

I. Febrile France

55% French intend to vote No

The French weekly *Marianne* has found that the ‘No’ camp in France is now at 55 per cent. The poll was conducted on 23 March and it shows that the right-wing ‘No’ has increased, to 41 per cent, which is 5 per cent more than in the previous poll conducted on 16 and 17 March. That poll was the first one that gave a majority to the ‘No’ (of 51 per cent). [*Le Monde*, 22 March 2005] But hostility to the Constitution has also risen on the left, where it is now at 58 per cent (previously 57 per cent). The intention to abstain is still very high – 50 per cent against 53 per cent earlier. There is also the bizarre finding that 37 per cent want the result to be ‘Yes’, 30 per cent want it to be ‘No’, while 33 per cent say it really does not matter. This latest poll is the third poll in succession that shows the ‘No’ to be in a majority. The main reasons given for this hostility to the Constitution are: opposition to the accession of Turkey (31 per cent) and the desire for European policies to be more socially orientated (29 per cent). 22 per cent say they are voting ‘No’ because they have “had enough” and 20 per cent say they want to express their dissatisfaction with Jacques Chirac and the Government of Jean-Pierre Raffarin. [*Agence France Presse, Le Monde*, 25 March 2005]

Raffarin attacks ‘conservatives’

The pro-European camp has tried to fight back against the rising hostility to the EU Constitution. The conservative Prime Minister, Jean-Pierre Raffarin, said on 30 March that a ‘No’ vote would be “conservative” vote (*conservateur* in French has uniquely negative connotations and is usually used to mean ‘reactionary’ and ‘unimaginative’). “Look at the extreme left and the extreme right,” said Raffarin, conveniently ignoring the centre-right and centre-left opponents of the Constitution, “they resemble one another. Those who want France to turn in on itself are conservatives.” He added, “Those who vote No are dissatisfied with Europe but by voting No they will keep the Europe with which they are dissatisfied.” He also accused those who wanted to vote ‘No’ of surrender, before wheeling out the usual Euro-schlock about how he was voting ‘Yes’ for his mother, himself and his daughter. [*Agence France Presse, Le Monde*, 30 March 2005]

Villiers tries to stop government propaganda

The president of the *Mouvement pour la France*, Philippe de Villiers, has appealed to the Constitutional Council against the Government’s proposal to send out an explicatory booklet (*une synthèse pédagogique*) with the copies of the European Constitution, which will be sent to all voters. He says that the booklet will distort the vote because it will be nothing but propaganda in favour of the Constitution, paid for by the state. The Government says that it quite normal to argue in favour of what is effectively a bill being submitted to the French people for approval. [*Agence France Presse, Le Monde*, 30 March 2005]

Interview with Barroso pulled

The Director of France-Télévision has caused a scandal by cancelling a proposed interview with the President of the European Commission, José Manuel Barroso. He was due to appear on “100 minutes to convince” but Marc Tessier called his office on 22 March to tell his spokesman that the broadcast would be “adjourned”. The official reason given was that people would complain that the ‘Yes’ campaign was being given too much airtime. In reality, it is likely that the pressure to get Barroso off the screen came from the ‘Yes’ camp itself, and more precisely from the head of the ‘Yes’ campaign, President Chirac. Barroso is extremely unpopular in France because of the heavy-handed way he introduced the hated “Bolkestein directive” on the liberalisation of services, and his appearance would undoubtedly have won votes for the ‘No’. Chirac is believed to find him unbearable. And Marc Tessier is himself up for re-appointment and evidently does not want to do anything that might jeopardise his job, which annoying the man in the Elysée Palace certainly would. Chirac said in private on 15 March that Barroso was a red rag to the ‘No’ campaign and people say they heard Chirac asking the Secretary General of the Elysée Palace and the Prime Minister’s *directeur de cabinet* to find a way of cancelling Barroso’s interview. It was that very afternoon that Tessier called Brussels. Naturally, this has now created a counter-scandal, with Deputies protesting that Tessier has allowed himself to bend to political pressure. Although the Commission President has diplomatically made no protest whatsoever, the bureaucrats in Brussels are making jokes about

