

I. Foreign Affairs

France puts new obstacles in Turkey's way

The French government put a spanner in the works of Turkish accession to the EU on 3 August when it said that negotiations with the EU could start only after Turkey had recognised Cyprus. The Prime Minister, Dominique de Villepin, made this clear on 2 August. The governments of Greece and Cyprus welcomed his statement. The Greek Prime Minister, Kostas Karamanlis, had postponed his planned visit to Turkey until the end of August. Villepin's statement puts France into conflict with the European Commission, which says that Turkey has already fulfilled the conditions for accession negotiations to open. Recognising the Greek Cypriot government as having legitimacy over the whole of Cyprus would mean Turkey dropping the Turkish Cypriots comprehensively in the soup, since Turkey is the only country which supports their existence as an independent state on the island of Cyprus. [*Die Welt*, 3rd August 2005]

Ankara was quick to respond to Paris' new position. "Turkey will never accept that recognition of the Greek Cypriot administration can be a precondition for starting negotiations on joining the EU on 3rd October," a Turkish government source said a few hours after the French Prime Minister's statement. Other officials have said that Villepin's statement violates undertakings given by the EU to Turkey. "The decision taken (by the European Council) on 17 December 2004 is clear: (the recognition of Cyprus) was not a precondition. What was a precondition was the signature of the protocol on the customs union. Turkey has signed this." Other diplomatic observers have commented that France's position goes even further than that publicly taken by either Greece or Cyprus itself. [*Le Monde*, 3rd August 2005]

Customs union agreement signed

Turkey has indeed only just put its signature to an extension of its customs union with the EU to the new Member States. Some commentators said that this implied recognition of Cyprus, because Cyprus is a new EU Member State. But the Turks appended a declaration saying that their signature in no way implied recognition of the Greek Cypriot government. The European Commission had demanded that this document be signed as a precondition for opening accession negotiations with

Turkey on 3 October: it is now going to study the wording of the appendix carefully. EU members Greece and Cyprus have protested at the appendix, and Cyprus has repeated its threat to veto the opening of the talks unless Turkey recognises it. Even Greece says it is considering a veto.

Since the recent election of a new President in the Turkish Republic of Northern Cyprus (following the end of the terms in office of the veteran Turkish Cypriot leader, Rauf Denktash) there will be far less pressure on Ankara to stick up for Northern Cyprus: the new Turkish Cypriot President, Mehmet Ali Talat, is very pro-European and is determined to come to an accommodation with the Greek South. [*Die Welt*, 1st August 2005]

Hostility to Turkey rises generally in EU

More generally, the climate seems to have changed in Europe on the issue of Turkish accession. A victory by the Christian Democrats in Germany in September is likely to deliver a fatal blow to Turkish accession, because Angela Merkel has promised that it will not go ahead if she is elected. Nicolas Sarkozy, the rising star of the French right, has also said that he is in favour of a "privileged partnership" with Turkey, i.e. that he is opposed to full membership. This position is also supported by Austria but not by Britain which wants Turkey to become a full member. Philippe Ricard, [*Le Monde*, 31st July 2005]

CDU wants to make foreign policy its priority

The leader of the German CDU, Angela Merkel, has said that she will make foreign policy one of her priorities if she is elected Chancellor in September. For this purpose, she said, the control of the Chancellor's office over foreign policy would have to be strengthened. One way to do this would be to create the post of National Security Adviser, modelled on its homonym in the USA, who would report directly to the Chancellor. However, the Christian Democrats seem to have lost their battle with the Free Democrats to create a Europe ministry, by forging together competences from various different government departments. [The FDP controlled the Foreign Ministry for eighteen years under Hans-Dietrich Genscher (under both Social Democrat and Christian Democrat governments) and they clearly want their fief back in the event of a CDU victory.]

Angela Merkel and Gerhard Schröder are currently engaged in negotiations over a one-on-one presidential-style television debate. The agreement on the debate is on hold, following Merkel's refusal to accept that there should be two such debates instead of one. Opinion polls show that the public thinks that Schröder will perform better in such televised confrontations.

