

# INTELLIGENCE DIGEST

by John Laughland

## EU tries to salvage Constitution

According to the old theory that the European Union is like a bicycle which has to keep advancing or else it will fall over (a metaphor borrowed from Che Guevara who said the same thing about 'the revolution'), EU leaders have been faced with the prospect of the collapse of the EU project following the rejection of the European Constitution. Naturally, they have been doing everything to try to get things going again. Having paused for a so-called 'period of reflection', EU heads of government have been contemplating their next steps. At a recent meeting in Brussels, they decided that by the time of the French presidency in the second half of 2008, there should be agreement on a text which will lay down the terms of the EU's action and 'democratic legitimacy', i.e. a new Constitution. In other words, they have decided to start all over again, and do pretty much what they did in 2004 when they signed the now defunct EU constitution in Rome. The new timetable is as follows. During the German presidency in the first half of 2007, there is to be a 'Berlin declaration' on the occasion of the 50th anniversary of the signature of the original Treaty of Rome. It is to contain a commitment to the various values and powers of the EU. The idea is to do something similar to the 'Declaration of Messina' which set the whole EEC in motion half a century ago. Many EU states want to renationalise policies but some are still battling for full-blown federalism. Belgian Prime Minister Guy Verhofstadt, for instance, is still going on about 'a United States of Europe'.

Three months after the 'Berlin declaration' and after the election of a new French President, the German Chancellor, Angela Merkel, is to step up the tempo and lay out 'possible future developments' in a text. This is to happen by June 2007. Whether the next text is to be called 'a Constitution' remains a moot point: the Dutch, for instance, are against it since the Constitution was rejected by the Netherlands in a referendum last year. According to experience, it takes about eighteen months between the adoption of a text and ratification. The idea, therefore, is that if the new text is to be ready by the time of the European elections in 2009, or by the time the new Commission is appointed in November of that year, then it would have to be signed at the latest during the Slovene presidency in the spring of 2008. The strategy adopted in Brussels is therefore the one adopted for all the previous big Treaty revisions, from the ratification of the Single European Act in 1986 to the completion of the Single Market and the signature of the Maastricht Treaty in 1992. On the other hand, there is little clear idea yet of just what content the new Treaty will have. The Austrian government is saying that the best strategy would be to have some concrete achievements on growth and employment before trying to convince the public to vote for a new treaty structure in the EU.

It is clear that Germany is to play what the German press calls 'the key role' in these developments, with Merkel therefore taking the lead in Europe. The Christian Democrats will be campaigning with both an anti- and pro-European message, profiling themselves as the champions of less bureaucracy but more European integration. In other words, they will use slogans like 'Europe must be closer to its citizens' and at the same time work for more centralisation of power in Brussels. Merkel does not hesitate to use the word 'Constitution' for the new text, saying things like, "We need this Europe and for that we need a new constitutional treaty." [*Frankfurter Allgemeine Zeitung*, 16 June 2006]

## EU-US relations

President Bush attended the EU summit in Vienna at a time when there are various tensions in trans-Atlantic relations. This is the first visit of an American President to Austria in 27 years and the Austrian authorities have mobilised thousands of security forces. The EU asked Bush to close the prison camp at Guantánamo Bay in Cuba, where most inmates have been incarcerated for four and a half years now, but on Iran and the Middle East the Europeans vowed to work together with the Americans. The Europeans also believe that they have made the Americans shift their position on climate change. Indeed, the EU side is very keen to show that relations have improved since the Iraq war in 2003: Bush had pronounced the dispute over Iraq at an end when he visited Brussels in February 2005. Energy supplies were also a subject of discussion between the two sides: both the EU and the US are importers of energy from the Middle East, Russia and Africa, as are their great geopolitical rivals in the Far East, India and China. The two sides also discussed trade issues. [*Die Welt*, 21 June 2006]

There is general agreement, indeed, that relations between the EU and the US have improved since Iraq. The President of the European Commission, José Manuel Barroso, has said, "Our relations have strengthened considerably since 2005. Today we are working systematically in concert to meet economic, political and environmental challenges." [*Le Monde*, 21 June 2006]

