK) The results of the three-year study by the World Health Organisation on health inequalities between different populations in the world are alarming. The situation is caused by socio-economic conditions, not by biological factors. An average Japanese girl, for example, can expect to live to the age of 83. In Lesotho in Africa, her life expectancy would be 42. The chance of a woman dying when giving birth in Sweden is 1 to 17 000; in Afghanistan the ratio is 1 to 8.

Those who live in poor areas of large European cities can expect their lives, on average, to be 28 years shorter than those who live in wealthier areas. A combination of poor policies, inadequate social conditions, a low level of education, substandard accommodation, limited access to healthy food, etc., is the reason why the majority of people are not as healthy as biologically possible. The WHO Commission on Social Determinants is of the opinion that by adopting a pro-active approach the inequalities can be reduced within a relatively short space of time.

Avril Doyle (PPE-DE). - Madam President, the recent publication of the first-ever Eurobarometer survey of our citizens' views on climate change marks the rise of climate change from being a niche environmental issue to being at the heart of European policy.

Given the global economic and financial turmoil at the moment, I can fully understand the concerns of colleagues as we as politicians address what is unquestionably the single greatest moral, environmental, social and economic challenge facing the whole of mankind, namely global warming from our greenhouse gas emissions, or climate change.

But it will not wait; Copenhagen will not wait and we cannot be found wanting. As rapporteur for one of the four dossiers of the post-2012 climate change regime – namely the ETS review – I have full confidence in our governments to resolve, in the shorter term, these major economic and financial issues with which we are presented today, and resolve them long before 2013. So while it is the nature of politics to focus on today's problems today, we must not be distracted from legislating now for the longer term, for the post-2012 scenario, on this most important of issues, or history will not judge us kindly.

Miloš Koterec (PSE). - (SK) It is bewildering to see the abuse of this House and the politicking focused on the Slovak political scene. I listened carefully to the words of my fellow Member from Hungary, Mr Tórkés, and I have to protest against the one-sided view of current events and its presentation as a universal attack on the actions of the Slovak Republic in this area.

I would like to emphasise that even though the minority policy of the present Slovak Government conforms to all European standards, the Government wishes to continue to improve it even further.

I want to condemn the attempts to misuse specific moments of difficulty and present them as a bad attitude on the part of the government in principle, and, above all, doing so in the European Parliament. By actively seeking points of friction and distorting the situation we will merely be igniting and fuelling artificial conflicts, which are pointless and unnecessary and which make life for Slovak society complicated and unpleasant.

President. – That concludes the item.

22. Suspension of the WTO Doha Round (debate)

President. – The next item is the Commission statement on the suspension of the WTO Doha Round.

Mariann Fischer Boel, *Member of the Commission.* – Madam President, I presume you had expected to see Commissioner Mandelson here tonight, but as you probably know he left the Commission, and I won the lottery to take over from Mr Mandelson here tonight. Having been directly involved in the negotiations in Geneva at the WTO with responsibility for the agricultural sector, I am however happy to be here with you tonight.

While the negotiations in Geneva in July did not succeed, the Doha Round has not been suspended. On the contrary, it has actually been kept active, even over the past few weeks, and it is our intention to contribute constructively to this activity in order to facilitate full ministerial resumption in due course, once the necessary technical analyses now being undertaken by key countries on the remaining problematic issues have been completed.

The negotiations that took place in July delivered some real progress. The emerging package outlined a possible balanced outcome which respected the European Union's key requirements in agriculture while delivering valuable benefits for our industrial manufacturers.

A broad outline of the agreement has emerged on different key issues, including the overall reduction in trade-distorting domestic support in the agricultural sector, the scope that developed and developing countries would retain to shield a limited number of sensitive and special products from tariff cuts, the Swiss formula used to determine tariff cuts for industrial products, and the flexibility to be made available to developing countries to shield a number of industrial products from those cuts. In the assessment made by the Commission, this package contains real value for European business and consumers and would ensure an international legal framework for agriculture fully in line with the 2003 reform. In our opinion, the emerging package also contains real development value for the poorest countries in the world.

A Round concluded on this basis would reduce world tariffs by half and, while developing countries would contribute one-third of the savings, they would benefit from two-thirds of the increased market access. It would also ensure that OECD economies join Europe's initiative in providing least developed countries with duty free and quota free access to their markets – what we normally call our 'everything but arms' initiative.

We would also have succeeded in locking in real farm reform in the United States. With an agreement, the United States would have had to reduce their trade-distorting domestic support or subsidies to USD 14.5 billion. Without it, subsidies can now go up to USD 48 billion under the new farm bill. It would also serve our interests to get permanent international legal protection of our reformed common agricultural policy.

A deal on this basis would turn the emerging countries into custodians of the multilateral trading system which needs to be preserved but also to be strengthened. We would anchor them more firmly into the rule-based system of global trade which is essential for the future.

It was therefore a disappointment that it proved impossible to close the discussions on the Doha modalities in July because of continuing disagreement on a very specific point in the agricultural field. The difficulties arose over the issue of special agricultural safeguards for developing countries, the so-called SSM, essentially within the G7 grouping. India and China were unable to agree with the United States over the triggers and the remedies to be put in place for this safeguard when it is used to breach pre-Doha-Round rates.

Since early September, contacts have been taking place at senior official level to try to resolve this continuing difference of views, but we have not yet been successful on this issue. Though the European Union remains firmly committed and engaged, it is actually unclear how far discussions will pick up in the coming weeks.

As normal, we will maintain strong dialogue with Parliament and we will of course hope for your continued support on this issue.

Georgios Papastamkos, *on behalf of the PPE-DE Group.* – (EL) Mr President, the cost of the collapse of the Doha Round of negotiations is not to be counted only in terms of lost opportunities, lost profits and a worsening of the climate of economic uncertainty. Equally critical is the systemic cost and institutional cost. I refer to the blow to the WTO's credibility.

Of course, we all want to reach an agreement, but not if it is something to be achieved regardless of the cost to the EU. A successful conclusion of the current round of negotiations requires a comprehensive, ambitious and balanced agreement. We therefore demand substantial concessions both from our developed trade partners and from the dynamically developing countries.

We therefore call on the Commission to take a decisive negotiating stance in future. There has been a reform of the CAP. I ask you: has this been used as a negotiating tool? Far from it: the Commission has proceeded unilaterally with a series of additional, fruitless offers to the agricultural sector.

There are many questions I could put to the Commissioner for Agriculture. I shall restrict myself to one: does the issue of geographical indications form an essential part of agricultural negotiations?

Our commitment to a multilateral trading system can be taken for granted. We look forward to trade governance aiming at effective management of globalisation and a more equitable redistribution of its benefits.

To conclude, let me say that I personally believe the negative completion – that is, the removal of barriers in the WTO framework – has not been adequately backed up by the necessary positive integration in terms of regulatory systemic convergence.

Erika Mann, *on behalf of the PSE Group*. – (DE) Madam President, as we know from experience, world trade rounds are very difficult. I would like to thank the Commission because, as we, the Members of the European Parliament, experienced many times in the talks during the last round in Geneva, it conducted itself in a very balanced way right to the very end, and because the Commissioner, in her area of competence, showed not only the necessary flexibility but also great sympathy for the poorer developing countries, and this was constantly pointed out to us in the talks. To that extent, it was not the European Union that was exposed to public scorn this time, but other countries, which were actually much more difficult negotiating partners.

I regret that, confronted with the current financial crisis, we find that we need more international and multilateral rules, because these rules form a corset that will make it possible for poorer countries to integrate themselves, on the one hand, while richer countries will also be able to ensure that their people benefit from this, and that standards are set, on the other. What we really regret is that this is apparently the reason why this world trade round cannot be completed by the end of the year. We should rid ourselves of this misconception.

Perhaps it is better that way, in that we will tackle all this with the new Parliament and the new Commission and after the elections in the United States, instead of getting it done by any means. My group would recommend caution, rather than bringing this round to a conclusion come hell or high water.

Commissioner, I do have one request: however you negotiate and whatever happens, please inform Parliament in good time and make sure, too, that whether we get the Lisbon Treaty or not, we take another look at whether we can perhaps create some kind of 'quasi Lisbon Treaty' in advance, relating to the area of trade.

Ignasi Guardans Cambó, *on behalf of the ALDE Group*. – (ES) Madam President, some of us witnessed the real efforts made by all the participants in the July Ministerial Summit of the Doha Round, and in particular the efforts of the European Union, represented very worthily by Commissioner Mandelson. The presence at the negotiations in Geneva of the Commissioner who is here today was also appreciated. There was therefore a feeling of frustration that we were able to experience at first hand, at seeing that in the end all these efforts and energies did not produce any tangible results, even though they had reached a level of rapprochement that seemed to mean that there could be some sort of result.

In the resolution we are tabling today, which will be voted on in this house, we express our commitment as Parliament to what was achieved there. We ask that what was achieved there, even though it was not really a final agreement, should be the basis on which work now begins, so that the efforts are not wasted. We ask, in a spirit of naivety, with a touch of naivety, for the Doha Round to be completed as soon as possible.

It is possible, indeed probable, that some think that this statement is naïve; even more so given that the main European negotiator did not even believe in it sufficiently and returned to his country, leaving all the negotiations on behalf of Europe in the hands of someone who knows nothing about what is on the table, despite the future capacities that she may have.

It is therefore true that there is a great deal of naivety in our resolution, but we need to be clear and firm. If the Doha Round is not concluded, developing countries will lose out. If the Doha Round is not concluded,

the multilateral approach is at serious risk, especially in a situation of global uncertainty such as we are experiencing, that until the Doha Round is concluded, the other matters on the global agenda such as climate change and the rising price of food cannot be tackled.

There are other matters to be resolved and none of them can be resolved unless we make an effort to conclude this round of negotiations. Parliament will continue to be committed to this.

Caroline Lucas, *on behalf of the Verts/ALE Group*. – Madam President, I am very happy that this House has become rather more critical towards the Doha Round in recent years. In fact, the joint resolution in front of us reflects very faithfully the declaration of the Global Parliamentary Assembly in September, which expresses very serious concerns about the very little development content that remains in the Doha negotiations and is very critical of its ever more exclusive deal-making procedures.

Let me add that, in the spirit of the declaration of that Global Parliamentary Assembly, I hope that the amendment put forward by the PPE-DE Group and the UEN Group, calling for bilateral WTO-plus type free trade agreements, will not be carried in tomorrow's vote. Bilateral FTAs are exactly the opposite of a functioning multilateralism and Greens will not be able to support the resolution, if indeed that amendment is carried.

What strikes me in our debate today, and indeed in this resolution, is the failure of courage to name a simple truth – that the Doha Round negotiations, as we have got to know them, are now over. That suspension could well be long, lasting until the spring of 2010. It is almost certain that the new negotiators of the US, the Commission, India, will not be going back to the same old quick fixes of July 2008 that did not work even then. So this is actually an opportunity. This is exactly the right time to evaluate the failures of the last seven years of Doha talks and to re-establish a common and fairer agenda, together with a more open and democratic process, which can be fully supported by all WTO members and especially the least developed among them.

Seán Ó Neachtain, *on behalf of the UEN group*. – (GA) Madam President, it is about time we changed the way in which we engage in the World Trade Talks. It is now clear that the system and our involvement in it no longer work. We failed in Cancun, in Hong Kong and again in Geneva.

It is all based on the following: we are trying to create a package in Europe that will involve selling our food source – the very food we are supplying. The former Commissioner Mandelson made every effort to overturn the agricultural policy in order to promote a global trading system. This is not the answer. Where will our food come from when we have to import it? Europe needs to take care and we must protect our current food supply.

We changed our agricultural policy, but unless agriculture is removed from the global trade agenda it will never make any progress or, indeed, succeed. It is time something was done, as has been said on many occasions.

Helmuth Markov, *on behalf of the GUE/NGL Group*. – (DE) Madam President, Commissioner, ladies and gentlemen, when you negotiate for seven years without coming to a conclusion, then you have to be a little bit self-critical and ask what mistakes you may have made, regardless of the mistakes made by other countries or other parties to the negotiations.

I believe it is possible to make a list – it does not necessarily apply to everyone, but perhaps the call for eliminating tariffs and opening the markets is not the right instrument for the developing countries, because they would lose the income they need for their own budgets and they have no way of getting it from elsewhere. Then it would not be possible for health care, education or development of infrastructure to take place in these countries.

For some of these countries, a free trade agreement of any kind is not the right model and they have an interest in concluding a trade agreement, but on the basis of GSP+. Perhaps it is true that at that level of development, many countries need to develop an independent economy first. After all, the European Union, or some European countries, developed their economies in closed markets.

If a result is not achieved, one must ask why that is. The Doha Round was originally bound to the Millennium Development Goals. I do not share Mr Ó Neachtain's view: I understand why many countries say they feel that the current negotiations serve exclusively to enable companies active globally to become even more

global, and this is what the Global Europe strategy also says. This has a negative effect on small regional producers. Incidentally, it also has a negative effect on European small local producers.

It is part of the *raison d'être* of the European Union, part of its imperative, that we move forward. Therefore, perhaps we need to consider a different negotiating tactic. I hope that the new Commissioner will take that opportunity. She comes from outside; she has negotiating experience. Although she may not have the necessary knowledge in trade matters, she has a well-informed team, and perhaps she will use the opportunity within the framework of the mandate rather differently to the way the previous Commissioner did – and we do have an opportunity!

Derek Roland Clark, *on behalf of the IND/DEM Group*. – The EU likes to throw its weight around when it comes to trade. Remember the six-year-long banana war with the US? That was after the EU gave special market access to its former colonies in the Caribbean. The Director-General of the WTO is former trade Commissioner Pascal Lamy. Is there not perhaps a conflict of interests? After all, his EU pension might depend on him not attacking EU policies. Could that have been a factor in his mind as he attempted to negotiate between trading blocs?

Peter Mandelson blamed the collapse of the Doha Round on US agricultural subsidies. Talk about the pot calling the kettle black! For decades the common agricultural policy has been stuffing the pockets of EU farmers with enormous subsidies. This was as much to blame for the collapse of the trade talks as anything else. Anyway, the last thing the EU should be doing is scoring points against other regions in trade wars at a time of global hunger and financial crisis.

Jean-Claude Martinez (NI). – (FR) Madam President, Commissioner, the current financial crisis is proof that, when a problem is global, we need global action. This is particularly true in food and agriculture. This is largely why the World Trade Organisation was created, and we all agree on this. The WTO tries to have globalised rules.

However, it seems that this does not function exactly as we would like, because we are faced with the following problem: we need to reconcile two things, the free trade that we all agree on, and protection, which is also necessary. Protecting our economies or national agriculture is not a byword for protectionism.

To do this, the road that we have taken over the past 60 years, since GATT, has been a rocky one, with tariffs being cut with a view to scrapping them altogether. Technically, lowering customs tariffs seems to be difficult. As proof, look at the number of mathematical formulas that exist for this purpose: the South Korean formula, the European formula, and of course the Swiss formula. This does not really work, because a product is not unitary. It is composed of numerous elements with very different rules of origin, so technically, reducing customs tariffs is not as simple as we might think. Therefore, we find ourselves in a technical rut, and it is through negotiations that we are trying, politically, to find a way out of this rut.

However, scientists have apparently invented a new customs technology: customs tariffs that are deductible for the exporter against the importing state's economy. In concrete terms, this deductible customs tariff amounts to a customs credit equal to the amount of duty that the exporter has incurred in the importing country.

There are three sides to this customs credit: it is refundable, negotiable and transferable. First of all, it is refundable: when the exporter goes to buy something from the importer, he can deduct the amount of duty paid. Secondly, it is negotiable, because if the exporting company, which has paid duty, has nothing to buy from the importer, it can sell its customs credit on the stock market or to a bank. Finally, it is transferable: to help developing countries, the importer can donate the surplus customs credit above the amount of customs duty.

Well, with this technique, we create a trade currency, where the money supply is equal to the amount of existing customs tariffs. The European Union, for example, would provide EUR 13 billion in trade currency.