Another interesting development of this campaign has been the likely return to Parliament of Oskar Lafontaine, who resigned as head of the Social Democrats and Finance Minister in 1999. He has now joined a revamped Party of Democratic Socialism (the former communist 'Socialist Unity Party') and he is its leading candidate in North Rhine Westphalia. [*Die Welt*, 1st August 2005]

Relations continue to decline with Iran

Following the sharp words exchanged between Tehran and Berlin [see *Digest* Issue No. 220, 21 July 2005] relations have worsened between Iran and the European Union. The state news agency ISNA has quoted the spokesman for the Iranian Foreign Ministry saying that the EU ought to stop issuing threats and instead stick to its own undertakings. The EU had threatened Tehran that it would break off its negotiations over atomic energy if Iran restarted work on its nuclear power station at Isfahan. The German Chancellor, Gerhard Schröder, had already warned Iran about this in December 2004. The Iranian government, whose new President was sworn in on 3 August, has said that its decision to recommence work at Isfahan was "irreversible". The EU has said that if the Isfahan plant starts uranium conversion, then it will apply to the UN's International Atomic Energy Authority for new measures to be taken against the Islamic Republic. According to a report in the *Washington Post*, US secret service experts in fact think that Iran is ten years away from being able to make a nuclear bomb. But the paper also quoted a senior secret service official saying that the US was convinced that Iran was determined to become a nuclear power. [*Handelsblatt*, 3rd August 2005]

Russia being pushed out of Transdnistria

Relations between Russia and Moldova have worsened, following the decision by the Moldovan President, Vladimir Voronin, to accord special administrative status to the breakaway region of Transdnistria on the left bank of the river Dnieper. The reason for Russia's discomfort is that the law on the special status of the region is part of a package, inspired by the Organisation for Security and Cooperation in Europe, whose purpose is to force Russia to give up her military base in the region. Russian peacekeepers, who were sent there in 1992,

had planned to stay there until 2015. Voronin has agreed to the deal under pressure from the West and the new Western-backed government of Ukraine, which Transdnistria borders to the East. [Manfred Quiring, *Die Welt*, 1st August 2005]

Russia attacks ABC for Basayev interview

The Russian government has made a strong formal protest at the broadcast by the American TV channel, ABC, of an interview with Shamil Basayev, the mastermind of both the Nord-Ost theatre siege and the Beslan school massacre. The American chargé d'affaires in Moscow, Daniel Russel, was summoned to the Foreign Ministry in Moscow to hear the government's protest. A spokesman for the Foreign Ministry said that it was entirely inappropriate to give a platform to a terrorist with blood on his hands. The interview had been recorded at the end of June by a Russian journalist in Chechnya. The Russian government has been hunting Basayev for years and has put a \$10 million reward on his head. In the interview, Basayev said that he would stick to his course and that tragedies like that at Beslan would be repeated for as long as the "genocide" against the Chechen people continued. The Russian President, Vladimir Putin, has repeatedly accused the West of double-standards in calling for a political solution to the Chechen question: Basayev, he says, is linked to Al Qaida. [*Handelsblatt*, 29th July 2005]

Sharp words between Tel-Aviv and Rome

A sharp dispute has broken out between the Vatican and Israel over the allegedly anti-Israeli attitudes of the former. The Israeli Foreign Ministry has attacked Rome for failing to criticise the suicide bomb attacks against Israel. "Now that there is a new Pope, we have decided to tackle this matter," said the Director of Jewish Affairs in the Israeli Foreign Ministry, Nimrod Barkan. If the protest did not work, he said, then other steps would have to be considered. Rome reacted to these words with unusual vehemence: the spokesman of the Vatican, Joaquín Navarro-Vals, said that the Holy See was not prepared "to take lessons" on this. Navarro-Vals also said that Israel did not always respect international law when it reacted to terrorist attacks. Consequently, he said, it would not be possible for the Vatican to condemn terrorist attacks against Israel but to say nothing about the Israeli reaction to them. The dispute threatens to overshadow the Pope's visit to World Youth Day in Cologne, during which he is planning to visit a synagogue. The Chairman of the Central Council of Jews in Germany, Paul Spiegel, weighed in saying that he wanted to know from the Pope why, in his Sunday prayers, he had mentioned terrorism in Egypt, Turkey, Britain and Iraq but not Israel.