## European Commission wants more transparency

The European Commission wants to force Member States who receive money from the structural funds to publish the fact more clearly. The idea is that information about who receives the money would be published electronically and sent to the Commission in Brussels. The names of participants in projects financed by the European social funds, with which the Member States can finance training programmes for people out of work, would be excluded from this, however. In future, recipients of EU funds would have to give their consent for their data to be published in order to be able to receive the money. The structural funds represent about one-third of the European budget. Following the budget agreement for 2007-2013, they will amount to €308 billion over that period. Total EU spending in the period will be €864.4 billion. The EU also wants the distribution of Common Agricultural Policy money to be published as well. Some countries do this already (including Denmark and Britain) but others, like Germany, say that there are data protection issues which prevent them from doing so. The Germans are therefore opposing these proposals, saying that the Commission cannot say that it is trying to reduce bureaucracy and yet at the same time make new administrative demands. [*Frankfurter Allgemeine Zeitung*, 19 June 2006]

## Last of the summer wine

The European Commission wants to engineer a dramatic reduction in wine production. It also wants to make ordinary table wine more attractive for the consumer. Overproduction in the EU is to be cut and the crisis faced by producers of average wines thus tackled. The agriculture commissar, Mariann Fischer Boel, a Dane, wants to close down 400,000 out of the 3.4 million hectares of vineyards in the EU. Winegrowers are of course to be paid off for this – at a total cost of €2.4 billion. The current annual EU spending on wine subsidy is €1.4 billion. The largest wine producing countries are naturally against the plan. France, Italy, Spain and Portugal made their opposition to the plan

known before it was even published. They fear that their most traditional agricultural landscapes will be destroyed by it. Experts sitting in Brussels know better, however. They claim that it is only by reducing the vineyards that overproduction can be stopped. That 'overproduction' is about 12 per cent of total production, or 22 million hectolitres a year, and rising. Excess wine has in the past been converted into high strength alcohol but the Commission wants to put a stop to this practice. The Commission also wants table wine to have the year and grape variety put on the label. This is intended to make ordinary wines more competitive with wines from the New World. Australia and Chile have increased their wine exports in the last ten years by a factor of 20. [Helmut Hauschild, *Handelsblatt*, 21 June 2006]

### The Balkanisation of the Balkans

The European Union states have been quick to welcome the result of the referendum in Montenegro, which has now been recognised as a sovereign state by the major powers. (EU recognition came on 12 June 2006, the proclamation of independence having occurred on 3 June.) Montenegro's 'path to Europe' is now ensured and the latest stage in the dismemberment of Yugoslavia now in the bag. Kosovo will not be far behind, since the 'international community' seems happy to work for its 'independence' too even though, like Montenegro, the territory and population in question is about that of an English county. However, the same welcome for Balkanisation is not being extended to the Serbs in Bosnia who have lived in their own 'Serb Republic', a constituent part of Bosnia-Herzegovina since the Dayton peace accords in 1995. Following the Montenegrin vote, the Bosnian Serbs proposed holding their own referendum on secession from Bosnia-Herzegovina, a state they have never wanted to live in. EU officials immediately and firmly rejected the plan. "*Holding a referendum in Bosnia is not a good idea, and it is not a welcome idea,*" said Ollie Rehn, the EU Commissar for enlargement. However, pro-independence politicians in Republika Srpska remained defiant. "*The will of the citizens cannot be ignored,*" said the President of the Serb National Party Dane Cankovic. "*The Serb people want a free Republika Srpska, separated from an imposed Bosnia-Herzegovina. Bosnia-Herzegovina has become a tyrant that is stifling the will and wishes of Serbs to live in a free and democratic RS.*" He added that such a referendum would be the first step toward Serb unity, which presumably means he would want Republika Srpska to be joined to Serbia itself. The Prime Minister of Republika Srpska, Milorad Dodik, said that the Montenegrin vote should provide the basis for the settlement of the final status of Kosovo, i.e. that that province should become independent as well, and that all the peoples in the region should be allowed to decide on their fate in the same way. The international community's High Representative in Bosnia (i.e. of the official who actually runs the country), Christian Schwarz-Schilling, said that no parallels could be drawn between Montenegro and Republika Srpska because RS had not existed before the Dayton agreement which ended the 1992-1995 Bosnian civil war. "*The international community will not allow the sovereignty and territorial integrity of Bosnia and Herzegovina to be endangered.*" The international community took the same attitude towards the Bosnian Croats: when they tried to set up their own autonomy in 2001, their leader, Ante Jelavic, was jailed for violating the Constitution. He fled to Croatia to escape a ten year sentence for economic crimes related to the declaration of independence and there is now a protracted legal battle between Croatia and Bosnia-Herzegovina over his extradition.