Mairead McGuinness (PPE-DE). – Madam President, like others here, I was in Geneva and was amazed and amused sometimes at how the WTO works. In this case, it did not.

For once the common agriculture policy was not directly in the firing line and I think that is to be welcomed. But agriculture at a more global level very definitely was still top of the agenda. The talks collapsed because India and China were concerned about protecting their farmers from agricultural import surges. I think the words of the Indian Trade Commissioner are worth repeating. Kamal Nath said: 'This is the last mile we could

not run because of an issue of livelihood security.' India saw protection of its large and relatively poor rural and farming population as vital and believed that a WTO agreement was not in its best interests.

We are now seven years into the process. Peter Mandelson has left the stage after four years at the helm. I believe he failed to listen to the concerns of farmers, particularly European Union farmers, and the food industry, and dismissed their voice by claiming that the development part of the agenda was to the fore. His proposals would have decimated the EU livestock sector, not to the benefit of the developing world, but rather to the low-cost emerging economies and their large ranches and ranchers. As I said, he has now left the stage and I wonder whether he saw the writing on the wall. If he really was concerned about the development agenda, why did he not stay and complete the work?

Food security is now a big political priority. We are seeing huge fluctuations in the price of commodities. I understand that the grain market has collapsed today. We have to ask ourselves whether this is the best way of ensuring the supply of food to all consumers at reasonable prices. More importantly, we should look at our development policy, where we have failed to invest in agriculture in the developing world. Let us go for a deal but one that is fair and balanced.

Kader Arif (PSE). – (FR) Madam President, ladies and gentlemen, since 2001, developing countries have been negotiating a round within the WTO described as the development round. Now in the face of a sudden and devastating food crisis, alerting the world to the urgent need to find a long-term global and balanced solution, these countries expect a clear response from us to guarantee their food security.

I would like to confirm that, if the round continued to be about market access at any price, we would not achieve our objective. We also know that, the more we postpone the signing of a development agreement, the further away the prospects are of achieving the Millennium Development Goals, and unfortunately we are already way behind schedule.

Faced with this crisis situation, we ask that a political solution be found as soon as possible to the special safeguard mechanism in order to produce an effective protection tool for small producers in poor countries. This is an essential step before continuing negotiations on other aspects, and I hope that the recent resumption of talks on agriculture and non-agricultural market access (NAMA) will allow progress in this respect.

Before I finish, I would like to describe the amendments tabled to the joint resolution. The Socialist Group in the European Parliament will of course ask us to vote in favour of Amendment 2, which is absolutely essential for increasing the rights of Parliament in international trade.

We also support the amendments tabled by The Greens/European Free Alliance, but we cannot accept the amendment tabled by the European People's Party (Christian Democrats) and European Democrats, for we believe that it is not appropriate, in this resolution on multilateral negotiations, to call for new regional bilateral agreements to be signed, since we know that these are usually negotiated at the expense of the weakest.

Jorgo Chatzimarkakis (ALDE). – (DE) Madam President, Commissioner, once again – yet again – a Doha Round has failed. Is the WTO simply boring the world now? Certainly not! We really were almost at the point of agreement. There was not very much left to be done, but at the last moment, India and China – of all countries – caused the talks to collapse. That makes it very clear that the talks did not run aground for technical reasons but that the event had a political nature, as it shows that the new power centre of the world trade round is in Asia and no longer so much in Europe.

China's role is considerable, as China has so far always been committed to free trade, but suddenly it apparently has a new agenda.

Nevertheless, I would like to extend sincere congratulations to the Commission – to you, Commissioner, and also to Commissioner Mandelson, on the positive role played by the EU. Unlike in Hong Kong, we were involved in the negotiations, were pro-active and were prepared to make compromises. It is rather a shame, though, that Mr Mandelson is leaving at this point; it means we have to change horses in midstream. He was a good negotiator. He hassled us a lot in Parliament, and he leaves big shoes for Lady Ashton to fill. All the best!

Nils Lundgren (IND/DEM). – (SV) Madam President, I am a staunch Eurosceptic, but there are two areas where the EU must play a central international role – trade policy and environment policy. We are now talking about trade policy.

Free global trade is the key to economic prosperity for all the countries of the world, particularly the poorest. The setback in the Doha round over the summer was therefore very serious and it is now up to the EU, the world's biggest trading organisation, to take a new initiative. It is therefore highly unfortunate that Peter Mandelson, our most competent Commission member, is leaving his post as Commissioner responsible for the EU's trade policy. At the same time, the world economy is threatened by a devastating financial crisis.

In these circumstances, the UK Government is proposing a replacement who clearly is not up to the task. It is now the responsibility of the European Parliament to ensure that we get a strong, competent Trade Commissioner at this dangerous point in history. Let us take that responsibility!

Robert Sturdy (PPE-DE). - Madam President, may I first of all raise with the Commissioner the problem of the situation following the demise of Peter Mandelson. I think he has failed the EU by leaving his post. We are in a serious position. You yourself have just said there is a real opportunity for the Doha Round to be restarted. Without Peter Mandelson at the helm – and I have criticised him on many occasions, but at least he had the intellect and the knowledge as a past minister of trade to be able to carry on with the battle – I feel that we are in dire straits.

Will you, Commissioner, for example, be signing off the agreement next week on EPAs? What knowledge do you, with the greatest respect, have on EPAs? You were not involved in the negotiations, or in the setting up of the EPAs. Certainly I never spoke to you when I was drafting the report on them.

And will the Commission guarantee to this House today that we will have a proper hearing, when Baroness Ashton comes before the Committee on International Trade? Because if you try to push it through on a day when there is going to be nobody present, if you try to push it through next week, or, for example, on a Monday, which is very difficult for Members, then beware the wrath of this House! Remember what happened to the Santer Commission! I believe that she should be given a fair and proper hearing and, as many people have said, it is vitally important that we have a good Commissioner at the helm.

With regard to that, I just wonder, Commissioner, whether you and I are listening to the same sort of discussions. You said the US farm bill was being redrafted. I think you are kidding. Obama said only yesterday that he was going to continue to be more protectionist than ever before, and so has the Republican candidate. You will see huge protectionism coming from America. I leave you with one thought: somebody said there is a food crisis. Let me make it absolutely plain to this House: there is no food crisis. Wheat is now EUR 40 a tonne less than the cost of production.

Madam President, on a point of order, just very quickly. Outside this Chamber do we have a circus? This has nothing to do with the discussions today. Do we have a circus? Do we have a restaurant? Do we have a club? You have to fight your way through. I think you should take it to the Conference of Presidents and stop the sort of circus that is going on outside this Chamber now.

President. – Your comments are noted, Mr Sturdy.

Harlem Désir (PSE). – (FR) Madam President, Commissioner, ladies and gentlemen, what is at stake now within the framework of these WTO negotiations? I do not think that it should be the lot, as noble as these people are, of Mr Mandelson or Baroness Ashton. I am not even sure that the most important thing is the issue of industrial tariffs, agricultural tariffs and market access. Clearly, we all want the agreement to be solid, to be fair for Europe, but I think that there are two main issues here.

The first is the preservation of a multilateral framework for trade. We can see how much the absence of this framework in another area of globalisation – the financial markets – costs in terms of the risk to the economy, to citizens and to our society. This is what is at stake, because if these six years of negotiations result in failure, we know what sort of bilateral agreements will gradually replace them within the WTO. This is a flawed framework. We want to reform the WTO – we said so in our draft resolution – we also want to have other trade-related dimensions to be taken into account, particularly environmental dimensions, to deal with the impact on climate change and social rules. This is absolutely fundamental. However, it is not by dissolving the multilateral framework, but by strengthening it, that we will succeed in better organising this aspect of globalisation.

The second issue – which I will not go into because it was covered by my colleague Mr Arif – is the rebalancing of rules that were set during the Uruguay Round, during the creation of the WTO, to reflect differences in terms of development, the situation of the least developed countries, the situation of developing countries. You also mentioned this, Commissioner, with the request for an 'everything but arms' style initiative, with

a safeguard clause for sensitive products. In this regard, we need to introduce rules – not necessarily free-trade rules – that look at each situation. We want fair trade, provided that it is not just about the law of the jungle.

These, I believe, are the two main issues on which European negotiators must focus. It is only natural that they should be concentrating on other measures, such as agriculture, services – although not by questioning the right of developing countries to regulate public services – and industrial tariffs, but not at the expense of a successful outcome to this development round.

Daniel Varela Suanzes-Carpegna (PPE-DE). – (ES) Madam President, we would have liked to see Mr Mandelson still in his place here, rather than having bolted, which appears to have been the European Union's coup de grace to the Doha Round.

The global financial crisis does not augur a promising future for Doha. This collapse is in turn worsening the global economic situation, and the less developed countries will pay most dearly for it. The WTO is necessary; the regulation of international trade is essential. Regulation is now a key asset in globalisation, as we are seeing. It is therefore necessary that we reach an agreement in the Doha Round.

We will have to reflect on improving the way that the WTO operates and its legitimacy, and the role in this Round of the 'emerging' countries, who choose whether to be developing or developed countries as it suits them. As the resolution states, the dialogue should not only be North-South, but also South-South.

The European Union has taken very significant steps in these negotiations, more so than others. We have also taken steps with initiatives such as *Everything But Arms*. Others also have to move in this direction, and in the interim, let us conclude the pending association agreements, such as with Mercosur, which are essential in this new context.

Carlos Carnero González (PSE). – (ES) Madam President, today's debate is definitely revealing some major points of agreement. One of them is that, in response to the crisis that we are experiencing, what we need is more regulation and multilateral regulation.

If we focus on finance, it is really undesirable for the International Monetary Fund or the World Bank to play a leading role, even for the worst of enemies. They just make catastrophic predictions and show that they have less and less say in what happens, and that their influence and clout are in practice unpredictable.

That being the case, as we have an instrument like the World Trade Organization, what we need to do is use it. Now more than ever we need regulation, but now more than ever we need a real economy, as opposed to a speculative financial economy. The trade in goods and services is the real economy, and economic growth for employment is based on the real economy.

I therefore do not agree that the crisis means that it is going to be more difficult to conclude the Doha Round, quite the contrary: any responsible government should make a real effort to conclude this Round, whether it is from the North or the South, whether it is an underdeveloped country or a developed country.

I think that we have a global market and we need visible hands. In this case, we need the hands of the World Trade Organization. We will have to improve the way that it operates, we will need to have more of a development model and less of a free trade model, certainly, and we will, of course, need to have political will. I assume that the Union, with the new Commissioner, will continue to have this.

Béla Glattfelder (PPE-DE). – (HU) Peter Mandelson is leaving the sinking ship and giving up his captain's bridge. He is leaving a ship which he himself has steered towards an iceberg. It was a mistake to give such extravagant concessions, especially in agriculture, at the very beginning of the negotiations. This gave no incentive to our trading partners to offer concessions themselves. We have become a laughing-stock for, while we are ditching the Common Agricultural Policy, the other negotiating partners are protecting their own agricultural policy and strengthening the position of farming in America.

The WTO negotiations cannot be carried on from where they were left off. Negotiations can only be continued if they cover environmental issues too. Otherwise further liberalisation of world trade will lead to even more offensive devastation of the environment and the acceleration of climate change. Is it right, when we are suddenly in the middle of a financial and food crisis, to sacrifice Europe's food security and its agriculture just so that our bankrupt banks are better able to export their misdirected services?

Czesław Adam Siekierski (PPE-DE). – (PL) Madam President, the European Union has been making significant changes to the common agricultural policy. This reform has had the effect of restricting agricultural

production. This is particularly apparent in the sugar market, but not only in that market. We have restricted the level of support for our farmers. To what extent has this had the effect of increasing added value, in which countries and in respect of which social and occupational groups?

I would like to ask the Commissioner what the European Union has received in exchange. Another question is: how have the signs of a world food crisis impacted on WTO negotiations? Will the current financial crisis, which will certainly affect the state of our economy, have an impact on negotiations at WTO level?

Mariann Fischer Boel, *Member of the Commission*. – Madam President, could I first try to describe our huge disappointment after ten days of intensive negotiations in Geneva. We felt that we were so close to being able to strike a deal on agriculture and NAMA, knowing very well that at the very end this would be the single undertaking that would determine whether the European Union could consider a package to be acceptable.

As the person responsible for agriculture, I must say it was extremely encouraging that for the first time ever European agriculture was not blamed for the failure of the discussions. The reason was that we have actually been doing our homework in the agricultural sector by reforming our common agricultural policy, first with the big reform in 2003 and then all the reforms after that period. So we were able to deliver an 80% reduction in trade-distorting domestic support, without actually damaging our agricultural sector. We had the possibility here to also lock the reforms into the multilateral trading system. It was not an agreement at any cost. It was a balanced agreement within those two areas. We could justify to the Council that we were negotiating within the mandate given by the Council to the negotiators. For agriculture, this mandate was simply not to force us into a new reform within the agricultural sector.

I agree with those of you who have said that the multilateral system is important and necessary, because of the fact that it is only within the multilateral system that we can discipline, for example, trade-distorting domestic support and all other non-trade concerns. This can never be done in bilateral negotiations, so we have to stick to the values of the multilateral system.

I also have to say that in these negotiations we never targeted the market of the developing countries. Quite the opposite, actually, which was why the SSM was so important, as I said in my first intervention, in sheltering special products in the developing countries. I would like to add that we introduced the 'everything-but-arms' agreement back in 2002, which means that the European Union today is by far the biggest importer of agricultural commodities worldwide. We are bigger than Canada, the United States, Australia and Japan all together. So we have actually opened up our markets in the agricultural sector to these countries.

Food security has been mentioned here tonight as well. We have to realise that food security consists both of domestic internal production and of imports. If we look at the European Union's agricultural sector, we would never be able to be as strong as we are today if we had a closed market in agriculture. We have today, if I could take the country of the Presidency, EUR 7 billion in surplus trade in agricultural commodities. If we imagine that we closed our markets, we would never be able to sell all our high-quality products internally because we would be punished if we protected ourselves. Others would do the same, which would prevent us from taking advantage of the emerging and increasingly open market opportunities for our high-quality products. So, of course we need a balanced approach.

Geographical indications (GIs) were mentioned, but I did not raise this in my first intervention because of the time pressure and the Chair's very strong hand on time limits. GIs are a crucial issue for the European Union and we made it totally clear to the other negotiating partners that we would never be able to sign a deal if we did not have a positive outcome on geographical indications because this is so important, especially for high quality Mediterranean products.

I will reply briefly to Mrs McGuinness. I do agree with you that we have actually been under-prioritising our development aid in the agricultural sector for decades. Now that we see prices – not commodity prices, as it is right that prices have been going down today, but the prices of seeds and fertilisers – skyrocketing, we have suggested our facility to try and help the least developed countries, the poorest countries in the world, and put them in a position to buy seeds and fertilisers. This EUR 1 billion facility is now being discussed here in Parliament, and I hope that there will be a positive approach to this possibility of helping developing countries feed their own people and avoid migration from rural areas to the cities. Please keep this in mind. It is very important.

President. – I have received six motions for resolution⁽¹⁾ tabled in accordance with Rule 103(2) of the Rules of Procedure.

The debate is closed.

The vote will take place tomorrow.

Written statements (Rule 142)

Daniel Dăianu (ALDE), in writing. – The failure of the Doha Trade Round could be a harbinger of things to come, at a time when the deepening financial crisis puts tremendous strain on governments' ability to play by the rules. Benefits of free trade have been hailed against the backdrop of increasingly global markets. But free trade has to be fair and complemented by an international regime that helps poor countries develop. Increasingly unequal incomes in wealthy economies and their fear of the rising power of some emerging economies are triggering bouts of protectionism. Likewise, the struggle to control exhaustible resources and obtain basic commodities at affordable prices raises the propensity to restrict trade in many countries.