II. Other European News

Turkey ‘recognises’ Greek Cyprus

The European Commission and Turkey have agreed on the text of a memorandum, which the Turkish Government has agreed to sign before accession negotiations being on 3 October. The effect of the memorandum is that Ankara partially recognises the Greek Government in Nicosia as being the legitimate government of the Republic of Cyprus. (Turkey, of course, does not currently recognise the Greek Cypriot Government, and it is the only country in the world which recognises the Turkish Republic of Northern Cyprus.) The memorandum extends the terms of the customs union that Turkey enjoys with the EU to the ten new member states, i.e. including Southern Cyprus. Turkey denies that the signature of this document means that it is recognising Greek Cyprus. But the Spanish Foreign Minister, Angel Moratinos, speaking in Nicosia after a meeting with the Cypriot President, Tassos Papadopoulos, and the Cypriot Foreign Minister, George Iacovou, has said rather threateningly that when people sign things, they will have to apply them. This was a reference to the fear of Greek Cypriots that the Turkish Government will sign the memo and then not apply it until the Turkish Parliament ratifies it, which, they say, may never happen. [*Le Monde*, *Agence France Presse*, 25 March 2005] But there will surely be many people in Northern Cyprus who think that Mr. Erdogan, the Turkish Prime Minister, is preparing to abandon his country’s long-term commitment to the Turkish Republic of Northern Cyprus, especially since the EU remains committed to the reunification of the island. Erdogan of course presents himself as a nationalist, but then so did Charles de Gaulle, who travelled to Algeria where he told the *pieds noirs*, “Je vous ai compris!” They interpreted it at the time as a commitment to French Algeria; in fact, it was an ambiguous remark designed to hide the fact that he was planning withdrawal.

Stability Pact watered down

The heads of state and government of the EU have adopted (on 22 March) a reformed version of the famous Stability Pact, an agreement on government borrowing within the eurozone which has been honoured more in the breach than in the observance. The French President, Jacques Chirac, welcomed the ratification of the new agreement by the heads of state and government, saying that it made the Pact “more intelligent [i.e. than the old one] because it will henceforth take into account defence spending when it evaluates the situation of countries whose borrowing exceeds the 3 per cent limit, like France, as

well as other reforms such as pensions.” In other words, the agreement waters down the original pact by simply ignoring large chunks of government spending, or saying that they do not matter. This spending can now be invoked as an excuse for breaking the terms of the agreement and continuing to borrow over the 3 per cent level. But it is not just military spending and pensions that will count as an excuse; from now on, borrowing in excess of this amount will not count as “excessive” if the EU council judges that the country in question is making a big effort in research & development and in structural reforms. Spending connected with “international solidarity” also does not count, nor does spending whose purpose is “the realisation of the goals of European policy”. Periods of economic slowdown will also mean that countries are not really even expected to keep to the rules. Such periods will henceforth be considered “exceptional circumstances” which unfortunately in Europe these days they most certainly are not. [*Le Monde*, 22 March 2005]

Soros convicted

The Court of Appeal in Paris confirmed on 24 March the conviction of George Soros, the international financier, for insider trading against Société générale in 1988. A fine of €2.2 million was imposed, which is the sum of money Soros illicitly made on the deal. Soros, who is known for having created a network of “Open Society Foundations” across the former Communist bloc whose main function is to promote “civil society” and “democratisation”, continues to protest his innocence, saying that the information he had was not secret. Indeed, he intends to pursue the appeal process (which has already caused the trial to drag out for 17 years) and take the conviction to the Court of Cassation. At the time, the scandal was considered one of the greatest of the 1980s, especially since the former *directeur de cabinet* of the Prime Minister Pierre Bérégovoy was named as a co-defendant. Soros is of course mainly known for having made a fortune speculating against the pound sterling when it was ejected from the Exchange Rate Mechanism in 1992. [Jacques Follourou, *Le Figaro*, 26 March 2005]