### The Balkanisation of Spain

Catalan voters have approved by 73 per cent a new autonomy status in a referendum held on 18 June. Turnout was very low at 50 per cent. The

new status gives the Catalan autonomous region new powers over tax and new administrative powers. An earlier version of the text was heavily watered down by the Spanish Parliament and the reference to Catalonia as 'a nation' was removed. The new autonomy was fought for by the Catalan socialists and opposed by the biggest opposition party, the conservative Popular Party. The President of Catalonia, Pasqual Maragall, said that the victory in the referendum was the most important day since the 'Constitution' of Catalonia was voted in 1978. The socialists are, however, also opposed by Catalan nationalists who called on their supporters to vote against the text because it did not recognise Catalonia as a nation, and because it does not give the region complete autonomy over taxes and ports and airports.

### The Balkanisation of Belgium

The Flemish nationalist party, Vlaams Belang (which used to be called the Vlaamsblok until the party was banned in 2004), has consolidated its position as the largest party in Belgium. Opinion polls give it 26.6 per cent of the vote. Local elections are to be held in October. In Wallonia, the National Front is also growing, currently standing at 10 per cent in the polls. In 2003, when they were still called the Vlaamsblok, the Flemish Nationalists won 17.9 per cent of the national vote; they won 24 per cent at the parliamentary elections in 2004. The Vlaams Belang campaigns against immigration and for the independence of Flanders, and is therefore habitually referred to as 'extreme right'. Its appeal is largely due to the tensions within Belgium between rich Flanders and poor Wallonia, but also to huge disenchantment with the established Belgian political class. Recent scandals involving the French-speaking Socialists have only strengthened the Flemings' belief that they would be better off if the country was split up and if they were able to stop paying for the corrupt and poor Walloons. [*Le Monde*, 21 June 2006]

### Kosovo 'independence' on the way

There seems little doubt that Kosovo is to be allowed to break away from Serbia and become an 'independent' state (in reality, absorbed into the EU and NATO). The outgoing UN administrator of Kosovo, Soren Jessen-Petersen, said in an interview with the Kosovo newspaper, Koha Ditore, that the province will one day win its 'independence'. "*It is clear that Kosovo's dream – and we all know what the dream of Kosovo is: it is independence – will become a reality,*" he said. "*I don't think that the region will be normalized until Kosovo's status is resolved. I still believe that stability in the region needs what I call the last piece in the puzzle to become complete – the solution of the status.*" Kosovo Serbs protested that this, like other declarations by Jessen-Petersen, show that he is not committed to the neutrality which his job requires but that instead he sides with the Kosovo Albanians. In the same interview, Jessen-Petersen exhorted Serbia to get used to the idea of losing part of its historic territory. "*Now is the time for Serbia to start thinking of moving forward, starting social and economic reforms, so much needed for itself and the region. I know it will seem very difficult [for Serbia] in the short term, but we need to see Kosovo's status solved this year so that the entire region can move forward at last,*" he added.

In a similar vein, the UN Secretary-General, Kofi Annan, and Martti Ahtisaari, the UN chief envoy for talks on Kosovo's final status, both told the Serbs to be more flexible, i.e. to acquiesce in losing Kosovo. Annan also attacked the Kosovo Serbs for boycotting the political institutions of the province, which they have done since March following a series of murderous attacks on Serbs by Albanians. "*Remaining outside the institutions will not bring their communities any benefit, and in fact negatively affects their ability to bring meaningful improvements into the lives of their communities,*" Annan said. When Albanians boycotted the

political institutions of Kosovo during the 1990s, they were generally applauded for so doing by the international community. [*Radio Free Europe*, 13 June 2006]