One needs to mention here the increasingly complicated nature of geopolitics. The EU has to take the lead in mitigating the fallout from the current crises, in terms of preventing a collapse, de facto, of the multilateral trade and financial system. This lead includes, among other things, a reform of the IFIs, involving the emerging global powers (BRICS) in dealing with global economic issues and a reform of the international architecture regulating the flow of finance. At end of the 19th century an international system that promoted free movement of goods and capital broke down and was followed by a devastating war in Europe. We should remember this.

23. EC-Ukraine Agreement in relation to preservation of commitments on trade in services contained in the Partnership and Cooperation Agreement (debate)

President. – The next item on the agenda is the report by Zbigniew Zaleski on behalf of the Committee on International Trade on a proposal for a Council decision on the conclusion of the Agreement in the form of an Exchange of Letters between the European Community and Ukraine in relation to preservation of commitments on trade in services contained in the Partnership and Cooperation Agreement (COM(2008)0220 – C6-0202/2008 – 2008/0087(CNS)) (A6-0337/2008).

Zbigniew Zaleski, rapporteur. – Madam President, this report closes a certain phase in our EU-Ukraine policies. Starting with trade and service agreements, I will draw a broader vision of the future cooperation within the WTO and then within the enhanced Free Trade Area once this is created.

The report, which is short on statements, is an important step in regulating and facilitating our cooperation with our significant neighbour, Ukraine. We are consistent and transparent in our intentions and deeds. There is an assumption behind them that, if economic conditions improve, then people may invest more energy in solving the other problems that they face – political, social and others, although all of these are interwoven. Today, when the very substance of Ukraine trembles – a minute ago I read a message that Yushchenko has dissolved the parliament – our assistance can be of crucial value, but cooperation limited only to the economy would not be sufficient. We need to have a broader project, a detailed strategy, composed of various aspects.

The frame of our neighbourhood policy gives room for a strategy similar to the Union for the Mediterranean. There is a report by Mrs Napolitano which is very much supported by the present Presidency. It would be advisable for the French Presidency to show more courage in promoting the proposal by a sufficient group of Members to create EURO-NEST, that is an official assembly of European and our eastern neighbours' parliaments. We should not limit ourselves only to the nations around the basin of the Mediterranean Sea but should have a balanced vision in our neighbourhood policy. We should not leave weak links in the chain of countries surrounding our Union borders.

Taking the example of Barcelona as a potential candidate to be the seat, or as it were capital, of the Mediterranean Union, I propose for the future eastern neighbour union – something like the Black Sea Union – that the city of Lublin in eastern Poland be the location for administering such a body. Historically Lublin

⁽¹⁾ See minutes.

has proved itself by being the city of an important international union that preceded the one which we are building at the moment – or at least are trying to build.

In conclusion, the scope of my position and proposal is that I would like to mobilise this House, the Commission and the Council to be more active in our eastern dimension. Why should we do that? The answer is simple. If we believe in our European values as being able to improve the human condition on Earth, there can be no room for passively awaiting political developments in that area.

The case of Georgia is a warning to us as far as the future of Ukraine is concerned. Let us not wake up to find that we are pushed away from the political and economic stage, which has been taken by another actor, or even being accused of passivity, lack of political vision and inability to resolve the conflicts in our neighbourhood. If we rely on the Kremlin strategy – as seemed to be supported by the Socialist Group during its recent delegation visit to Moscow led by Martin Schulz – then we lose out as a player on the international stage. Our European citizens will be the victims of energy prices, tensions and insecurity.

To conclude, even if Ukraine is not as efficient in democratisation as we would expect, we should not decrease our efforts to create an enhanced cooperation with her people, whose European ambitions are crucial, not only for themselves, but perhaps even more for us, the citizens of Europe.

Meglena Kuneva, Member of the Commission. – Madam President, I would like to thank the European Parliament for promptly giving its opinion and adopting this positive report, as it is important that this agreement is formalised as soon as possible after Ukrainian accession to the WTO, to avoid any legal vacuum.

Following Ukraine's accession to the WTO, this agreement preserves two very important commitments that help our international maritime operators in their activities in Ukraine.

The first provision ensures national treatment to nationals and companies of the Community providing international maritime transport services when providing international sea-river services in the inland waterways of Ukraine. The second preserves the so-called Greek clause, which allows EU or Ukraine nationals or shipping companies established outside the EU or Ukraine to benefit from the provisions on maritime services, if their vessels are registered in the EU or Ukraine respectively.

These two provisions will be integrated in the very ambitious Free Trade Agreement we are currently negotiating with Ukraine. This Free Trade Agreement is referred to as a deep and comprehensive FTA and it should indeed correspond to these qualifiers.

We are keen that this should be so because of the important political and economic considerations at stake in relation to Ukraine. The process we are engaged in is not just about trade and investment flows. It is a sign of Ukraine's continuing political and economic integration into the global economy, and deep partnership with the EU.

The Free Trade Agreement is one of the central elements of the broader Association Agreement we are negotiating with Ukraine in the context of the neighbourhood policy.

To the extent that Ukraine can transpose, implement and enforce the EU *acquis* in some key areas, as foreseen under the current Free Trade Agreement negotiations, the European Union should be ready to extend the internal market benefits in these areas. This is especially valid for services where there can be most added value for both partners. Furthermore, because Ukraine's WTO commitments in the field of services are already very broad, the FTA and the *acquis* approximation process will allow us to tackle beyond-the-border barriers.

This agreement will incentivise EU foreign direct investment in Ukraine by cutting red tape and bringing transparency as well as helping exporters and service providers on both sides, by bringing our relations closer and sharing our standards. As a consequence we should see accelerated trade flows and an increase of personal contacts that result from growing small businesses and regional supply chains.

This is of course a challenging and lengthy process but the Commission believes that this agreement will set the framework and create the incentives for this convergence to occur.

But, as I stressed before, we should not forget that this process is not just about economic opportunities. It is part of a broader test of the transformation of Ukraine and its partnership with the European Union.

Zita Pleštinšá, on behalf of the PPE-DE Group. – (SK) Although the present turbulent domestic politics in Ukraine have weakened the country's negotiating position, they must be seen as part of a democratic process.

EU integration continues to be the top priority for Ukrainian foreign policy. I welcome the report by my colleague Mr Zbigniew Zaleski. It highlights many key elements and emphasises the progress Ukraine has made since the Orange Revolution.

I firmly believe that without the EU's intensive support for Ukraine's accession to the WTO, it would probably not have become a member of this important organisation in May 2008. Just as in the case of the WTO, Ukraine now needs the EU's support once again.

During the 11th meeting of the EU-Ukraine Parliamentary Cooperation Committee that took place in Kiev and Krym last week, I became even more convinced that the EU must be prepared to support Ukraine's efforts, both technologically and financially. On the other hand, Ukraine must implement the necessary reforms, in particular in its services sector, and hold ambitious negotiations with the EU.

Francisco Assis, *on behalf of the PSE Group*. – (PT) The conclusion of the agreement we are discussing presents an excellent opportunity to reiterate the importance of the relations that link the EU and Ukraine in many sectors.

These relations, which have intensified, are based on a heritage of joint values and principles and on a repeated desire to strengthen partnership and cooperation at the institutional level.

The European Union cannot but look with admiration on the Ukrainian people's efforts to consolidate the democratic system, the Rule of Law and an open economy. These efforts have been carried out in especially demanding circumstances and this means we have an even greater responsibility towards that country and towards ourselves.

We are all aware of the special nature of Ukraine, which, due to its geographical location and its history, presents a complex national reality, shot through with various tensions, and of exceptional importance on the geopolitical and geoeconomic levels. That is why the European Union must strive to promote forms of cooperation that contribute towards developing and stabilising such an important country, which has, in fact, been happening.

The road already travelled and the soundly expressed prospects, which are based on an association agreement being concluded in the near future that includes the creation of a free trade area, give strong grounds for optimism. On the EU side, we have an obligation not to ignore the aims expressed by very broad sectors of Ukrainian society of strengthening ties with Europe. These aims revolve around a desire for Ukraine to be part of a community of values and the political and economic organisational model that are at the heart of Europe's identity.

Stepping up trade, in particular in the services sector, has helped to deepen economic relations and may well decisively contribute to modernising the country. Ukraine's accession to the World Trade Organization, which deserved the EU's enthusiastic support, allowed the country to join the multilateral world trade system, which, among other aspects, is also enabling the country to draw closer to Europe. This process of drawing nearer must be intensified, as it will not only bring benefits for the two parties directly involved, but also for the entire region.

Ukraine is part of Europe's past and of its future. Any steps, no matter how small, towards highlighting this fact deserve to be welcomed and supported.

Rebecca Harms, *on behalf of the Verts/ALE Group*. – (DE) Madam President, I would like to start the debate from the other side.

After the visit of the European Parliament delegation to Ukraine last week, it is very important to emphasise that Ukraine's next step towards the West, the way forward to democracy and even to integration in the European Union, will not be decided by this Parliament alone, but very much by Ukraine itself. Being confronted time and again with new political crises on regular annual visits, discussing year after year whether there will be new elections again, is not the kind of development that will undergird this integration.

The members of the EU delegation to Ukraine made it clear while we were there that we believe that rivalry between the exponents of the political blocs must not be allowed to continue to dominate the political agenda but that they must come to an understanding about what measures they want to take to stabilise the country.

There is still virtually no selection of political programmes and content to choose from. This is most alarming, because many Ukrainian citizens, who really fought hard to achieve a democratic process, are now avoiding

Ukrainian politics with a shudder. Ripples of discontent of that magnitude need to be addressed at every visit and at every meeting with representatives of all Ukrainian blocs and parties.

Andrzej Tomasz Zapalowski, *on behalf of the UEN Group*. – (PL) Madam President, trade relations between EU countries and Ukraine are of very considerable importance because of the demographic potentials of the two partners. The development of these relations is all the more important in that trade contacts will help to promote the pro-European strivings of the Ukrainian people. There are still many unresolved problems in our bilateral relations. One of them is the question of the illegal takeover of companies by Ukrainian partners. The uncertain relations that prevail in the Ukrainian administration of justice mean that it can take many years for property to be recovered. The political instability of our partner is also having a deleterious impact on our expanding cooperation. The future promises to be even more unpredictable.

We hope that the authorities in Ukraine will do all they can to see that the European Union borders a Ukraine that possesses full legal and political guarantees for the development of companies and economic cooperation, especially in the services sphere.

Sylwester Chruszcz (NI). – (PL) Madam President, political and economic relations with Ukraine are of great importance to us. Each year we can see a rise in investment in Ukraine, and this includes a European dimension. These investments are having a beneficial effect in many sectors – including on consumers in Ukraine – by increasing levels of consumption. The involvement of foreign banks in the Ukrainian banking sector has already reached 35%. The services sector is of fundamental and vital importance for the Ukrainian economy. It needs further reform and investment if it is to reach the level of development of this sector in EU countries. The same is true of other areas of the Ukrainian economy, including the health-care and tourism sectors.

We need to develop and reinforce our economic relations between Ukraine and the European Union. We must bear in mind that Ukraine is an important transit country for us from the aspect of energy security in Europe. We also appreciate the efforts being made by Ukraine, including legislative efforts, linked to the expansion of economic dialogue with Europe and the recently attained WTO membership.

Zdzisław Zbigniew Podkański (UEN). – (PL) Madam President, the draft legislative resolution we are discussing has the full support of my political group, the Union for Europe of the Nations Group. Ukraine is an interesting partner, especially in the sphere of trade, provision of services and investment. Good cooperation between the European Union and Ukraine is very important, especially for neighbouring countries. One such country is Poland, which is linked to Ukraine by many experiences that go beyond the economic sphere.

Ukraine has enormous potential for the development of tourism and leisure. It is a country of rich cultural traditions. For Ukraine to develop properly it needs new technologies, investment, and expansion of the banking system and social communication. The European Union can help Ukraine to do this. Ukraine is also an important sales market for European products. This is something we should also bear in mind when specifying our tasks and directions for action in future cooperation.

IN THE CHAIR: MR BIELAN

Vice-President

Czesław Adam Siekierski (PPE-DE). – (PL) Mr President, an agreement with Ukraine is an important event that has the effect of helping to rationalise relations between our two sides. It is a good starting point on the way to drafting an association agreement between the EU and Ukraine. Above all this agreement creates an opportunity to develop trading exchanges between us and to increase investment in a two-way system. One inordinately important area of our cooperation is the transfer of know-how in the sphere of standards, quality and the convergence of our legal and institutional heritage. Youth – particularly student – exchanges will help to promote the implementation of these tasks, along with the development of scientific, cultural and tourist cooperation.

Zbigniew Krzysztof Kuźmiuk (UEN). – (PL) Mr President, I wish to draw attention in this debate to three questions that I think are important. Firstly, Ukraine is a key partner of the European Union in the move to diversify oil and gas supplies. An understanding with Ukraine provides an opportunity for Europe to secure supplies of these energy media from the Black Sea and Caucasus region.

Secondly, Ukraine's accession to the World Trade Organisation in May of this year has created additional favourable conditions for the development of economic relations with that country, especially in the sphere of service provision.

Thirdly and finally, as a result of the serious neglect of infrastructure, Ukraine needs significant financial support from the European Union, originating not only from the EU budget, but also primarily from the European Investment Bank and the European Bank for Reconstruction and Development.

Meglena Kuneva, *Member of the Commission*. – Mr President, I once again thank the Parliament on behalf of the Commission for these comments, its positive opinion and the rapid adoption of this report.

In the short term, this helps both partners to preserve some important economic interests, with the least legal vacuum possible, following Ukraine's entry into the World Trade Organisation.

In the medium and longer term, this is only one element of the wider and very ambitious process of economic integration we are engaged in within the framework of our Association Agreement with Ukraine.

Zbigniew Zaleski, *rapporteur*. – Commissioner, the maritime service agreement cannot be overestimated. We all know how important the Black Sea route and land transit across Ukraine could be for Europe – for all of us – but without our support the future of this area is not certain. I will now speak in Polish.

rapporteur. – (PL) My fellow Members have mentioned the need for close cooperation and have emphasised the fact that Ukraine obviously belongs to Europe. They have gone on to talk about investment, tourism and enterprise. Of course, much depends on Ukraine itself. That is obvious. Perhaps especially now, today, and tomorrow, in the weeks to come, the polarised Ukrainian people need help on the economic, political, scientific and social fronts. Let us stop criticising so much; let us rather take sensible and constructive steps. This is for the good of both sides: Ukraine and the EU. Thank you all very much for the debate and may I ask for your strong support for this report.

President. – The debate is closed.

The vote will take place tomorrow.

Written declarations (Rule 142)

Bernard Wojciechowski (IND/DEM), *in writing*. – The service sector is essential for the EU and the Ukrainian economies. Ukraine seems to be compelled to reform its energy sector in order to maximise production and improve quality and safety standards. The short-term transition hardships should therefore result in a modernised and more transparent services market. On the other hand, we should not forget about fighting corruption, which is so rampant in the Ukraine.

The European Union must be ready to support Ukraine's efforts but Ukraine must also do its share of domestic reforms. There are a number of issues that we as representatives of the European Union should address: (1) strengthen the energy security of Ukraine and the EU Member States; (2) ensure a higher level of energy efficiency; (3) reconstruct and modernise the thermal power sector and reduce its negative impact on the environment; (4) increase regulating generation capacities; and (5) ensure a higher level of consumption of renewable energy. All of them should fall within an open and transparent energy market. We cannot handle more monopolies in such crucial sectors.

24. Addressing the challenge of water scarcity and droughts in the European Union (debate)

President. – The next item is the report (A6-0362/2008) by Richard Seeber, on behalf of the Committee on the Environment, Public Health and Food Safety, on addressing the challenge of water scarcity and droughts in the European Union (2008/2074(INI)).

Richard Seeber, *rapporteur*. – (DE) Mr President, I would like first to thank the shadow rapporteurs and the Commission for their excellent cooperation on the preparation of this report.