Navarro-Vals has already said that the Pope was referring to events which had occurred only in the last few days. [*Die Welt*, 30th July 2005]

Czech town honours German dead

The Northern Czech town of Usti nad Labem is to hold a ceremony to commemorate the murder of its Sudeten German citizens in 1945. The ceremony has again re-ignited the controversy within the Czech Republic about what happened after the Second World War in Czechoslovakia: some three million citizens of German and Hungarian origin were expelled from the state, following decisions taken by the Allies at Potsdam. The municipal authorities in Usti (called Aussig in German) have decided to erect a memorial to the "Massacre of Aussig" which occurred on 31 August 1945. Revolutionary guards lynched a number of people that day, although the estimates for the numbers killed vary between 50 and 2,700. The killing was sparked by the still unexplained explosion of an arms depot. The Czech Foreign Minister, Cyril Svoboda, will attend the ceremony but members of the Communist Party and some members of the governing Social Democratic Party have objected. The decision by the authorities in Usti has been welcomed by the Federal Chairman of the Sudeten German Landsmannschaft in Germany itself, Bernd Posselt. He said that the ceremony at Usti would show the way for neighbourly relations in the future. [Hans-Jörg Schmidt, *Die Welt*, 30th July 2005]

Croat premier still hopeful

The Prime Minister of Croatia, Ivo Sanader, has told a regional forum in Salzburg that he thinks that it is still realistic to think that Croatia will join the EU by 2009. Sanader said that if negotiations start this autumn, then they could conclude in 2007 and Croatia would be able to "participate in the 2009 European elections as a full member". He said that his government was working strenuously to locate and apprehend the fugitive general, Ante Gotovina, who is wanted in The Hague. Croatia's failure to hand Gotovina over meant that, in March, the EU decided not to open negotiations with the country. [*Vecernji List*, 3rd August 2005]

Montenegrin leader: 'referendum will go ahead

The President of Montenegro, Filip Vujanovic, has said that there will be no postponement of the referendum on independence, planned for early next year. He said that the referendum was the constitutional right of all Montenegrin citizens and that the EU had already vowed to accept the results of the poll. Supporters of Montenegrin independence have said that they will start their campaign in the autumn. [*Tanjug*, 2nd August 2005] Any move towards independence for Montenegro will have a direct impact on Kosovo, which legally remains an integral part of Serbia even though it is currently under UN administration. The international community would have difficulty allowing Montenegro be independent of Serbia if Kosovo remained part of it.

Romanians, Bulgarians hold NATO exercises

A joint Romanian-US military drill involving 1,600 US and 500 Romanian troops was successfully completed on 2 August, according to a statement from the defence ministry in Bucharest. The drill, which took place over the past two weeks at the Babadag and Mihail Kogalniceanu air bases near the Black Sea, was aimed at achieving more flexibility in dealing with terrorism, regional crises and other emerging threats. It is expected that these two bases will be among five bases which Romania will shortly open for American troops.

Romania's Southern neighbour, Bulgaria, is to host a NATO air force exercise from 24 August to 5 September. The drill will include 13 NATO Member States, eight partner nations and three observer states. It will be held at the Krumovo and Graf Ignatievo air bases. Bulgaria is also expected to open new American bases, as part of what the US supreme commander in Europe, General James Jones, has called "an Eastward shift in the centre of gravity" of US forces in Europe. Both Romanian and Bulgarian bases were used during the invasion of Iraq in 2003. [*Standart*, *Rompres*, 3rd August 2005]

II. Other EU news

Karlsruhe to rule on 9 August

The Federal Constitutional Court in Germany is to rule on 9 August on appeals against the decision by the Federal President to agree to the early dissolution of the Bundestag and early elections. The German Constitution provides for fixed-term parliaments but the Schröder government deliberately engineered its

own demise in order to bring the date forward. The basis of the appeal, which has been lodged by various Members of the Bundestag and other interested parties, is that the government misused Article 68 of the German Constitution, which allows the government to call a no confidence debate. [*Die Welt*, 30th July 2005]