After services, textiles

The European Commission has said that it will take a second look at the Bolkestein directive (although Tony Blair continues to claim, against what Jacques Chirac is saying, that the liberalisation of services will eventually be adopted). But textiles are now proving

to be a subject of disagreement between the EU states. Ten years ago it was decided that the system of import quotas would be abandoned; with three months to go before this agreement enters into force, an argument has broken out. On 25 March, France and Italy rejected a proposal made by Peter Mandelson, the Trade Commissar, that countries affected by the tsunami last Christmas should be given preferential customs tariffs with a view to helping their businesses recover. The proposal was supported by the United Kingdom, Denmark, Sweden, Austria, Finland and the Netherlands. But the interests of French and Italian producers were sufficient to scupper it. The Commission is annoyed and a new discussion is to take place on 6 April. The idea was to give preferential arrangement to developing countries that are especially disadvantaged. Sri Lanka is among the countries targeted, and their textiles would have entered the EU without any tariffs; the tariff on textiles from India would have been reduced to 9.5 per cent instead of 12 per cent. Tariffs on Indonesian and Thai shoes would also have been cut. Some €3 billion would have been lost in customs revenue. On 16 February, the French textile industry denounced the initiative, saying that it was unacceptable to cut tariffs at the very moment when the quota system was being abandoned. Representatives of the French textile industry said that their members were being unfairly targeted in the name of solidarity with the peoples of South-East Asia. It is certainly true that the European textile industry is in a terrible crisis. One quarter of the world's textiles are made in China, while 4 million jobs have disappeared from the European textile industry over the last ten years. States like Bangladesh and Sri Lanka have not been able to make inroads into the market, since Indian and Chinese giants squeeze them out. No one knows what the effect will be of the abolition of quotas, although some have said that it means that Chinese imports will rise by 46.5 per cent. The question has also become an issue in the French referendum on the European Constitution, but France is not alone; Portugal, Spain, Greece, Italy and Poland are also protectionist in this respect. For his part, Peter Mandelson has said that the Commission has the power to stop dumping but that if imports rise as a result of fair competition, then that is a good thing. [Florence Amalou and Philippe Ricard, *Le Figaro*, 26 March 2005]

Support for Ukraine falls

Opinion polls show that support for further enlargement of the EU is very low in Germany, and that there is as much hostility to Ukraine as to Turkey. The prospect of Turkish admission has

always been unpopular in Germany but a recent scandal over visas in Ukraine has fuelled opposition to that country's accession as well. The German embassy in Kiev issued a huge number of visas to Ukrainians and this has worsened the country's image in Germany's eyes. 53 per cent of Germans say that they are against Ukrainian accession, whereas in 2004 only 30 per cent were against and nearly two-thirds were in favour. Opposition to Turkish accession is even greater: 60 per cent against and only 36 per cent in favour. This compares with 48 per cent and 45 per cent in 2004. But it is not just the Germans who are hostile to more EU enlargement. The French are 59 per cent against Turkey and 37 per cent in favour. The Poles are the biggest supporters of greater enlargement: 77 per cent say they want Ukraine to join and 55 per cent are in favour of Turkey too. Almost two-thirds of Italians and Spaniards are in favour of Russia joining the EU but the Poles, the French, the British and the Germans are about 40 per cent against. [Stefanie Bolzen, *Die Welt*, 24 March 2005]

Who is lying?

Pro-Europeans in France have been insisting that the Bolkestein directive on the liberalisation of services has been comprehensively abandoned. This is the direct opposite of what Tony Blair told the House of Commons on 24 March. While Blair insisted, "If we had abandoned the directive, we would have committed a very grave error for the European economy," the French are saying that the directive has indeed been completely abandoned. François Hollande, the first secretary of the French Socialist Party, has said that the directive has been definitely "put aside". He says that the new Constitution will provide "a complete protection against any future drift" (towards liberalisation). The President of the National Assembly was no less forthright. Jean-Louis Debré said, "It's been sorted. This directive has been completely removed from the scene." The right wing is no different: members of the governing UMP have said that Jacques Chirac (who supposedly obtained the cancellation of the directive) had "acted for France and for Europe". Even the 'No' camp has said that it admires the tenacity with which France stood up to the liberalisers in Britain and Germany. An anti-Constitution senator, Jean-Luc Mélenchon, said that Tony Blair and Gerhard Schröder were "totally crazy liberals, ideologues". Some opponents of the Constitution, however, have accused the pro-Europeans of lying. The Citizens' Republican Movement led by Jean-Pierre Chevènement says that, "the Yes camp is capable of any lies". The Communist Party has said that it is "totally false" to say that the directive has been cancelled. Philippe de Villiers has said that the whole thing is a huge con.