We all know that water is the basis of all life. However, this basis is not infinitely available. In the future, up to three billion people will be affected by lack of water. Already in 2007, a third of Europeans lived in regions in which water resources were limited, according to the European Environment Agency. This problem

particularly affects countries such as Cyprus, Bulgaria, Belgium, Hungary, Malta, Italy, the United Kingdom, Germany, Spain and, unfortunately, many others. That means that water is being overused. Of course, climate change is also exacerbating the problem. Drought events have therefore become more frequent over the last 30 years, costing more than EUR 100 billion so far. The EU economy suffered losses of approximately EUR 8.7 billion in the drought of 2003. These extreme weather situations have not only economic, but also social and human effects. Apart from the general impairment of human health, approximately 35 000 people in Europe died as a result of the heatwave in 2003.

We also note that patterns of water use vary greatly within Europe. The average consumption in the EU fluctuates between 100 and 400 litres, although in fact 80 litres per person per day should be enough for a European standard of living. This is caused by inefficiency owing to out-of-date technologies and also to the wasting of water. For example, 30% of the water in France's distribution networks simply disappears. For us, this means that there is tremendous potential for saving water here in Europe.

It is high time for the Community to take action as well. The Commission has already addressed the topic of water in several directives, such as those on bathing water, drinking water, floods, environmental quality standards for water, etc. Without a doubt, the milestone so far was the Water Framework Directive in 2000, with its implementation steps. It is now particularly important for the Commission to make sure that the Member States perform their obligations arising from that legislation.

Changed environmental and climate framework conditions, greater use of water by business, agriculture and households, and of course changed consumption habits have exacerbated the water shortage. Unfortunately, we are seeing extreme weather situations more and more often. On the one hand, there is heavy rainfall accompanied by flooding, while on the other, periods of drought that devastate entire swathes of Europe are becoming more frequent.

The communication that the Commission has now laid before us represents an important step in the right direction, but essential improvement measures are imperative. Firstly, water shortage and drought must be seen as a global phenomenon. Here in Europe, we must not concentrate only on our own problems – let us not forget the huge numbers of migrants descending upon Europe, very often because of droughts.

Secondly, the Member States need to work together across borders to combat water scarcity and drought. The management plans of the Water Framework Directive need to be supplemented with regard to drought and water scarcity. Mutual solidarity between the Member States as regards their water resources does not, however, mean that their sovereignty for making decisions about their water resources has to be abolished. In my view, transporting water over long distances is no solution to the problem, either.

Thirdly, the Commission document does not contain a specific timeframe or verifiable goals. Without these, this strategy cannot be implemented.

Fourthly, Europe really ought to try to become a global leader in water-saving technology. That requires dealing with both the human side of the problem and of course also the economic needs of the moment.

In summary, I believe that we have been presented with a paper that makes important improvements to the Commission document.

Vladimír Špidla, *Member of the Commission*. – (CS) Mr President, ladies and gentlemen, water scarcity and drought represent a major global problem and it is clear that climate change will aggravate the situation and result in serious water scarcity. This trend was confirmed by another report on the impact of climate change in Europe, prepared by the European Environment Agency last week.

The frequency and intensity of droughts in the European Union have dramatically increased over the past 30 years, and over 100 million people and almost one third of the EU were affected in 2003. Since the Commission presented its communication on water scarcity and droughts, we have seen further evidence of this trend. Cyprus is experiencing its worst drought since 1900. Water supplies for irrigation purposes were suspended during the summer and farmers suffered 80% crop losses as a result. In some areas cereal crops were completely destroyed. The estimated losses exceed 1.5% of Cyprus's GDP. Nor was this an isolated occurrence: 2008 is the third consecutive drought year in Cyprus.

This is therefore the right time for Parliament to debate its report on water scarcity and droughts. I am glad that the European Parliament has taken this opportunity to send out a clear message that it is important to tackle this problem.

Global warming, population growth and increasing *per capita* consumption all mean that the pressure on our water resources is rising. As a consequence, water scarcity or droughts are becoming increasingly likely, and they have a direct effect on the population and on those economic sectors that depend on water supply, for example agriculture, tourism, industry, power supply and transport. They also have negative side effects for biodiversity and water quality. The risks of forest fires and the consumption of land are increasing. Unless urgent measures are taken, entire regions will face the risk of desertification, both within and outside the European Union.

In order to prevent this, our top priority must be a shift towards practices that will lead to effective water use and water savings. At the same time, measures aimed at water saving will be adopted at all levels. In order to achieve this, the entire population will have to play a role; the adoption of government measures will not on its own be enough.

The latest Eurobarometer poll, asking the public about their attitude towards climate change, indicates that 62% of Europeans consider climate change/global warming to be among the two most serious problems facing the world today, while 68% of Europeans feel that 'poverty, the lack of food and drinking water' is the most serious problem. In this context the good news is that the fears expressed by the members of the public are also reflected in their behaviour: 61% of Europeans declare that they have personally taken actions aimed at tackling climate change and more than half have reduced their consumption of water at home.

Mr President, ladies and gentlemen, I am pleased to note that your report welcomes the Commission communication and supports the proposed first set of policy options for action. I would like to thank the rapporteur, Mr Seeber, for his excellent work on this report, as well as Mrs Herranz García and Mrs García Pérez from the Committee on Agriculture and the Committee on Regional Development for their positive and constructive contributions. There is broad agreement between the report and the conclusions adopted by the Council last year regarding the measures to be taken. The task now is to turn this political support into real actions.

Iratxe García Pérez, *draftsman of the opinion of the Committee on Regional Development*. – (ES) Mr President, I would like to begin by congratulating Mr Seeber on his report and by saying that, in the Committee on Regional Development, we are aware that water scarcity has become one of the fundamental challenges for the cohesion policy, as it has so far affected 11% of the population and 17% of the territory of the European Union.

For this reason, this aspect needs to be taken into account in the future cohesion policy, using the necessary budgetary measures and instruments in order to do so. We need to stress to the regional and local authorities the opportunity offered by the Structural Funds to address the challenge of water efficiency in terms of saving and reusing water.

We also need to call on the Commission to promote the entry into operation of the European Drought Observatory, to work on complementing national, regional and local data.

Finally, we need to acknowledge that water scarcity and droughts have direct effects on social, economic and territorial cohesion, as the impact is more pronounced in certain regions, leading to land abandonment, forest fires and soil degradation, and hindering significantly the development of those regions.

Esther Herranz García, *draftsman of the opinion of the Committee on Agriculture and Rural Development*. – (ES) Mr President, firstly I would like to congratulate Mr Seeber on the work he has done, because his report picks up many of the concerns expressed in this House regarding problems that are crucial for the whole of the European Union: water scarcity and drought, which have now ceased to be a problem for only the southern European countries.

I am pleased that this draft incorporates some of the ideas included in the opinion for which I was the draftsman in the Committee on Agriculture and Rural Development, in favour of agricultural activity, for example in highlighting the role that farmers play in the sustainable management of available resources. It also includes a reference to droughts and water scarcity as factors that push up the prices of raw materials, an aspect which, in the current climate, I think it is very important to highlight, so that we keep in mind not only the environmental dimension of this problem, but also some of its most important economic consequences.

The Committee on the Environment, Public Health and Food Safety also included the idea of establishing a European Drought Observatory, something that is also mentioned in the opinion of the Committee on Agriculture, and which I hope will one day become a reality.

The text to be put to the vote tomorrow does not, however, include a proposal made by the Committee on Agriculture for the Commission to look into setting up an economic adaptation fund against drought, which would benefit all economic sectors, including agriculture.

I would personally like to make it clear that I will continue to advocate the establishment of this fund, an idea that I will propose to Parliament again when the Commission produces its planned communication on adaptation to climate change in the next few months.

I think that, following the establishment of the Solidarity Fund, which was created to mitigate the losses caused by climate disasters, it is time for us to think about an instrument that acts in advance to fund preventive measures to reduce the environmental and financial cost of these climate disasters.

Péter Olajos, *on behalf of the PPE-DE group.* – (HU) Thank you, Mr President. I would first like to add to my colleagues' praise of Mr Seeber. He has brought expertise and hard work to this task and well deserves success and praise. This, I must say, is an extremely important matter. Ninety per cent of Hungary, my country, is a land threatened by drought. The regular occurrences of drought in past few years have caused exceptional damage to Hungarian agriculture, with the damage last year alone amounting to one billion euros. Drought is a problem that is not restricted to the countries in the south. It has caused huge problems in Hungary even though Europe's largest river, the Danube, and the seventh largest, the Tisza, both flow across it. Even so, the hundred-kilometre-wide area lying between these two abundant rivers has begun to suffer from desertification and this process is happening and being made to happen ever faster. This demonstrates that the European Union needs an overarching water management programme and I would therefore like to welcome this report, showing that the European Union has resolved to take action in the fight to control desertification and in the interests of that fight.

Yesterday, the Committee on Budgets, on my proposal, supported a pilot project calling for assistance in the control of desertification. But we must all contribute more in support of efficient agriculture practices and overarching water management. The measures we have to take to rationalise the use of water by the general population are important too. As a result of climate change the effects of regular periods of water scarcity will probably become more pronounced and every single drop of evaporated water will have a consequence.

Finally, permit me to draw your attention to the question of global responsibility. As the population of the world continues to grow dynamically, with even more pressure on industry, agriculture and water in the developing countries, Europe must re-evaluate its water reserves. It is our duty and responsibility to conserve and augment these reserves. Thank you.

Edite Estrela, *on behalf of the PSE Group.* – (PT) On behalf of my group, the Socialist Group in the European Parliament, I would like to thank the rapporteur for his work. This is an important report containing appropriate proposals on how the European Union can address the challenge of water scarcity and droughts. This is not a new problem, but the situation has become more acute and extensive. The 2003 drought affected more than 100 million people and a third of the EU's territory, and cost the European economy EUR 8.7 million. Water scarcity no longer affects just the southern European countries; its impact is already being felt in central and northern Europe, as has been mentioned here, and the situation is getting worse because of climate change.

The European Union must take urgent measures to resolve the two issues of excessive water consumption and water wastage. According to European Environment Agency data, there is huge potential for water saving in Europe. Approximately 40% of the water used could be saved. Moreover, Europe is continuing to waste at least 20% of its water due to inefficiency. That being so, the amendments I tabled, and the Committee on the Environment, Public Health and Food Safety adopted, on the re-use of waste water and desalination, are fully justified. Furthermore, as leakages from pipes result in much wastage, I suggested that Member States could use the Structural Funds to improve and renew existing infrastructure and technology. It is impossible to develop a water saving culture without the involvement of citizens. Therefore, it is necessary to promote public awareness and information campaigns. Water is a public asset, yet it is scarce. We all need to contribute towards reducing consumption and combating waste so that it is accessible to everyone at a fair price.

Before I conclude, I should like to ask the Council and the Commission when the Solidarity Fund support mechanisms will be made more flexible. As drought is an anomalous natural phenomenon with serious, lasting repercussions on the living conditions and socioeconomic stability of the affected regions, it would be helpful for the Fund to support situations of a regional nature and for public and private damage to be made eligible.

Anne Laperrouze, *on behalf of the ALDE Group*. – (FR) Mr President, Commissioner, ladies and gentlemen, the lively debates that we have had recently about energy show that energy is a valuable asset, a basic need. Well, what about water? This is even more precious. We are conscious of the scarcity of water in developing countries. Well, what about in Europe? Water is also a valuable resource for Europe. Let us stop wasting it; let us conserve this resource.

The report that will be put to the vote tomorrow is a comprehensive report that deals with technical aspects, such as leakage from distribution networks, as well as political and societal aspects, such as usage and raising awareness about the efficient use of water. Our responsibility for water is both individual and collective. This report also addresses the issue of problems arising from the scarcity of water and drought, problems that are both immediate and long term in the context of climate change.

I would like to point out that it is important to share good practices, since Europe is affected to varying degrees by the scarcity of water, or drought, and therefore the practical experience of all regions is crucial if we are to avoid these phenomena or resolve them. I will even go further by saying that lessons can be learnt from both good and bad practices.

I am also satisfied that a link has been made between the availability of water and the quality of water. In fact, Parliament attaches a great deal of importance to this issue of water quality, through texts such as environmental quality standards or the current debate on pesticides.

The solution to the scarcity of this resource has many different angles: we need to encourage research and innovation, we need to improve technical and agricultural use, we need to change individual behaviours. Let us act now and disprove the old English adage that 'you never miss the water till the well runs dry'.

Marie Anne Isler Béguin, *on behalf of the Verts/ALE*. – (FR) Mr President, Commissioner, I would also like to thank the rapporteur for his work. We can only stress the fact that water has become a precious and rare resource.

The rapporteur told us that 3.2 billion inhabitants on this planet could face a water shortage. We also know that Europe is not immune from this. Therefore, we should do everything possible to conserve this rare resource. Water is a shared asset and it is unfortunate that some of my amendments were not adopted by the Committee on the Environment, Public Health and Food Safety.

This is why I am addressing the Commission directly. I hope that, as part of the CAP reform, we will also review certain methods of cultivation – I am mainly thinking of irrigation techniques that are unsuitable for some European regions and which must be abandoned if we are to stop wasting water.

It is also a shame that the amendment on the cooling of nuclear power stations was not taken into account because, in my own country France, at the time of year when river levels are very low, nuclear power stations have to be shut down or cooled using sprinklers. This is ridiculous, and is terribly dangerous for our citizens.

Kartika Tamara Liotard, *on behalf of the GUE/NGL Group*. – (NL) Mr President, I should like to start by expressing my warm thanks to Mr Seeber. Many of us here think that clean drinking water looks like this. I should like to point out that, in a great many countries, that glass is empty. Many people have either no water or water looking like this.

Debates on oil shortages are tremendously heated, and I sometimes wonder why this is not the case for water. After all, water is a matter of life or death. The world's population is constantly increasing, and the quantities of clean drinking water available are only decreasing. Water scarcity exists even in Europe. This includes 'hidden' water scarcity: when, for example, households have their drinking water supplies cut off. The causes are various, for example poor sanitation systems, the creeping liberalisation of public services, the use of pesticides and artificial fertilisers, and intensive livestock farming. Did you know that producing 100 grams of beef requires 2 400 litres of water?

The Commission Communication largely focuses on water saving. As far as I am concerned, this is like carrying coals to Newcastle, as the source of the problems I have just mentioned should be tackled to begin

with. For example, we first need investment, throughout Europe and beyond, in proper sanitation and water purification systems. In addition, more careful use must be made of pesticides, thought must be given to the impact of intensive livestock farming on water management, and measures must be taken to combat climate change.

Access to clean drinking water is a civil right, something to which everyone is entitled. The problem lies not in the availability or otherwise of sufficient drinking water, but in the distribution of clean drinking water, unnecessary pollution, and the drive towards privatisation. To give just one example, in the United Kingdom privatisation led to a sudden sharp increase in prices and in the number of households having their water supplies cut off. That is a disgrace. I would advocate leaving drinking water supplies in the public sector.

Johannes Blokland, *on behalf of the IND/DEM Group*. – (NL) Mr President, water scarcity and droughts particularly affect southern parts of the European Union and have both climatic and human causes. Tourism also makes heavy demands on water resources, in the very countries where the problems are already severe. Study results from the IPCC have shown that the risks will only increase in coming years. Therefore, we must take care that the situation with regard to water does not grow any worse.

In my opinion, therefore, this report sends out a good signal. Efficient water use is vitally important in the fight against water scarcity and droughts. I would emphasise in particular the water-pricing principle also included in the report. Several Member States have had positive experiences with this. I, too, welcome the link made in the report to the Water Framework Directive. I think that that is the right place for the problems of water scarcity and droughts. Finally, my compliments to the rapporteur, Mr Seeber, on a job well done.

Andreas Mölzer (NI). – (DE) Mr President, as long as it is guaranteed that water resources remain under the exclusive sovereignty of the Member States and neither the EU nor the ECJ can intervene in any way, it certainly makes sense to have a joint strategy to combat water shortages.