Deficit procedure against Germany still possible

The German Finance Minister, Hans Eichel, has said that it remains possible that an excess deficit procedure might be opened against Germany this autumn. For their part, the opposition Christian Democrats have said that they think that the economic situation in Germany will get worse this winter. Eichel said that the EU Commissar for monetary affairs, Joaquin Almunia, has promised him not to make any further moves on the excess deficit procedure before the German elections in September. The minister said, "In my view there are two possibilities: either a sharpening of the procedure or a postponement of the timetable (by which Germany must reduce its deficit) to 2007." Eichel's remarks were a response to the claim by the finance spokesman for the Christian Democrats, Michael Meister, who had said that the Commissar had told him that the excess deficit procedure would definitely be taken up again in the autumn. Meister had said that an incoming CDU government would have to accept the procedure as part of the inheritance of the Schröder government. Eichel said that the German government would present new figures on the deficit in September. Eichel had said weeks ago that if the measures he proposes are not adopted, then Germany would still have a deficit of more than 3 per cent of GDP in 2007. [*Handelsblatt*, 3rd August 2005]

Hungarian premier promises euro in 2010

The Prime Minister of Hungary, Peter Gyurcsány, has told a German newspaper that he is certain that Hungary will adopt the euro in five years' time. He also reiterated his suggestion of a "Budapest compromise", according to which the EU would agree on a provisional budget for three years. He has suggested this as a way of overcoming the impasse which is preventing the EU from agreeing on a budget for 2007-2013. [*Die Welt*, 30th July 2005]

Return of grain mountain

The Common Agricultural Policy is again creating huge food surpluses. Europe's silos are fuller than they have been for a long time with various cereals – there are some 18 million tonnes of wheat, rye and barley in storage because of the surplus. This is five times more than in 2004. The EU pays €101 for each tonne. The State Secretary in the German Ministry for Consumer Protection, Alexander Miller, has said that these "huge surpluses" are endangering the reform of the CAP which was agreed on in 2003.

Then, ministers decided to uncouple subsidies from production, hoping thereby to reduce surpluses. This policy seems now to have failed. The Commission now believes that there will be significant surpluses in coming years. The former Commissar for agriculture, Franz Fischler, said that if over-production was not stemmed, then the EU would have to increase even further the amount of land "set aside" (i.e. for which farmers are paid not to grow anything on). The over-production is so great that Eastern European silos are now full: Hungarian wheat is being stored in Germany. These surpluses are in storage, at the EU taxpayer's expense, because the EU cannot sell them. They are either dumped on foreign markets, with the help of further export subsidies, or they are used for cheap fodder within the EU. The Commission blames the surplus on a bumper harvest, but others can see that it is the system itself which remains at fault. Although the 'reform' increased set-aside, it continued with the principle of subsidising production. The EU price protection scheme means that the prices paid for cereals in the EU are above those obtainable on the world market. Cereals are not the only products which are in surplus. A similar regime applies to sugar and, for the first time in 15 years, the EU has this year been buying up excess sugar. There are already 60,000 tonnes of sugar in storage. The Commission wants to reduce the guarantee price paid for sugar by 39 per cent but naturally sugar producers massively oppose this. The wine regime also needs to be reformed. This year, the EU taxpayer will have to cough up for the transformation into industrial alcohol of some six million hectolitres of wine. [Michael Scheerer, *Handelsblatt*, 1st August 2005]

French Socialists at sea over constitution

Young French Socialist activists who campaigned against the European Constitution are having a hard job convincing their colleagues in other European countries that they did the right thing. At a summer camp organised in Portugal for young Socialists from around the EU, they wore T-shirts saying "For another constitution" (in English), trying thereby to convince their colleagues that a renegotiation is what is needed. The party leadership had told the young activists that they had to convince their colleagues that the French No was not a nationalist vote, nor that France was turning away from the European construction. [Sylvia Zappi, *Le Monde*, 31st July 2005]