Jessen-Petersen gave his interview shortly after announcing his premature resignation from the job 'for family reasons'. He took the job in August 2004, a few months after the March 2004 pogrom in which nineteen Serbs were murdered and various Serb monuments (including monasteries and churches) were burned to the ground. Jessen-Petersen sided unambiguously with the Albanians, even calling the former Prime Minister of Kosovo, Ramush Haradinaj, 'a partner and a friend' and campaigning for his release from The Hague where he was incarcerated briefly in 2005 following his indictment for various atrocities committed while a Kosovo Liberation Army commander. The Chief Prosecutor at the International Criminal Tribunal for the former Yugoslavia, Carla del Ponte, had attacked the UN administration in Kosovo for fostering a climate in which witnesses felt they could not testify at The Hague. She also said that the administration was preventing her office from obtaining access to certain documentation. Human Rights Watch had also attacked Jessen-Petersen's administration for complete failure to investigate the March 2004 pogrom or to prosecute people for it. There have also been allegations of corruption in the management of the airport at Pristina. [Stefanie Bolzen, *Die Welt*, 13 June 2006]

As independence for Kosovo looms – and as Agim Ceku, the former Kosovo Liberation Army commander who is now the Prime Minister of Kosovo, visits Condoleezza Rice in Washington – the Serb Orthodox bishop of Raška and Prizren, Bishop Artemije, has accused Albanian extremists of wanting to eradicate all traces of Serb culture from Kosovo. He accused thieves of stealing four gold crosses from the domes of the Holy Virgin Church in Obilic and of also stealing parts of the church's roof, windows and doors. The bishop said, "Since KFOR troops [NATO-led peacekeepers] arrived in Kosovo in 1999, 150 Orthodox temples have been vandalised or demolished by Kosovo Albanians. The fate of Serbian heritage in Kosovo is very much under threat." [*Radio Free Europe Newslines*, 20 June 2006]

### Croatia's hopes raised

The enlargement Commissar, Olli Rehn, has raised Croatia's expectations of being able to join the EU by 2009. He said, "If the negotiations go well and if Croatia pursues its policy of reform, then the negotiation process could be completed by the end of the decade." He said that this was an ambitious date but the candidate states often needed such encouragement. "The important thing for us is that the reforms are going ahead," Rehn said (without saying exactly what 'reforms' he meant). The EU also hopes to have a new Constitution in place by 2009, which the EU will doubtless present as being a necessary requirement for further enlargement, just as it did for the Nice Treaty. The Croat Foreign Minister said that her government would implement "all the necessary reforms" including changes to the justice system and the right of return for refugees (mainly Serbs). [*Die Welt*, 14 June 2006]

### ICTY withdraws indictments against Croat journalists

The Chief Prosecutor of the International Criminal Tribunal for the former Yugoslavia, Carla del Ponte, has withdrawn indictments issued earlier against five Croatian journalists, including the former editor of the prestigious national daily, *Slobodna Dalmacija*, for contempt of court. At various times the five journalists had revealed the identity of a 'protected witness' who had given evidence at the trial of a Bosnian Croat general in 1998. The secret witness, whose testimony was also kept secret, was in fact the President of Croatia, Stjepan Mesic. Although Mesic's identity had earlier been published by media outlets which are broadly supportive of the ICTY, and indeed although it was possible to

work out his identity from documents published by the ICTY itself, the five indictees, who were prosecuted last year, are all critics of the Tribunal. Del Ponte said that she was withdrawing the indictments "in the interests of judicial economy," i.e. because the ICTY has too many trials to conduct and needs to cease its operations in the next few years, said in her application to withdraw the indictments that she remained convinced of the 'full criminality' of the persons she wanted to prosecute. [15 June 2006]

### Albania signs pre-membership pact with EU.

The Prime Minister of Albania, Sali Berisha, and the EU Commissar for enlargement, signed a Stabilisation and Association Agreement on 12 June 2006 which represents Albania's first step towards EU membership. The Commissar stressed how difficult it would be for Albania to meet the standards required for EU membership; Berisha said the signature of the agreement was "a historic landmark towards the fulfilment of Albania's dream to return and reunite with the European family." [*Radio Free Europe Newslines*, 13 June 2006]