However, it makes sense only if we tackle the problem comprehensively and apply ourselves to causally related problems such as population explosion and climate change. In the agricultural sector, which is responsible for 70% of the world's water consumption, there is certainly enormous potential for economising on water use. However, the EU has also contributed its two cents' worth to wasting water by requiring connection to and the use of canal systems.

On top of this, existing water shortages are often exacerbated by poor decisions – as in Cyprus, where citizens are paying the price in the form of water rationing for the building of new golf courses despite chronic water shortages.

Therefore, when it comes to water, a resource essential to life, we must become more aware and responsive, but this must on no account take the form of forcing benefits of dubious value on all Member States in typical EU style.

Antonio De Blasio (PPE-DE). – (HU) Thank you, Mr President. Ladies and gentlemen, the issue of water shortages and drought is one of the most urgent now facing the European Union, and, as a complex issue, closely linked with other environmental issues, it must be regulated with that in mind. Water use is not restricted to a specific geographical area. Its capacity to span borders demands regulation at European Union level. We must emphasise this important aspect of cross-border water management. The conditions attaching to floods which cause such serious damage are closely linked to the widespread practice of cutting down forests; in other words, deforestation results on the one hand in aridity and wasteland and on the other in devastating floods.

It is important to stress that we must maintain the principle of subsidiarity in the area of water management. The role of local and regional authorities and the elected councils must be strengthened as these bodies have a significant contribution to make in ameliorating the difficulties deriving from water shortage and drought through land use and building regulations.

As well as regional and local authorities we have to keep civilian organisations in mind, too. They are an important factor in education and publicity campaigns and this role should be supported in the future. It is essential to organise incentive and media campaigns, since it is not just the existence of the issues that can be highlighted through these forums, but in addition people can see how ideas and proposals are put into practice.

I would also like to draw attention to how important it is for the Member States to have a certain flexibility so that they can regulate other issues concerning irrigation and water management in line with their own

special conditions. The regulatory authorities at different levels must work together to create a sustainable water management framework. I would like to thank Mr Seeber for all the work he has put into his report, and to thank you for your attention.

Cristina Gutiérrez-Cortines (PPE-DE). – (ES) Mr President, I welcome the fact that there is a document on water, although I think that, unfortunately, this document, because of climate change issues, has been reduced to a partial and very specific view of the subject, which is water saving.

Despite this, I commend several things that Mr Seeber has highlighted and expanded on based on the Commission document, by making it clear that water is everyone's right – water for all – and that we need to take into account that we need to have closer cooperation between the regions, which is a phenomenon that I do not think is up to date right now, and which is a good lesson for all those who believe that water belongs to whoever has it in a river in their backyard.

I have to say, however, that I think that we have to start thinking in terms of water and climate change from an overall perspective. There are three problems in the world at present: one is hunger and food shortages, another is climate change, and another is drought, which is a problem that we have had for many centuries.

An increase in resources is essential and it is not dealt with here. We need to multiply the existing resources, and this is only mentioned in amendments made by Parliament. Not only desalination; we will also have to regulate the rivers again, and think about new engineering and new water paradigm, consisting of making every effort to ensure that water remains in the land: through reforestation, drought tanks to recover water during floods, recharging aquifers during floods and another set of measures.

We also need to think about an agricultural strategy for producing products that can generate the same plant mass as is produced now, but with a strategy focused on new crops that can grow with little water. For the same reason, we need to talk about a water economy, as it is not only a question of rising prices as has been said here, or of real prices, but rather there is a much more complex water economy.

Therefore agriculture strategy, consumption strategy, land treatment, river regulation and, if water needs to be diverted, it should be. What is important is for the world to continue to be sustainable, thinking about people and the economy.

Inés Ayala Sender (PSE). – (ES) Mr President, I would first of all like to thank the Commission for finally presenting a document on the problem of drought and water scarcity, which we have been calling for in Parliament for some time now. Especially having seen how cases of major floods have been dealt with in a way that we felt was right and sufficient, but it has always been forgotten that in other places drought is becoming a structural problem and that the problem of water scarcity has not only social effects but also economic effects, and has an even greater impact on all aspects of sustainability.

I must congratulate the rapporteur, Mr Seeber, on his excellent work, and also thank him for his active participation in and presence at the debates for European Environment Day at the International Expo 2008 in my city, Zaragoza.

I must thank him for this because at the Expo, the European Union was able, through Mr Seeber, to express its concern about water sustainability and to set out the needs and problems that affect the European Union, from the perspective of the Union and the European Parliament.

I also have to say that we now know that water scarcity problems are very much linked with the cycle of the fight against climate change, as we know that in that cycle, unrestrained deforestation and urban development are contributing to growing water scarcity, and therefore the authorities concerned need to pay heed to water-related considerations in their land-use planning, especially in connection with the development of economic activities in increasingly sensitive river basins.

On this aspect, as the Commission proposes in principle, we advocate establishing a hierarchy of water uses and, as Mr Seeber acknowledges in his report, we do not, of course, think that diverting water over long distances should, under any circumstances, be the solution to the problem of water scarcity.

On the contrary, our point of reference should always be correctly applying the Water Framework Directive, as a framework for achieving a good status for all European waters, respecting river basin units as well as objectives for improving quality.

As Mr Seeber's report rightly acknowledges, there are losses of up to 50% in cities and 20% water losses in Europe in general. Through various mechanisms and technologies and new forms of water saving and water efficiency, it would be possible to save 40%.

In order to do this, we need to promote sustainable water use, protection of available water resources and their efficient and sustainable use.

We therefore welcome the proposals to keep the European Drought Observatory within the framework of the European Environment Agency and for a network of cities to encourage sustainable water use.

Rolf Berend (PPE-DE). – (DE) Mr President, Commissioner, ladies and gentlemen, including the topic of water in all policy areas and developing a comprehensive plan for dealing with the subject is a real challenge that must be tackled successfully, as this debate has already very clearly shown. All political levels – national, regional and local – should be included in this process.

As a rapporteur for the Solidarity Fund and in view of the fact that this Parliament made its stand as long ago as May 2006, I again urge the Council to make a quick decision on the suggestion for a regulation on the EU Solidarity Fund, in order to complete the setting of criteria and measures eligible for funding by including the incidence of drought, so that damage caused by natural disasters can be dealt with effectively, flexibly and more appropriately.

However, my call is also to regional and local authorities to make the most of the opportunities that the structural fund offers to invest in infrastructure with regard to both efficient use of water and prevention of adverse effects when protecting water resources. The fact that this always involves a second call – to citizens both urban and rural – to take water conservation measures more seriously hardly needs to be emphasised here; it goes without saying.

I would like to thank the rapporteur.

Zita Pleštinšká (PPE-DE). – (SK) Water is life. Life on earth could not exist without water. Rain is a gift from God that must be managed in a responsible manner. We must not flush a gift from God down the drain. We must use it to nourish the ground, to bring forth new life.

Every year, more than 20 billion m³ of rainwater are drained away from European cities through sewers and drainage pipes into the seas and oceans. This is the real reason why the European continent is drying out because rainwater, in all its forms, is the source of all water resources on the continents.

I welcome the involvement of the rapporteur, Mr Richard Seeber, in seeking solutions to the problems of water scarcity and droughts in the EU. However, I expected the report to be slightly more ambitious. Only in paragraph 48, which found its way into the report thanks to my suggestion in the Committee on Regional Development, does the report mention the need for rainwater collection, and even then it does so only marginally.

I believe that the new water paradigm, developed by the team of Slovak and Czech scientists led by Mr Michal Kravčík, will also influence our rapporteur and in the future will change the EU Water Framework Directive. As far as I am aware, Commissioner Špidla has also expressed his support for this suggestion and this programme.

Avril Doyle (PPE-DE). – Mr President, I should like to thank Richard Seeber for his commitment in this most important area. I fully support the movement towards a water-efficient and water-saving economy and of course the full implementation of the Water Framework Directive, which I was very involved in a few years ago when my former Austrian colleague Marilies Flemming was the rapporteur.

In fact the contents of Article 9 of the Water Framework Directive, to which I would like to draw attention tonight, were a result of an amendment I made to the original draft proposal. I would like an assurance from the Commission that any proposals regarding water pricing or compulsory water metering, if it should arise, would be expressed in accordance with Article 9 of the Water Framework Directive, which allows for the continuation of the established Irish practice of not charging domestic householders for domestic usage.

Please do not ask me to justify the sustainability of this to you here and now, but please believe me that it is a matter of acute political sensitivity and one, if I may suggest, best handled by Irish governments rather than under an EU directive. We are a wet island off the west of Europe but we too are facing shortage as we consider the impact of climate change on water.

Csaba Sándor Tabajdi (PSE). - (HU) Food and water have acquired the same strategic value as oil and gas. One moment we have water shortages and the next we have inland inundations and floods. This is a European problem, and Mr Seeber's report is extremely important here. I would like to amend Esther Herranz García's proposal in that we do not need a common European position on floods but on water management, as inland inundations and floods cause as big a problem as drought, and those on the committee know only too well that there is no single European risk management basis here. It is in this context that the problem of drought has to be tackled, and not just in Mediterranean countries. My colleague Péter Olajos has mentioned that ground level has shrunk back by four metres in Homokhátság, between the Danube and the Tisza, in the last four decades. Desertification has now reached Hungary and Central Europe. This is a pan-European problem. We can learn a lot from our Israeli colleagues, I am not ashamed to learn, they have excellent irrigation methods. Thank you for your attention.

Andrzej Jan Szejna (PSE). - (PL) Mr President, the protection of water resources, water ecosystems and drinking water is one of the essentials of environmental protection. Coordinated action is therefore required at EU level to ensure effective protection of this valuable resource. The three main challenges facing Europe in the sphere of water consumption are thrifty, sustainable and effective consumption.

Climate change is not the only challenge facing Europe. Despite increasing demand for water, we are still grappling with excessive, unsustainable and inefficient water consumption that is rising almost twice as fast as the world's population. In Europe itself, at least 20% of resources are wasted because of inefficient management. Means of regulating demand are therefore to be preferred to the usual increase in supply. Means of regulating supplies should be considered only when the potential linked to more thrifty water management, better control of demand and educational actions has been exhausted. Regional cooperation and the use of structural funds may also play a not insignificant role.

Vladimír Špidla, Member of the Commission. - (CS) Mr President, ladies and gentlemen, thank you for the debate on water management and water-related problems, which has highlighted many varied points of view. Although I will not respond to each individual speaker, I would like to address several issues contained in the report that I consider to be of particular importance. Firstly, the report acknowledges the importance of the Water Framework Directive. Full implementation of this Directive is a priority that will help to solve the problem of poor water management. The report also points out that measures on the demand side should be preferred and welcomes the fact that water savings are the Commission's first priority in tackling this problem. The water-saving potential in Europe is huge: 33% in households and 43% in agriculture.

The report also emphasises the link between climate change, water scarcity and drought and the need to take water-related issues into account in other policies, such as land-use planning, where poor decisions in some cases have aggravated the problem in the past. The report also calls on regional and local authorities to take advantage of the opportunities offered by the Structural Funds, and underlines the role played by environmental programmes within the framework of the second pillar of the common agricultural policy. This integration will be a priority in the shift towards practices aimed at achieving water savings.

The report also acknowledges the importance of high-quality information and calls on the Commission to promote the entry into operation of the European Drought Observatory. In response to the communication, the Commission's Joint Research Centre is now developing its prototype.

Finally, the report stresses the need for precise measures and a concrete timetable for their implementation. I can assure you that the Commission intends to elaborate further on the goals set out in the communication and that it is working on a report that will evaluate the progress made in solving the problems concerned. In addition, the Commission is fully committed to continuously solving these issues at international level, in particular through the United Nations Convention to Combat Desertification and the United Nations Framework Convention on Climate Change.

Mr President, ladies and gentlemen, in conclusion I would like to say that water-related issues will continue to be at the heart of our political programme and that your report is a very useful and topical contribution to the Commission's continuous efforts to adapt to climate change.

Ladies and gentlemen, I think that the debate has demonstrated clearly that water management is a complex issue and I cannot but agree with your opinion that this issue must be streamlined in all policies and that its facets are also extremely significant at international level.

Richard Seeber, rapporteur. - (DE) Mr President, thank you, Commissioner, and thank you, ladies and gentlemen, for your very good input. I would like to say in advance that sovereignty over water resources

must remain a national matter. Nevertheless, we need to demonstrate solidarity, although this solidarity must be voluntary.

Many good and very detailed suggestions were put forward by Members. I took only some of them into account, for the simple reason that this was an own-initiative report that had to remain relatively general and illustrate general principles. I am very much looking forward to seeing the paper that the Commission will present, hopefully in the next few weeks – that is, the Green Paper on adaptation to climate change, which we are all impatiently waiting for, because we all know that the ‘Adaptation and Climate Change’ section relates primarily to water. We are eagerly waiting to see what concrete suggestions the Commission has to make.

I would like to remind you that from our point of view, ‘mainstreaming’ is extremely important. It is vital for water policy to be included in all other areas of policy and politics, as my colleague Mr Berend has also pointed out. European funds must not be used in ways that contribute to short- or long-term water scarcity. Everyone must realise – and we must raise awareness of this in the political and economic world, but also amongst citizens – that water is not an infinite resource. My colleague Mrs Doyle mentioned water pricing. It is very clear: Article 9 must be implemented, but here the Member States have a wide scope and the necessary flexibility, and their traditions must be taken into account.

I support the measures on the demand side, too, although the supply side must also be taken into account, as our Spanish fellow Member said. There are special situations where these, too, simply have to be solved via the supply side.

In summary, I would like to thank everyone most sincerely for the stimulating debate.

President. – The debate is closed.

The vote will take place tomorrow.

Written declarations (Rule 142)

Louis Grech (PSE), in writing. – Water scarcity is a growing concern for all nations, but the impacts are generally more strongly felt by the poorest regions, leading to great environmental and economic misfortunes. Some countries are affected more than others depending on their geographical location and the core industries of their economies. Such is the case of the Mediterranean region, where water scarcity will be an acute problem as a result of its potential to disrupt tourism. Protecting water as a scarce resource is fundamental for environmental protection and economic development.

The creation of a more cohesive policy with regard to water consumption, education and policy integration is necessary at European level to ensure effective and responsible protection of water supply and the environment in Member States. Also, more research is necessary into desalination plants and water recycling technology in order to have a cheaper and more efficient system.

In addition, in the EU itself – at least in number of Member States – we need to have better and tougher legislation to curb abuse and pollution of water tables. Moreover, in certain regions the allocation of structural funds to support projects relating to water should be promoted. It is of critical value to ensure that all stakeholders in our society, politicians, industry and consumers themselves believe in this priority to be able to make informed decisions.

Marian-Jean Marinescu (PPE-DE), in writing. – (RO) Climate change can have an irreversible effect on all the planet’s water resources and therefore it is essential to adapt all aspects of socio-economic life to counteracting the effects of water shortage.

The European and international legislative frameworks offer efficient levers but we need real progress in terms of the rapid enforcement of all measures adopted, especially those contained in the Convention to Combat Desertification and the Water Framework Directive whose protracted implementation deadlines endanger the sustainability of resources.

I appeal to the Commission and to the Member States, utilising the active involvement of all authorised bodies and the local authorities, that they accelerate transparent and coherent water consumption tariffing processes by basing it on the principle of “the user pays” and by eliminating system losses.

I also recommend that the implementation of concrete measures for the rational use of the river basins is accelerated, especially in the case of those where there are hydropower plants built and most importantly

of rivers that ensure the cooling of nuclear plants, because irrational use combined with the accentuated decrease of flows may lead to the closure of many clean electricity production facilities and, as a consequence, could throw the European electric power system out of balance, which would entail major risks to the Union's security in the electric power sector.

Maria Petre (PPE-DE), in writing. – (RO) I wished to intervene because I am a MEP from the south of Romania, an area which has faced serious drought problems over the past couple of years.

The last drought, in 2007, affected over 80% of the homesteads from my region, Ialomița. I believe that this phenomenon can be reduced and that we can get the results we all want if we also examine it from the perspective of regional development. Member States must be careful with sensitive river basins where there is a water shortage but they must be especially careful when they authorise economic activities in those sensitive areas.