He has said, "The directive will not be withdrawn, it will simply be given a little spring clean." [Béatrice Gurrey, *Le Monde*, 25 March 2005]

Police state

The speaker on internal affairs within the governing Social Democratic Party in Germany, Dieter Wiefelspütz, has called for the state to have direct access to all information about bank accounts and travel, via travel agents and banks, as part of the ongoing "war on terror". In other words, people's bank accounts and personal movements would be monitored by the state. The secret services should also have access to information about car rental and train tickets. Wiefelspütz said that the current arrangements for obtaining information about people's bank accounts was far too bureaucratic and there needed to be simplified arrangements. He also said that he saw no problem with using the information which will be stored on a new electronic "health card" which the German Government is introducing, but called for an open debate on this and other questions. On the other hand, he distanced himself from the calls made recently by the Interior Minister himself, Otto Schily, who has said that all information about all telephone calls should be kept by the telephone companies for up to one year, and that this information should be put at the disposal of the state in the fight against terror. [*Frankfurter Rundschau*, 29 March 2005]

Easter rising

Across Germany, marches, rallies and demonstrations were held to protest against the Iraq war and the EU Constitution. Some 30,000 people took part in these demonstrations. The peace activists carried placards saying "No bombs" (in English) and they called on the German Government to drop plans for the construction of a large testing ground for bombers to the North-West of Berlin. Many said that the war on terror was itself terror. The peace marchers called on the Government to cut military spending and to devote the money to civil conflict resolution instead. They also demonstrated against the EU Constitution, saying that it would allow the EU itself to militarise and buy more arms. [*Frankfurter Rundschau*, 29 March 2005]

EU über alles

Many in the European Parliament are campaigning against Germany's political strategy of obtaining a permanent seat on the UN Security Council, saying that it would be better if the EU itself had such a seat. The German SPD MEP Jo Leinen said that if there was a choice between a German permanent seat and

an EU one, then he was definitely in favour of the latter. His Christian Democrat colleague Armin Laschet agrees: "A permanent seat for Germany would undermine the EU's chances of obtaining a permanent seat in the long term." Laschet also said that Berlin was in danger of alienating its European allies by insisting on a German seat. In September, the UN General Assembly is due to debate the reform of the institution. Kofi Annan has produced a 63-page report laying out some suggestions. He suggests that there should be three non-permanent seats for European states. The European Parliament has suggested that two of the seats should go to the EU, and that it should be able to decide which states fill them. But the Parliament makes it clear that the long-term aim is that the EU itself should have a permanent seat, since this would be appropriate "in the light of the European Constitution". The European Constitution of course gives the EU its own legal personality, which is the necessary prerequisite for it to have a representation in international organisations. There will also be an EU Foreign Minister. Jo Leinen says, "An EU seat in the Security Council lies in the logic of the European Constitution." [Katja Riddersbusch, *Die Welt*, 30 March 2005]

Germany to remain biggest net contributor to EU

Opposition is growing to the attempts by Germany and the other net contributors to the EU budget to limit that budget to 1 per cent of GDP. The European Parliament has produced a report saying that it should rise to 1.2 per cent. Member states are trying to reach agreement on a new budget for 2007-2013 by June. The report represents a setback for Germany, which is trying to cap EU spending and its own contribution. The British rebate is unpopular with net contributors but it cannot be removed without British consent. [*Handelsblatt*, 30 March 2005]

Europe supports Wolfowitz

After some initial hostility, European states have lent their support to George Bush's candidate for the presidency of the World Bank, Paul Wolfowitz. The German Minister for Development, Heidemarie Wiczorek-Zeul, has confirmed that, "Wolfowitz will have the support of the Europeans". Aware of his unpopularity in some European capitals, Wolfowitz has been shmoozing the Euros, promising more jobs for the European boys in the World Bank if he is appointed boss. In particular, a European might get the vice-presidency. [AFP, *Le Monde*, 30 March 2005]