### Hungary wants to adopt euro in 2010

Flush from his re-election victory, the Hungarian Prime Minister, Ferenc Gyurcsany, has announced a radical programme of economic 'reform' in order to make his country qualify for eurozone membership in 2010. The main goal of these 'reforms' is to get the budget deficit down by slashing spending and raising taxes. The deficit currently stands at 8 per cent of GDP and needs to come down to 3 per cent if Hungary is to have a chance of joining. Sounding rather like the Romanian dictator, Nicolae Ceausescu who plunged his country into misery when he resolved to repay the country's entire national debt, Gyurcsany said, "During the first hundred days of my second term in office I will introduce more than one hundred new measures. It is the most intense period of reforms since the democratic transition [in 1989]." The government is to sack 23 per cent of its officials, some 12,500 jobs by 2008, and buildings are to be sold off in the centre of Budapest. VAT will be raised from 15 to 20 per cent and it will be payable on a whole series of new products (like butter and bananas). The prices of electricity, gas, tobacco and alcohol will also rise. There will be a new 'solidarity tax' on companies which will be introduced in September, as on individuals earning over €24,000 a year. [Anne Rodier, *Le Monde*, 13 June 2006] It has already been confirmed that Slovenia will adopt the euro in January 2007, the first new Member State to do so.

### Romania and Bulgaria likely to join in 2007

The concluding statement of the European summit makes it clear that the EU expects Romania and Bulgaria to become Member States in 2007, in spite of continuing doubts, expressed in a Commission report in May, about these countries' capacity to fight against corruption. [*Frankfurter Allgemeine Zeitung*, 15 June 2006]

It is a bit rich for the EU to attack these two countries for corruption when Brussels funds so much of it anyway. The EU Court of Auditors has just issued a report detailing the various bogus projects and scams which EU money has been wasted on in those countries, including a €3.1 million bridge between Romania and Moldova which had no access road on the Moldovan side when completed and a computer system for the Bulgarian prosecutor's office which cost €1.8 million and of which 37 work stations were never used but kept in a store room. Total PHARE spending amounts to €511 million for Bulgaria and €1.4 billion for Romania. [Mark Beunderman, *EU Observer*, 21 June 2006]

### Sand in the works for Turkish accession

General elections in Cyprus have reinforced the hand of the Greek Cypriot President, Tassos Papadopoulos, who is himself a strong

opponent of Turkish accession to the European Union. Papadopoulos' party, Diko, which led the victorious 'No' campaign against the Annan plan on the reunification of Cyprus in April 2004, emerged strengthened from the poll, the first election since Cyprus joined the EU in May 2004. The largest single political party remains the Communist Party, Akel, but it lost 3.7 per cent of its votes compared to the last election while Diko won 3.1 per cent more than in 2001. [Henri de Bresson, *Le Monde*, 23 May 2006]

The new hard line from Nicosia has had an immediate effect on the climate of negotiations with Turkey. Ankara has been dragging its feet on signing an agreement to extend its customs union with the EU to the ten new Member States, i.e. including Cyprus, and this is widely seen as implying *de facto* recognition of Cyprus. EU officials have told the Turks that they have to sign it or else the whole accession deal is off. The negotiations with Ankara got under way formally on 12 June in Luxembourg, following the agreement on 3 October 2005 that they should finally open. The first of the 35 'chapters' of the agreement was signed, on science and technology, on which Turkey is now judged to meet EU legislation and standards. However, this symbolic first step was immediately counteracted by threats issued by the enlargement Commissar, Olli Rehn, that Ankara would have to open its ports to Greek Cypriot trade by the end of 2006, or else face an interruption in the negotiations. Rehn said explicitly that there would be no progress on other matters if there was not progress on this. [Thomas Ferenczi & Sophie Shihab, *Le Monde*, 14 June 2006]

### Piglet banned

State television in Turkey has banned a cartoon version of Winnie the Pooh because the depiction of Piglet is said to be offensive to Muslims. According to reports in the Turkish press, the original idea was to broadcast the cartoon but to leave out the scenes containing the impure animal. However, it was later realised that this was effectively impossible since he appears in so many scenes not only with Winnie but also with Eeyore and Tigger. The ban is said to be evidence of the increasing influence of the Islamist government in Ankara on the programming policies of Turkish TV. [*La Repubblica*, 20 June 2006]