When we allocate funds for water infrastructure, priority must be given to those which include clean technologies, use water efficiently and also involve risk prevention measures.

I also believe that both the Commission and the Member States must favour the emergence in Europe of a culture based on water saving and on management rules acquired through education.

Water shortage is one of the new challenges. So far, this has affected 11% of the European population and 17% of European territory. Cohesion policy must face this challenge.

I conclude by adding something that I also consider to be of immediate importance, in order to generate results: optimisation of the use of the Solidarity Fund and of the Civil Protection Cooperation Mechanism.

Daciana Octavia Sârbu (PSE), in writing. – (RO) Water scarcity and droughts have become issues of major importance both in the European Union and at a global level, especially in the context of climate change, which has aggravated this situation. Such phenomena have harmful secondary effects on biodiversity, water and soil quality and increase risks of forest fires, as proved by the recent devastating fires in Southern Europe.

In South-East Europe, the grants coming from the Common Agricultural Policy have caused an increase in water consumption, a reason why it is necessary to encourage the full suspension of grants and to provide support for the management of water resources within rural development programmes. Also, the continuous increase in the current demand for biofuels forces us to adjust production and the other economic activities to the amount of water available at local level.

In order to find solutions to these problems, the main priority is the transition to the efficient use and the saving of water. The introduction of water charges to stimulate the rational use of water, the achievement of the goals provided in the Water Framework Directive and the correlation with other industry water policies should materialize in actions to be carried out in the future.

25. Arctic governance in a global world (debate)

President. – The next item is the debate on the oral question to the Commission, by Diana Wallis, Bilyana Ilieva Raeva and Johannes Lebech, on behalf of the Group of the Alliance of Liberals and Democrats for Europe, on Arctic governance in a global world (O-0084/2008 – B6-0467/2008).

Diana Wallis, author. – Mr President, the Arctic has been described as the last imaginary place. It is a special place for many people. We are in the midst of International Polar Year. The last such commemoration saw the emergence of a Charter for the Antarctic.

The Arctic is different. It has peoples and nations, but it is also the focus of global climate change, with all its threats, challenges and opportunities. I have long argued that we should have an Arctic policy – perhaps through our Northern Dimension mechanism – and I was very pleased a month ago to attend a conference in Greenland on behalf of our President where I found myself for the first time surrounded by more than a dozen Commission officials from different DGs. Somebody has now got the message that this is important.

We look forward to the coming Commission communication, but this resolution is to give you, Commissioner, courage to be bold and to show you how important this House considers this issue. Yes, we have to protect the fragility of the Arctic environment. Yes, we have to look at sustainable ways of developing resources in

the Arctic, specifically energy-based resources. Yes, we have to look at how we can safely use any emerging sea routes.

There is much more that I could say. I am grateful to colleagues for their cooperation on this very important resolution. When our continent emerged from the Cold War, Gorbachev said that the Arctic should be an area of peaceful international cooperation. I believe that our Union has a duty to secure that, both for our own Arctic nations and also for our Arctic neighbours – so courage with your communication.

Vladimír Špidla, *member of the Commission*. – (FR) Mr President, ladies and gentlemen, this debate comes at a particularly propitious time. The Commission announced in its Communication of October 2007 on an Integrated Maritime Policy for the European Union that it would review EU interests in the Arctic region by the end of 2008. It is currently in the process of putting the finishing touches to this review in the form of a communication entitled 'The European Union and the Arctic region', which we plan to adopt in mid-November. The Arctic is increasingly important for the world and the European Union is inextricably linked with this region. EU policy in areas such as climate change, energy, transport and fisheries have a direct impact on the Arctic.

Three Member States have territories situated in the Arctic. The maritime and terrestrial areas of this region are vulnerable and represent the essential components of the terrestrial ecosystem. The effects of climate change are appearing more quickly and on a larger scale in the Arctic region than anywhere else in the world. Since the turn of the century, our external action in favour of the North has been successfully guided by our Northern Dimension policy. The Arctic, including the Barents Sea region, was recognised as a key area in the 2006 guidance document on the Northern Dimension, adopted in consultation with Russia, Norway and Iceland.

Nevertheless, the Northern Dimension policy has always been more focused on Europe, and particularly on north-west Russia. The future communication, which will be extensive, will propose that the European Union plays a more dynamic and coordinated role in the Arctic and that its action should be structured around three main objectives: to protect and preserve the Arctic in cooperation with its inhabitants; to promote the sustainable use of Arctic resources; and to improve multilateral governance of the Arctic.

Climate change is the result of a planetary process and the European Union must continue to play a leading role in tackling this phenomenon. The communication will make the protection and preservation of the environment an absolute priority, although this should not necessarily rule out the sustainable use of the Arctic's resources.

The Commission also plans to increase, in close cooperation with countries in this region, our contribution to the Arctic and particularly its governance, as indicated by the Ilulissat declaration of the five Arctic States, from May 2008. It seems that the conditions are not yet in place for a binding legal framework specifically designed for this region. We should use the extended legal basis established by the United Nations Convention on the Law of the Sea and other interventional conventions.

Nevertheless, we can clearly see the need to fully implement the existing legal framework and to ensure that this is respected while fleshing it out and adapting it to new realities. Our aim is to help establish a system founded on cooperation, which will ensure the viability of this region, as well as freedom and fairness in terms of access. We recognise that it is essential to improve coordination and to provide more strategic guidance.

The Commission will put forward a series of proposals in this respect, specifically proposing the enlargement of the 'Arctic window' of its Northern Dimension policy. We want the communication to give rise to a detailed reflection on the various issues covered, laying the foundations for a future EU Arctic policy. The communication will encourage the adoption of a more coordinated approach to the Arctic and will be followed by a more detailed reflection on various themes. It could thus establish the basis for a global EU policy on this region.

There is no doubt that a stronger policy in this area will serve as a basis during future discussions on the future of the Arctic, enabling the European Union to make a strong contribution from the outset.

Tunne Kelam, *on behalf of the PPE-DE Group*. – Mr President, I would like to thank Mrs Wallis for initiating this debate and resolution. There are several reasons to do it. First, the Arctic region still lacks multilateral norms and regulations; in particular maritime traffic is not regulated by international safety rules and this is going to pose serious risks in the near future.

Second, the region has entered a dramatic climate change we need to react to.

Third, the Arctic is of growing economic interest as it may contain about one fifth of the world's still undiscovered oil and gas reserves. In fact competition has started between different interested countries about securing access and control of these resources. The planting of the Russian flag below the North Pole last year is one signal of this interest.

Therefore we call on the Commission to come forward with a communication on the Arctic region, proposing subjects and working procedures. Especially we look forward to the Commission putting the Arctic regions' energy and security policy on its agenda.

The EU has to form its own Arctic policies, involving two countries very close to us: Iceland and Norway. The EU Northern Dimension partially covers Arctic problems but it has become clear that a comprehensive EU Arctic policy is needed to address the wide and important context of Arctic problems. Finally we suggest that the Commission should start international negotiations to finally achieve an international treaty for the protection of the Arctic.

Michel Rocard, *on behalf of the PSE Group.* – (FR) Mr President, Commissioner, many of us here have just had the pleasure of hearing you announce a number of positive developments that have never been mentioned before, and which will no doubt appear in the communication from the Commission to the European Parliament and to the Council, which we look forward to receiving. However, your response gave the impression that there was no complete recognition of the fact that events are snowballing.

First of all, the Intergovernmental Panel on Climate Change, with a scientific consensus which is now shared, has told us that the Arctic faces greater threats than those imagined only four or five years ago. The living conditions of the Inuit people are under threat, and biological diversity is in danger. Many species, including polar bears, are also threatened.

Secondly, this summer, for the first time in several millennia, the Arctic sea route was navigable from the east and west. That has never happened before. We have also had the recent announcement of oil slicks, degasification and oil damage in the Arctic.

Thirdly, my fellow member from the PPE has just this instant reminded us that a Russian submarine planted a Russian flag at the North Pole. What was this supposed to mean? Russia is claiming the expansion of its maritime zone to include its entire continental shelf. That represents 38% of the entire surface of the Arctic. It is a terrible situation because it is the prelude to the militarisation of the Arctic. The only way, Commissioner, of blocking this procedure, which is being examined by the United Nations Commission on the Limits of the Continental Shelf, is to commence negotiations for an international protection treaty. This has never been mentioned before.

With Greenland and Denmark, the European Union has one country that borders the Arctic region and two other countries that are situated in Arctic territory. We have close ties with Iceland. The European Union has the power to ask it – and I believe that there is an urgent need for this, both in the interests of security and in the interests of the policing of shipping and climate preservation – to continue initiatives which could produce surplus energy.

We need to begin negotiations now for an Arctic protection treaty, as there is for Antarctica. I know this because I was one of the sponsors of those negotiations. It is with this in mind that I propose swift action. There is no time for delay. This has to happen before the UN committee finishes examining Russia's claim.

Danutė Budreikaitė *on behalf of the ALDE Group.* – (LT) Only recently the Arctic region was the subject of the Arctic countries' national security and research investigations. Today, with climate change and melting glaciers, other aspects, such as environmental protection, energy resources and human health, are gaining priority. Unfortunately, the dominant interests appear to be economic, especially those concerning energy resources, as well as the introduction of new sea routes for trade and passenger transportation. According to scientific data, the Arctic harbours 30% of the world's undiscovered gas reserves, 20% of the natural liquid gas reserves and 13% of the oil resources. In recent years, through certain actions and their imperative position, the countries of the Arctic region and various others have made their wish to be the sovereign users of Arctic resources quite clear. Besides, there is division among the Arctic countries with a view to asserting spheres of influence. I welcome the ideas of the declaration to develop EU-Arctic policy, including economic and environmental issues, as well as those concerning adaptation by local people to the aspects of climate

change. As far as energy is concerned, the issue of the Arctic region should be a part of the common EU energy policy; it is high time for actions to replace words.

Satu Hassi, *on behalf of the Verts/ALE Group.* – (FI) Mr President, ladies and gentlemen, a big thank you to Mrs Wallis and the others who have raised this issue. From outer space you can see that Planet Earth is warming up. It is conspicuous in the fact that the ice around the North Pole in summer melts more and more. This should be a warning bell for us to take more stringent action to protect the climate. Instead, it has started a race to exploit Arctic oil and gas reserves. This is a serious contradiction.

We badly need an international treaty on the management of the Arctic region, but its starting point and main goal must be conservation of the region: a similar moratorium as that for the Antarctic. If we respond to the melting of the ice in the north simply by increasing the exploitation of fossil fuel reserves, we will make the climate change problem even worse than it is.

Avril Doyle (PPE-DE). – Mr President, the Arctic plays an increasingly important geo-strategic role in the world, and we are now faced with the opening of hitherto closed seaways as a direct result of global climate change.

This should not come as any surprise to us, however, as the Arctic is warming at a much faster rate with an increase of 2°C in temperature in the last hundred years compared to an average of 0.6°C increase in the rest of the world. This highly fragile and vulnerable ecosystem is coming under increasing pressure from resource-hungry nations which wish to exploit its potential. Without any multilateral governance in place, we would have no guarantee that they would have due regard for the sustainable lifestyle of the indigenous peoples or for the Arctic's fundamental importance as a stabilising force for the world's climate.

The Arctic is critical for global climate stability, and I would urge the Commission to ensure that this is fully reflected in the forthcoming Commission communication on Arctic policy, together of course with energy and security policy matters.

And, as paragraph 9 of our resolution says, 'by virtue of its impact on the world's climate and its singular natural environment, [the Arctic] merits special consideration as the EU develops its position for the 2009 COP 15 Framework Convention on Climate Change in ... Copenhagen', and as we discuss a framework for multilateral governance for this unique area.

Libor Rouček (PSE). – (CS) Ladies and gentlemen, the Arctic is the only part of the world that is not yet governed by any multilateral rules and regulations. However, interest in this area and its geopolitical as well as strategic importance have recently been growing on a surprising scale. Maritime traffic in the Arctic, both commercial and tourist, is on rising. Interest in its mineral wealth is increasing. Climate change has a negative impact on the native population's way of life and on biodiversity. For all these reasons the Arctic should be the discussed at international level with a view to the conclusion of a treaty on the protection of the Arctic, similar to the Madrid Protocol to the Antarctic Treaty of 1993. Three Arctic countries are Member States of the European Union and two further countries are members of the common European Economic Area. The European Union should therefore be a key player in future international negotiations concerning the Arctic.

As we have heard, the European Commission is currently working on a communication on its policy regarding the Arctic area. In our joint motion for a resolution we call on the Commission to consider all of the aspects above. We also feel that it is crucial to ensure that the Arctic and the Arctic Ocean is an area free of military forces and nuclear weapons, as Mrs Diana Wallis said earlier. We would also call on the Commission to think about whether it should establish a specialised section for the Arctic area, which would aim at realising these goals and addressing the problems.

Richard Seeber, *rapporteur.* – (DE) Mr President, as we are all aware, surely, although we have some information about the Arctic, overall it is still *terra incognita*, in the truest sense of the word, as far as international law goes. My colleague Mr Kelam has mentioned the lack of legislation on maritime traffic.

In addition, when we take the natural resources into consideration – it is estimated that 22% of the world's oil and gas reserves are in the Arctic region – this is a region of enormous significance to Europe's future. It is therefore particularly important that we present this resolution, under the leadership of Mrs Wallis.

It is now very much up to the Commission to present a plan – a strategy with specific goals and measures. In my opinion, that is what is still lacking. Even though people have woken up and started to deal with the problem, there is still no strategic orientation. We do not want to come off second best here! Some countries

bordering the Arctic, particularly Russia, are attempting to use the facts, and it is very difficult to use appropriate action against a major power like Russia if we take such a long time about it.

Europe as a collective must not subjugate itself to the Member States. This is a region in all our interests and it is unacceptable for us to allow certain Member States an advantage due to the fact that the CFSP is not functioning. The common interest of all of Europe is too important for that.

Hence my renewed appeal to the Commission to present a precise, specific strategy as soon as possible so that we can discuss it in Parliament. There is too much at stake for us to dither about on this.

Vladimír Špidla, *Member of the Commission*. – (CS) Mr President, ladies and gentlemen, I think that the debate clearly shows that this really is a problem that touches on fundamental strategic interests, whether it is viewed from the angle of environmental protection or from the geopolitical angle. It also shows that there is not much time left and that there are clear reasons for the European Union to formulate its policy. However, it is also clear that some proposals are complicated and that the general situation in the Arctic is very complicated, from the perspective of both the European Union and international law. For example, we must remember that the most important countries, such as Norway, Iceland, Greenland and the Russian Federation, are not members of the European Union and, consequently, our strategy cannot consist of exercising coastal or territorial rights.

The fact still remains, however, that a strategy must be formulated. At any rate, the Commission is now working on such a strategy and a relevant communication will be tabled very soon, in the next few weeks in fact. Ladies and gentlemen, there is not enough time for me to respond to all of your comments but I have noted them down and the Commission will take them into account. As I tried to explain briefly, some issues are extremely complicated and extremely complex.

President. – I have received three draft resolutions⁽²⁾ submitted in accordance with Rule 108(5) of the Rules of Procedure.

The debate is closed.

The vote will take place tomorrow.

Written declarations (Rule 142)

András Gyürk (PPE-DE), *in writing*. – (HU) The North Pole has in recent years become one of the symbols of climate change. Due to its untapped natural resources, this region could soon become the epicentre of international conflict. This heralds a constant re-evaluation of the region, looking at whether there is a state which can give a clear-cut signal that it has a claim to the territory.

While it is not the job of the European Parliament to get mixed up in geographical debates about the proper place of this region, I would like to highlight a couple of points.

First, if there are any unsettled issues, they should be resolved by legal and diplomatic means and not by planting a flag in the area. I think the present international regulations, though by no means perfect, can give a framework of reference to settling issues by diplomatic means.

On the other hand, bearing in mind increasing European demand, the untapped energy sources of the North Pole can contribute to Europe's security of supply. We must then declare that exploitation must not upset the biological balance of the region. Environmental considerations must be met in all circumstances. It is my opinion that current international legislation offers no comfort on these points.

It is important, I feel, to note that the exploitation of the resources of the North polar region will play only a supplementary role in the provision of energy for Europe. Nor, for this reason alone, will the existence of these sources affect the wider use of renewable energy sources and continuing efforts to improve energy efficiency.

⁽²⁾ See minutes.

26. Stepping up the fight against undeclared work (short presentation)

President. – The next item is the report (A6-0365/2008) by Pier Antonio Panzeri, on behalf of the Committee on Employment and Social Affairs, on stepping up the fight against undeclared work (2008/2062(INI)).

Pier Antonio Panzeri, rapporteur. – (IT) Mr President, ladies and gentlemen, I am going to be brief, because it seems to be getting quite late.

Obviously my thanks go out to the committees that expressed an opinion and to the shadow rapporteurs with whom we have worked over the past few months. It was partly thanks to their contribution that we were able to produce a text that could be supported by a large majority in the Committee on Employment and Social Affairs.

We have shown that the fight against undeclared work must be seen as a problem that affects all countries and that if Europe wishes to attain the objectives set in Lisbon it must take on this battle.

There are some paragraphs in the text that have been adopted that I consider to be crucial in an issue such as undeclared work which is so extensive: we are talking about some 20% of Europe's gross domestic product. This means that there is widespread illegality, which cannot be tolerated as it generates a strong distortion of competition between companies and territories and makes work and workers less secure.

For this reason, it is only right that we draw attention to the problem, because there needs to be greater awareness of the fact that the failure to seriously combat undeclared work is liable to generate these problems and at the same time to greatly weaken social security schemes in Europe in the near future.

These considerations were the starting point for this proposal being submitted to Parliament. As I said, there are key points in the report, which, if the Commission also commits to them, could deliver positive results and proposals that we consider useful. I think I can say that the European Parliament has done its bit. It is now up to the other institutions to do theirs so that we can achieve the aims of the fight against undeclared work.

Vladimír Špidla, Member of the Commission. – (CS) Ladies and gentlemen, first of all I would like to thank the rapporteur and say a few words about a number of the issues highlighted in the report. The fact is that undeclared work is increasingly becoming a cross-border phenomenon, as the Commission states in its Green Paper on modernising labour law. It is therefore necessary to pay close attention to this issue. In our opinion, establishing a team of experts as well as developing a system of information exchange between social security bodies such as labour inspectorates, are important steps for 'the establishment of some kind of permanent Community structure for cross-border cooperation', as suggested in paragraph 53.

We all agree that greater efforts are needed to solve the problem of undeclared work. However, I think that in general the most appropriate and justified steps would be those taken at Member State level. Our research has shown that undeclared work in the Member States differs from country to country. Consequently, taking measures at Community level should not be considered the immediate priority. The report proposes a 'pact to declare the undeclared', offering more relaxed legislation on a temporary basis, which would stimulate the regularisation of undeclared work. Although this is a good idea, in our opinion the Member States should act in conjunction with the social partners who also include undeclared work among their priority tasks throughout Europe. The Commission would have the authority to support their initiatives through campaigns funded by the PROGRESS programme or through the Structural Funds.

Regarding the call to propose a framework statute for spouses or family members helping in family businesses, I am pleased to be able to say that the Commission recently adopted the proposal for a directive on the application of the principle of equal treatment between men and women, which will replace Directive 86/613/EEC and ensure that spouses or family members helping in family businesses enjoy the same level of protection as self-employed workers.

Within the framework of the PROGRESS programme, the Commission is also working on developing tools and methods for better assessment and monitoring of undeclared work, and on the identification and exchange of good practices that exist at EU level. We are putting more emphasis on the exchange of good practices and we hope that in this way we will acquire the experience necessary to suggest, as soon as possible, a pilot project of interest to as many Member States as possible.

I will not go into detail on the issue of illegal immigration and the proposal for sanctions against employers of illegally staying third-country nationals. We acknowledge the concern expressed in the report about the treatment of the victims of illegal employment and the level of contractors' responsibilities, and we will take it into account in our discussions with the Council. The Commission is extremely pleased to have the support of the European Parliament for its efforts to put an end to the transitional provisions limiting the mobility of workers from the new Member States.

In conclusion, I would like to say that this extremely constructive report will give the Commission and the Council new energy to make the fight against undeclared work more visible and to increase our corresponding objectives.

President. – That concludes the debate.

The vote will take place tomorrow.

Written declarations (Rule 142)

Louis Grech (PSE), in writing. – Undeclared work exploits workers, distorts labour markets and provides an unfair competitive advantage to unscrupulous employers, which leads to a low-level underground economy.

One catchment area for undeclared work is to be found amongst illegal/irregular immigrants within a number of Member States of the Union.

This racket of cheap labour is growing at a very fast rate. It is expected to grow further since illegal immigrants would need the money and at the same time would be terrified to report defaulting employers for fear of being expelled from the country by the authorities. I appreciate that some Member States are taking a number of measures to eradicate this flagrant abuse of the law, but on the whole, the record of success in this regard has not been very impressive. The EU and the Member States need to harmonise their efforts and to enact more legislation with a view to taking serious punitive action against those who are in default.

The availability of illegal workers and the culture of underground work, lax legislation, unscrupulous employers, financial and economic crises and falling profitability margins all make it very attractive for exploitative practices.

Ona Juknevičienė (ALDE), in writing. – (LT) The European Union (EU) continues to have an extensive undeclared labour market. With the free movement of workers within the EU, cases of undeclared work have increased. This is disadvantageous not only to people working illegally, but also to countries' finances. Illegal work interferes with the functioning of the internal market, preventing effective competition. People who work illegally are often exploited by their employers; they have no right to benefit from social security or healthcare services. Such cases are particularly common in Member States that still continue to use the transitional measures, limiting the free movement of workers from the new Member States. These restrictions encourage the practice of undeclared work and should therefore be scrapped as soon as possible.

It is regrettable and inexcusable for the EU to hold its citizens powerless hostages to this inexpedient policy. During interviews with Lithuanian emigrants working abroad, complaints about employers who take advantage of their lack of knowledge of local legislation and lack of language skills and fail to pay them for their work are very often heard. To my mind, the EU should take firm, decisive measures in order to tackle undeclared work. At the moment employers who use undeclared labour have little responsibility; they often get away with paying insignificant fines that do not discourage them from hiring undeclared workers.

In my opinion, sanctions with a direct impact on employers' economic interests, such as the suspension or cancellation of their business licences, thereby preventing them from benefiting from access to Member States' or EU funds, would be much more effective. This could reduce undeclared work or even eliminate it altogether.

Katalin Lévai (PSE), in writing. – (HU) The 2007 Eurobarometer end-of-year survey showed that 5% of European Union citizens capable of work (19.7 million persons out of the EU's 392.9 million inhabitants) admitted to working illegally. In some Member States the level of undeclared work reached or exceeded 20% of GDP. Undeclared work is a factor with permanently existing negative economic effects in the European labour market, a vicious circle it is very difficult for the employed, and the work providers, to get out of.

The sectors most under this stress are agriculture, construction, house maintenance, and the hotel and tourism services, where uncertainty and unfavourable wages are typical. For this reason the updating of labour and employment standards and the effort to control this black market cannot remain at the level of empty hypothesis but must be embraced by the Member States. It is my proposal that the Commission should draft a European Union strategy to fight the black market and should shoulder the lion's share of the work of employment and social supervision. The Member States must pursue reforms in the tax and social security regimes, thereby reducing the oppressive tax burden on the labour force.

So that households can purchase services at lower prices, the introduction of EU service vouchers would be proposed; these would ensure payment of both social security contributions and tax payments. For the fight against undeclared work it is however an essential condition that the Member States open up their labour markets to each other's employees, as partial restriction in these areas encourages the formation of regional inequalities as well as divergence from EU principles and the European approach.

Sirpa Pietikäinen (PPE-DE), in writing. – (FI) Mr President, ladies and gentlemen, I would like to thank Mr Panzeri for his excellent report on more effective prevention of undeclared work in the EU.

According to the report, undeclared work accounts for up to 20% of GDP in some Member States. In these countries especially, but also in all the other EU countries, undeclared work is a problem for the country's economy, but at the same time it also violates the entitlement of employees to human work.

The EU is committed to the targets for 'decent work' with its agenda, which threatens not to be implemented in any practical sense unless there is effective control and a clear system of rules. The poor working conditions and non-existent terms and conditions of employment of migrant workers doing undeclared work have created a new form of social slavery in Europe.

To root out the undeclared workforce we can use both a stick and a carrot. There should be more controls in place to make it possible to intervene faster than now in cases of possible abuse. The trade union movement has an important role as one that proposes, monitors and reinforces fair play in working life. National information campaigns for foreign employees are a way to improve workers' awareness of the rules of employment in each country.

The truth is, we will not get rid of the problem of the undeclared workforce merely through regulation. Fair play in employment, decent pay and adequate levels of social security must be guaranteed in every EU country, as well as around the world. People must have the opportunity to earn a decent livelihood and enjoy basic social security, regardless of which country they live in.

Rovana Plumb (PSE), in writing. – (RO) Undeclared work is a phenomenon encountered in all EU Member States and an alarming feature of the European economic market, which goes against flexicurity principles.

The fight against undeclared work is somehow similar to the duel between Microsoft and hackers. The more innovative our methods to fight undeclared work are, the more efficient the tricks used by the employers become. And the best example of this is the emergence of "grey labour" when employers would rather enter into employment contracts for the minimum guaranteed wages while the rest of the money up to the real wages is paid without using legal forms.

In Romania, the phenomenon has become more and more extensive and currently grey labour accounts for 20 – 50% of total employment. The alarming fact is that, if at the beginning the users of this method were small enterprises, now there are well known names which avoid taxes and social security contributions resulting in a very small pension for the employee which will bring him/her close to the poverty threshold.

I have emphasised these aspects because the future strategy for fighting undeclared work as mentioned in the report must take into account the specific situation in each Member State. We need a unified European approach and efficient collaboration between the governmental agencies, labour inspectorates and the social partners.

27. Implementation of the social legislation relating to road transport (short presentation)

President. – The next item is the report (A6-0357/2008) by Alejandro Cercas, on behalf of the Committee on Employment and Social Affairs, on the implementation of social legislation relating to road transport (2008/2062(INI)).

Alejandro Cercas, rapporteur. – (ES) Mr President, Commissioner, thank you for being here. As you are aware, in March 2002, the Council and Parliament came to an agreement, through conciliation, on Directive 2002/15/EC, which establishes the requirements that have to be fulfilled for the working time of persons performing mobile road transport activities, in order to ensure their health and safety, to ensure road safety and also to align conditions of competition for all enterprises. It included all types of work, not only driving but also the physical work that these drivers sometimes do in loading and unloading or cleaning the vehicles.

That conciliation procedure resolved the most significant problem, which was whether or not self-employed workers should be included, and the parties agreed together, with the support of the Commission, that self-employed workers would be included, in order to put an end, once and for all, to the problems of double legislation, the double standards applied to self-employed drivers and employed drivers.

The lack of common regulation raised huge problems: these self-employed workers were working extremely long days, causing problems for their personal lives and for road safety, and also because drivers were posing as self-employed and undermining the rules of fair competition.

It was therefore a great achievement to put an end once and for all, with a reasonable transition period, to this double legislation, and in 2002, the Commission, the Council and Parliament all reached the conclusion that it was the most rational and logical step.

We have produced this own-initiative report, with the support of the Committee on Employment and Social Affairs and the Committee on Transport and Tourism because, Commissioner, it now appears that this principle, this commitment from the Commission, the Council and Parliament, is not so firm; it appears that there are ambiguities; it appears that there are confusions and explanations that we are not satisfied with.

The Commission was meant to have produced a report to set out legislation to ensure that these self-employed workers were indeed included. The truth is that the report was presented last year, but it was, in its own words, inadequate and we are waiting for the final report, which means that now, six months from the end of the term established for integration, we do not have a report or any initiatives from the Commission.

That is why, Commissioner, with the date approaching for the inclusion of self-employed workers – and we are neither clear nor convinced that there is still the will that existed at that time, and there are rumours that there are thoughts of reviewing the criteria – Parliament has produced this report with two objectives: as a reminder and as a demand.

It is a reminder of the commitments made by the Council, the Commission and Parliament to workers, businesses and all citizens to put an end to this situation, which is a hotbed for lawsuits, and a demand that the promises be kept. There are no circumstances that have arisen to change the reasons. There is still the same need; therefore, for the health of workers, for road safety and for perfect competition, we should include self-employed drivers in the Directive.

A final request, Commissioner. I think that it is very important, at the end of this term, that you do not go back on the commitment made. Economic demands or sectors of the profession seeking excessive competitive advantages should never be put ahead of the public needs that I am referring to.

Therefore, and because it is important, Commissioner, I want to call on you, on behalf of all my fellow members, not to upset the balance and for the promised legislation to be put in place soon.

Vladimír Špidla, Member of the Commission. – (CS) Ladies and gentlemen, the European Parliament is today discussing the implementation of, and the possible ways of further developing, the Directive on the working time of persons performing mobile road activities. This specific legislation organises the working time of persons performing mobile road activities, such as bus drivers and lorry drivers. However, the Directive does not include self-employed drivers.

Many Members will recall that the Directive was adopted in 2002 following an arduous conciliation procedure, on the basis of which a complex clause was approved. This clause establishes that with effect from 23 March 2009 the scope of the Directive will be extended to include all self-employed drivers if the Commission sends a report to the Council and the European Parliament concerning an impact assessment of the present circumstances under which self-employed drivers are not included, and drafts a legislative proposal concerning self-employed drivers.

Although the question of whether or not to include self-employed drivers in the scope of the Directive is a genuine dilemma, let me say that it is also a false problem. The Commission's main aim when drafting a

legislative proposal concerning road transport working conditions is to ensure a high level of social protection and fair competition as well as improve road safety. Consequently, the Commission considered it necessary to introduce a special regime for road transport mobile workers through a specific law accompanying the general Directive on working time.

However, the post-2002 provisions of the legislation concerning drivers have changed significantly and it has been a positive change. Thanks to your help, and Mr Markov's help in particular, new rules on driving times, rest periods and inspection procedures were adopted in 2005.

While the Working Time Directive adopted in 2002 originally applied only to employed drivers, the rules adopted in 2005 apply to all drivers, both employed and self-employed. The rules apply to 80% of the working time of all drivers. Consequently, Parliament's founded concerns about this issue which were voiced in the course of the conciliation procedure for the 2002 Working Time Directive were properly allayed. Regarding the revision of the 2002 Working Time Directive, it is no secret that the attitudes of the individual Member States to this issue are very different and that opinions are also divided within the Member States and within the transport sector.

The Commission published its report on the consequences of the exclusion of self-employed drivers from the scope of the Directive in May 2007. The report reached two conclusions. Firstly, it stated that there were both advantages and disadvantages of including and excluding self-employed drivers. Secondly, the implementation of the Directive had caused some problems because the Member States had found it difficult to enforce it. This problem was chiefly due to the mistaken classification of some drivers as self-employed. This is how the transport sector describes those drivers who, although officially self-employed, are in reality dependent on one company and are unable to plan their work themselves as they would like to do. They are socially vulnerable and, as I said before, although the Directive applies to them already, we need to see significant improvements in its implementation. The Commission very carefully monitored the transposition of the Directive into national legislation and, when necessary, commenced proceedings where breaches were observed. As soon as the Member States completed the transposition of the Directive into national legislation, we performed a thorough check of the quality of this transposition. In many cases this resulted in the commencement of proceedings where breaches of duty were observed.

At present the Commission is also carrying out an impact assessment with a view to establishing a compact basis for a legislative proposal to be developed this year. Consequently, it would be premature for the Commission to adopt already a view on those aspects of the issues concerning self-employed drivers that pose the question of whether or not to include them in the scope of the Working Time Directive.