### Schröder lobbies for Kremlin

The former German Chancellor, Gerhard Schröder, has taken the Russian side in the dispute between Russia and the EU over energy. "Europe should allow Russian companies in Europe the same rights as European companies enjoy in Russia," he said, speaking at an investors' conference in Moscow. Schröder, who is chairman of the consortium building the trans-Baltic pipeline, also said that the calls in the EU to end Europe's dependence on Russian energy supplies were 'quite mistaken'. In recent months, the Russian energy giant, Gazprom, has complained that the EU is preventing it from making acquisitions in Europe. Schröder dismissed the idea that it was better for Europe to buy its energy in the Middle East or in Africa, saying that Russia was a much more reliable supplier than those countries. [*Handelsblatt*, 19 June 2006]

### Menachem Begin tried to kill Adenauer

It has been revealed in the German press that Menachem Begin, who was later to become Prime Minister of Israel and who awarded the Nobel Prize for Peace in 1978, masterminded, organised and paid for an assassination attempt against the German Chancellor, Konrad Adenauer, in 1952. Begin had been an active fighter in the Israeli terrorist organisation Irgun, which fought against the British mandate in Palestine, and he later founded a political party, Cheruth, out of Irgun when it was wound up. Four of the five Israelis who were arrested in

Paris following the failed bomb attack were members of Cheruth and Begin protested against their arrest at the time. On 27 March 1952, an unknown man gave two boys a packet at the main station in Munich, asking them to post it in Schwabing. It was addressed to Adenauer and contained a bomb which later exploded in a police station, killing a bomb disposal expert. Shortly thereafter two letter bombs were delivered to Wassenaar, near The Hague, where Germany and Israel were negotiating a treaty on reparation payments for the Holocaust. A hitherto unknown group calling itself 'The Organisation of Jewish Partisans' claimed responsibility. The purpose of the attack was to prevent any agreement on the treaty. [*Frankfurter Allgemeine Zeitung*, 12 June 2006]

### Paedophile political party formed in the Netherlands

A political party has been formed in the Netherlands whose purpose is to campaign for the legalisation of paedophilia. The party wants the age of consent to be lowered to 12 years and for children of this age to be allowed to take part in pornographic films. It of course also wants such films themselves to be legalised. The party, the NVD, says that an official body would be set up which would check whether children in porn films had been subject to constraints. One of the founders of the party, Ad van den Berg, 62, who already belongs to a pressure group which campaigns for paedophilia to be legalised, has received death threats following the announcement of the creation of the party. Opinion polls show that 80 per cent of Dutch citizens think that action should be taken against this party and 72 per cent say it should not be tolerated. Lawyers say, however, that it is difficult to see on what legal basis the party could be banned. Mr van den Berg says that if the policies he supports were adopted, then children would be better protected: he says that the current law leads to a witch-hunt of paedophiles without doing anything to protect children. [Jean-Pierre Stroobants, *Le Monde*, 3 June 2006]

### Son of Italy's last king accused of pimping

The son of the last king of Italy, Victor Emmanuel Duke of Savoy, who was only allowed to enter Italian territory for the first time in 2002 after the lifting of a lifetime ban on the ex-king, his father, and all his male descendants, has been arrested and questioned by anti-corruption police in the Southern Italian city of Potenza, accused of paying bribes, procuring prostitutes and racketeering. He is alleged to have been involved in setting up rigged slot machines in the Italian enclave in Switzerland, Campione d'Italia. The inquest also involves the spokesman of the former Foreign Minister, Gianfranco Fini. The Prince of Savoy is accused of having used "institutional and Freemasonic relationships" for setting up a 'criminal company'. The Duke was previously a member of the notorious P2 Masonic lodge and has been in the past investigated for international arms dealing. It is reported that Victor Emmanuel told his police interrogators that he had had to pay "a royal price" for bribing his friends in his various shady dealings. The affair has naturally fascinated the whole of Italy, which is watching it like a celebrity reality show. Tapped phone conversations have been published in the press, incriminating the Prince, and this has in turn provoked outrage. They include such gems as "I have just arrived in Milan and I have three quarters of an hour. I want to use the time to visit whores." This has only confirmed the image of the Duke as a callous and vulgar man who said once of the Sardinians, "They only know how to screw goats and they smell as bad." Many other even worse and often cruel vulgarities have been attributed to him. In 1978 the Prince killed a young German tourist he had shot at and was given a six month suspended sentence for having a gun without a licence. [*Corriere della sera*, 19 June 2006]