I welcome the report by Mr Cercas, particularly the developments concerning the issue of transposition. However, as I said before, the Commission is of the opinion that the solution put forward in the report does not take into account the problem of the full and correct transposition of the Directive for the workers it already covers. This is what we have been working on up until now and what we hope to achieve with the next amendment.

President. – That concludes the debate.

The vote will take place tomorrow.

Written declarations (Rule 142)

Mary Lou McDonald (GUE/NGL), in writing. – Road transport is an essential economic activity in the EU. Compliance with rules for driving, working time and rest periods are basic requirements for ensuring road safety and the health and safety of drivers and passengers.

We particularly welcome the inclusion of all workers in the sector, including self-employed drivers, within the rules on working time which will guarantee fair competition within the sector.

It must also be clear that the Directive establishes minimum requirements and must under no circumstances lead to a levelling down of the more favourable conditions that already exist in some Member States.

28. Promoting social inclusion and combating poverty (short presentation)

President. – The next item is the report (A6-0364/2008) by Gabriele Zimmer, on behalf of the Committee on Employment and Social Affairs, on promoting social inclusion and combating poverty, including child poverty, in the EU (2008/2034(INI)).

Gabriele Zimmer, rapporteur. – (DE) Mr President, firstly, I regret that, for the own-initiative report that I am to present on behalf of the committee, neither open debate in plenary nor amendments are possible. I find it unacceptable that Members of Parliament restrict their own rights in this way and devalue own-initiative reports.

Our committee held very vigorous debates about the reports being presented today, with more than 200 amendments, 40 compromise amendments and two hearings for experts and stakeholders, all in close cooperation with the Committee on Women's Rights and Gender Equality. All this demonstrates the level of interest in this subject among Members.

The Committee on Employment and Social Affairs voted by an overwhelming majority across all groups to continue to develop the EU strategy for combating poverty and social exclusion and I hope that the entire plenary will do the same tomorrow. The committee makes it absolutely clear that, given the 78 million people living in poverty, including 19 million children, the EU and its Member States have an obligation to initiate specific, measurable goals to promote social integration and combat poverty.

A few days ago, the Commission suggested principles for the strategy of active integration, which should be approved by the European Council. As a committee, we support these suggestions, to the extent that we were made aware of them in advance. We go further, however, and call in our report for the development of a holistic approach to active social integration.

We believe this must be based on four pillars: firstly, making incomes poverty-proof through minimum income benefits and minimum wages; secondly, active employment market policies for better workplaces and sufficient incomes; thirdly, improved access to public services of general interest and quality services; fourthly, improved participation by those affected by poverty and exclusion in developing and implementing this strategy. Furthermore, we want to integrate gender equality into all aspects of this strategy.

Our committee finds it unsatisfactory that not even all EU states have a nationwide network of minimum income benefits. The level of minimum income benefits in many countries is below the EU poverty threshold. We therefore demand that income from minimum benefits and paid work should not lead to income poverty. We call upon the Council to agree on EU-wide targets for the level of minimum income benefits – at least 60% of the national median income – and minimum wages – at least 60% of the national average wage or the average wage in the relevant sector. Member States should meet these targets within a set deadline, taking full account of the principle of subsidiarity and applying the open method of coordination.

The committee paid particular attention in its consultations on this report to combating child poverty. For us, the focus is on the well-being of children. We base our work on the UN Convention on the Rights of the Child and derive from that a politically integrated requirement to combat child poverty.

We point out that in our view, access to high-quality services provides crucial momentum for the social integration of adults and, particularly, for that of children, particularly children at risk of poverty. We insist that the Member States begin by reducing child poverty by 50% by 2012 as a first step. Furthermore, we affirm this Parliament's resolution in January this year on combating the phenomenon of street children by 2015.

Vladimír Špidla, Member of the Commission. – (CS) Mr President, ladies and gentlemen, allow me to say a few words about the report in question. You are well aware that in the renewed Social Agenda the Commission put forward the idea of fighting poverty as an integral part of the Social Agenda and the recommendation on social inclusion took up this idea. I am glad that the report, presented by the rapporteur in her speech, expressed support for this recommendation and also looked positively on some of the key sentiments in the recommendation. Let me say that while the Commission considers integral efforts to achieve social inclusion to be extremely important, it places even more emphasis on the issue of child poverty. In this context, I would like to point out that this is the first time in the present Commission's term that this topic has been presented in such an excellent manner. We aim to continue in this direction in the future because it is quite clear that hereditary poverty, which is passed down from parent to child, is one of the serious sociological problems linked to poverty. In our view, it is extremely important to break this vicious cycle.

Ladies and gentlemen, it is obvious that in this regard the Commission can rely on Parliament's support. Of course I will be interested to see how the documents and report progress in the future. It is also quite clear that the Commission will make considerable use of Parliament's decisions and opinions in its future efforts to achieve social inclusion: this is not an issue that can be solved with one communication alone, nor is it a battle that can be won within a short period of a few weeks or months.

President. – That concludes the debate.

The vote will take place tomorrow.

Written declarations (Rule 142)

Slavi Binev (NI), in writing. – (BG) Mr President, colleagues, I would like to express my support for Gabriele Zimmer's report on promoting social inclusion and combating poverty. Combating child poverty is a EU priority, but there are numerous obstacles to proper socialisation.

I would like to familiarise you with an unprecedented case in Bulgaria, which demonstrates how the authorities restrict the opportunity of thousands of children to receive education and achieve something better in their life. The state administration subjects Christian children in the public schools to religious discrimination. On account of the Muslim feast of Ramazan Bayram, which is not a public holiday except in states professing Islam, and with the connivance of the Bulgarian Ministry of Education, the schools in the regions of Kardzhali, Razgrad, Targovishte and Shumen closed their doors for two days in order to celebrate the Muslim feast. Despite the secular nature of Bulgarian education, a religious school holiday was declared in those regions! The Bulgarian children were forced to stay out of class.

Bulgaria is a Christian country and has no decrees on nationwide observance of Muslim feasts. How then have the Bulgarian public schools closed their doors and honoured a non-Bulgarian religious feast, at the expense of their own children, tacitly and without explanations? A certain person or certain people in Bulgaria are evidently interested in leaving the public schools' classrooms empty so as to fill the Turkish mosques.

Bairbre de Brún (GUE/NGL), in writing. – (GA) Social inclusion policies should be focused, primarily, on a person's right to live with dignity and should guarantee their involvement in society. To that end, social inclusion policies must ensure a level of income that would guarantee that people don't suffer from poverty or exclusion.

This report supports the European Commission in taking this important step that will make the fight against poverty and the fight on behalf of social inclusion more visible. The report insists that the strategy be intensified by developing clear indicators and concrete objectives. It emphasizes the need for a more complete approach in the fight against poverty that includes a range of EU policies.

The appeals the report has made for a minimum wage and a minimum income, prioritising the elimination of child poverty, and access to public services for groups that are at risk of social exclusion are particularly important. These should be complemented by facilitating social inclusion like housing, education, training and lifelong learning as well as income support schemes for individuals and families.

Proinsias De Rossa (PSE), in writing. – This report has been described as a holistic approach to eradicating poverty. However, as the global financial storm continues to batter our citizens and economies, it has never been more clear that we live in an interconnected, interdependent world.

Policies enacted within the Union also have effect outside the Union. Therefore, problems outside the Union should inform the policies within it. We cannot isolate the fight against poverty in Europe from the global fight against exclusion.

Child labour reinforces poverty, condemning generation after generation to ignorance, ill health and early death. The proper place for children is in school. A developed economy cannot be built by an uneducated workforce. Children at work exclude their parents from such work and thereby the potential to struggle for better conditions. Indeed, children at work contribute to the global race to the bottom.

Lidia Joanna Geringer de Oedenberg (PSE), in writing. – (PL) In 2005 78 million people (16%) in the European Union were living on the poverty line. Currently every fifth EU citizen lives in sub-standard conditions; each day some 1.8 million people seek shelter for the night in hostels for the homeless; 10% of individuals live in households where no-one works; the extent of long-term unemployment is as much as

4%; 15% of employees receive extremely low wages; and 8% of employees live in poverty despite having jobs. Moreover, 19 million children are affected by poverty.

Among the EU Member States there are countries in which suitable national social security systems have still not been put in place.

In this context, the European Commission's proposed approach to active social integration is worthy of recognition. The policy of social integration must guarantee the fundamental right of all people to have a decent life and to be part of society and it must also guarantee an integrated labour market, better access to high-quality services, sexual equality and an absence of discrimination.

The level of social aid is currently lower than the threat of poverty, and the Member States should adapt it to meet its main objective – lifting people out of poverty. Social protection programmes should provide people with effective help and support them in finding stable employment.

There is a need to take immediate action to benefit children suffering from a range of problems, children of immigrant families, neglected children, exploited children and children experiencing violence.

Louis Grech (PSE), in writing. – Following the recent, in fact current, financial and economic upheaval and the global repercussions, I feel there is a necessity to re-evaluate the definition and thresholds of poverty.

I am concerned that a significant amount of poverty is not as obvious as it was decades ago but I am afraid it is just as real. The contemporary lifestyle helps camouflage this new poverty to a large extent.

The purchasing power of many households is being eroded by sharp increases in costs in general, and especially those relating to food, health and energy. Families with low incomes, pensioners, the unemployed and other niches within our society are at risk of becoming vulnerable and will struggle to survive as these costs represent the largest share of their monthly budget.

The performance of economies worldwide is expected to deteriorate rapidly as a recession is expected to take over. This would inevitably create instabilities in all sectors of the economy. Reductions in social programmes and services would compound the problem for those who are experiencing an erosion in their purchasing power.

I feel that the Union and the Member States have to address this issue to reduce the drastic inequalities and hardships that hidden poverty is having on many EU citizens.

Livia Járóka (PPE-DE), in writing. – The necessity of eradicating child poverty is felt to be an important issue within the European Union. Roma children especially are the most deprived minority, lacking assistance in the areas of housing, employment, education and healthcare.

The combination of these factors results in a dire situation where Romani children have no future and where Roma and Romani children are socially excluded, especially in cases where Romani children grow up in extreme poverty. This type of environment denies Romani children the chance to exercise their existing rights which they deserve. Roma children who grow up in poverty lack the opportunities given freely to the majority. Social exclusion and child poverty must be taken into consideration during EU and Member States' policy-making, especially in areas relating to active social inclusion.

Current data show about 50% of Roma are illiterate or semi-illiterate; 30% of children aged 3-10 are suffering from serious illness such as TB; the life expectancy of Roma is 10 years lower than the majority. The level of social exclusion that Roma encounter in childhood is compounded as they grow into adults. In most European cities 90% of Roma are unemployed and have little hope of finding employment in the near future; this vicious circle has to be broken for the social cohesion of the EU.

Magda Kósáné Kovács (PSE), in writing. – (HU) Our children's well-being is based on a healthy environment, decent housing, proper food, and access to education. The title of the report is too wide-ranging to focus with proper emphasis on the position of children. It cannot therefore express, but merely hint at, the extent to which child poverty shapes the future and present of society.

The report covers the themes of integration and poverty in a complex way, sometimes holistically, sometimes focusing on at-risk groups such as ethnic minorities, migrants, the elderly and persons with disabilities, with particular mention of the position of women and children. Naturally I support the view that employment is the most important tool for breaking out of poverty. In itself, however, it is not a guarantee of social integration or the elimination of poverty.

It also shows that among the employed there are many who are poor. A reason for this, reinforcing the message of the report, lies in improper working conditions and the inequitable wages system applying to certain disadvantaged groups. It is unfortunate that this document, which strives to reflect diversity, does not offer an opportunity for the problems of certain at-risk groups to be explored. Given the commitment of the author and the content of this report, I am sure the contribution it makes will assist the European institutions in making laws which will achieve its purpose, helping those for whom it is intended, the poor.

Siiri Oviir (ALDE), in writing. – (ET) Mr President, ladies and gentlemen. Every person should have an equal right to participate fully in the life of society, including the right to work and be economically active, and to enjoy a normal standard of living and well-being for the society in which they live.

Employment is unquestionably the best way of preventing poverty and social exclusion. It is, however, a curious fact that 20 million working people live in poverty in the EU today, most of them women.

To my mind, in addition to tackling the problems of poverty and social exclusion in vulnerable sections of the population, greater attention must be focused within the EU on poverty among working people, particularly among women.

A survey must be made of EU policies to stimulate the labour market: in order to offer people greater social protection, we need a springboard for regular, gainful and legally secure employment.

I am also of the view that the remuneration payable to workers in the Member States (the minimum wage) should be fair and should guarantee their income, thus preventing them from falling into the poverty trap.

I welcome the EU target set out in the report to provide for remuneration of at least 60% of the relevant (national, sectoral, etc.) average wage and the fact that the Member States have agreed on a timetable for achieving that target.

Only a balance between flexibility and protection can improve employment and social inclusion.

Rovana Plumb (PSE), in writing. – (RO) 9 years after launching the “decent work” concept, half of the planet’s labour force makes less than \$2 a day and in 2007 the women’s employment rate was 49% of the entire population, compared to that of the men, 74.3%.

In Romania, only 15% of the total number of employees benefit from decent work places and the number of women who risk becoming victims of poverty is approximately 10% higher than that of men. The discrepancy between salaries is obvious as men earn more than women in most economic fields and the monthly difference is approximately 1/3 of the minimum basic salary at country level.

The study conducted by the International Labour Organisation published on the occasion of International Woman’s Day clearly shows that Europe can no longer afford to ignore women’s potential and access to the labour market and to decent jobs is crucial for achieving gender equality. Access to decent work for all citizens must be a priority of employment policies because this is the basic social inclusion mechanism and, at the same time, the only sustainable solution for the fight against poverty.

Katrin Saks (PSE), in writing. – (ET) Social inclusion and child poverty are things we should take seriously and in that respect the committee’s initiative is welcome. We should nonetheless question whether our plans are ambitious enough. The Member States should take several important steps in this regard.

The thing we need most in order to reduce social exclusion is for people to have incomes which are enough to live on. We should acknowledge that in most of the EU States where it is established, the minimum wage does not provide for the normal income.

Falling social assistance clearly has a role in social exclusion. Given the current economic depression there is open talk in Estonia, where there have been lively debates on how to balance the budget, of compromises on child benefit. Universal child benefit is something which all children deserve and as such, in addition to being of practical assistance, is of great symbolic significance. As a former Minister for Population and the current President of the Estonian Child Protection League, I am *au fait* with these matters and I shall do everything to ensure that this support, although costly and inefficient, is not abolished.

In addition to income support there are important targeted benefits to vulnerable groups such as the elderly, single parents, households with many children, and the disabled. Benefits of this kind should cover extra costs in connection with personal support, and medical and social care. The benefits in place in the United

Kingdom for the elderly during cold weather to enable them to keep their homes warm and combat energy poverty are an excellent example of what other Member States, including Estonia, should take as a model.

Silvia-Adriana Țicău (PSE), in writing. – (RO) Road transport services represent 1.6% of the GDP and provide jobs for 4.5 million European Union citizens.

Economy and society, in general, largely depend on the efficiency of road transport since 44% of the goods are carried by trucks and 85% of the people travel by car, bus or coach.

I consider that, in order to meet the legal requirements regarding social conditions, Member States should invest in the road transport infrastructure and take the necessary actions to ensure the correct level of investments for the development of road transport infrastructure. In this context, the building of safe parking areas should be a priority.

In order to have no artificial barriers to the free movement of goods, I requested, by way of an amendment, that a report on the situation of traffic controls in every Member State be submitted to the European Parliament by the Commission. Taking into consideration that there are types of controls limiting the free movement of goods or persons, I requested the Commission to review the existing legislation and propose its amendment in order to ensure a consistent system of traffic controls.

29. Agenda of the next sitting : see Minutes

30. Closure of the sitting

(The sitting was closed at 12.25 a.m.)