

# INTELLIGENCE DIGEST

by John Laughland

## UN envoys try to sell Kosovo independence

Following the presentation of the plan for Kosovo by the UN rapporteur, Martti Ahtisaari, which proposes the oxymoronic solution for the province of sovereignty under international surveillance, an EU 'troika' has been trying to persuade Russia to agree to the plan. The German Foreign Minister, Frank-Walter Steinmeier has tried to bring together the Russian and European positions, the latter of course being exactly the same as Ahtisaari's. Steinmeier said after a meeting with his Russian opposite number, Sergei Lavrov, that Russia also had an interest in seeing the situation stabilise in the Balkans. Russia has said that it will use its veto in the Security Council if Belgrade and Priština do not approve the plan jointly. Steinmeier was accompanied by Javier Solana and by Benita Ferrero-Waldner, the EU Foreign Affairs Commissar. The Russians and the Serbs have said that independence for Kosovo would lead to independence of Republika Srpska from Bosnia-Herzegovina; the Russians have also asked why Kosovo should be independent of Serbia while Transnistria is not allowed to be independent of Moldova. The EU is still trying to put a brave face on the fact that the relatively anti-EU Radical Party won the recent parliamentary elections in Serbia, although it has pressured pro-EU forces to remain in coalition with each other to prevent the party which won the election from forming the next government. [Cécile Calla, *Le Monde*, 7 February 2007]

On a visit to Serbia, the EU representatives learned first hand how resolved Belgrade is to hold onto its historic southern province. Both the President of Serbia, Boris Tadic, and the Prime Minister, Vojislav Koštunica, reiterated their hostility to the Ahtisaari plan. The German presidency is continuing to try to entice Serbia with promises of European integration, but the man who overthrew Slobodan Milošević, Koštunica, will presumably wonder where the dividend is for Serbia of having become 'democratic', if territorial concessions are also now demanded as a condition for EU membership. Negotiations with Serbia are on ice for the time being, on the basis that Serbia is not doing enough to arrest General Ratko Mladic. Koštunica attacked Ahtisaari's report in the strongest terms, saying that he had not taken account of one single Serbian argument. He insisted that the UN Charter be respected, which guarantees the inviolability of borders. [Cécile Calla, *Le Monde*, 9 February 2007]

European Foreign Ministers met on 12 February to discuss with Mr Ahtisaari how to push through the plan. The EU, which claims to want the 'stabilisation' of the province, in fact wants to take over the administration of it from the UN. The UN, with the help of some 17,000 soldiers, has administered Kosovo ever since NATO attacked Yugoslavia in 1999. The 'stability' the EU says it wants was not much in evidence, however, in Kosovo itself, since the proposed Ahtisaari plan has managed to infuriate both the Serbs and the Albanians. Just as the Kosovo Serb leader, Milan Ivanovic, called the plan "political terrorism" and "a one-sided Albanian solution", so on 10 February, Albanian demonstrators rallied in protest against the plan, demanding that Kosovo be given independence without any negotiations with Belgrade. In the ensuing confrontations with UN troops, two demonstrators were shot dead. The Prime Minister of Kosovo, Agim Ceku, a former paramilitary leader and onetime General in the Croatian army, cancelled a planned visit to China after the violence, saying that incidents like this would damage Kosovo's chances of becoming an independent state.

## Russia rejects anti-missile system in E. Europe

Moscow has accused NATO of hindering the entry into force of a renewed Treaty on Conventional Armed Forces in Europe (CFE) and has threatened therefore to leave the agreement. Anatoli Antonov, the Director of the Department for Security and Disarmament in the Russian Foreign Ministry, said that the North Atlantic Alliance was clearly not interested in making the CFE treaty work effectively. He said that, by admitting new Member States, NATO had overstepped agreed limits in certain key areas. Therefore the entire system of conventional arms control was being thrown into question, and one option would be for Russia to leave the treaty. These statements come after Sergei Ivanov, the Russian Defence Minister, whom some see as a successor to Putin, announced a programme to rebuild the Russian armed forces between now and 2015. Russia is to spend about £100 billion on this programme; there has not been such spending since the collapse of the Soviet Union in 1991. Ivanov said that Russia did not want to frighten anyone, nor was it a matter of buying 'tanks and missiles and much else besides'. Instead, Russia was simply preparing herself for the wars of the future. Ivanov said that Russia would simply be renewing 45 per cent of its weaponry. Ivanov said that 'a few dozen' underground missile launch sites would be built and 50 mobile missile complexes. The satellite network for early warning of missiles will be made fully operational. The Russian navy will get 31 new ships and at least eight new strategic nuclear submarines. [Manfred Quiring, *Die Welt*, 9 February 2007]

Russia is especially concerned at America's determination to build a strategic anti-missile system in Eastern Europe. The construction of a base for this in Poland was under discussion with Warsaw when Radek Sikorski resigned. Sergei Ivanov has repeatedly warned the US not to build such a system in Eastern Europe: in the *Süddeutsche Zeitung* he wrote that said it would be "an unfriendly signal" which would damage bilateral relations. Ivanov said that 15 years after the end of the Cold War conditions should have been created which would enable countries to live without renewed American protection and strengthened American military presence. "It will force us to take retaliatory measures," the Minister wrote. Ivanov said that neither European nor Russian security would be improved by the accession of Ukraine and Georgia, two countries which hope to join the Atlantic alliance, and that the Baltic states showed what would be likely to happen if Georgia joined. Whereas it had been claimed that the accession of the Baltic states would encourage democracy and allow those territories to normalise their relations with Moscow, in fact the opposite had happened. They had become virulently anti-Russian, to the extent of dragging the name of the Red Army, which had liberated them from the Nazis in 1944, into the mud. The Russian minorities in those countries were experiencing harsh discrimination. [Sergei Ivanov, *Süddeutsche Zeitung*, 7 February 2007]

Certainly, the attitude towards Russia in Washington is not friendly. Although Russia's position is regarded as reasonable in parts of Eastern Europe – the Czechs, whose country has agreed to host one of the radar stations for the new anti-missile system, would be only 31 per cent in favour even if the Americans allowed them visa-free travel to the US – hawks in the US, meanwhile, have attacked Moscow. The Republican Senator, John McCain, has attacked Russia for wielding "imperialist influence on its neighbours." [Die Welt, 8 February 2007]

Speaking at the 43rd Security Conference in Munich, Vladimir

Putin made very clear his dissatisfaction with US foreign policy. He denounced the Americans' vision of a 'unipolar' world, saying, "*The United States go beyond their own borders in all areas and that is very dangerous. No one feels safe any more because no one can seek refuge in international law.*" The White House reacted stiffly to these statements, saying, "*We are surprised and disappointed by the President Putin's statement. His accusations are false. We intend to pursue cooperation with Russia in areas which are important for the international community, such as the fight against terrorism and against the threat and proliferation of weapons of mass destruction.*" Putin made these remarks before setting off on a Middle East tour, visiting several countries (such as Qatar, Jordan and Saudi Arabia) which are usually considered to be part of the American sphere of influence.

### **Belarus President accuses Russia of imperialism**

The President of Belarus, Alexander Lukashenko, has given a long interview to Reuters which the news agency, for some reason, did not publish on its own website. In it, Lukashenko explains the reasons for Belarus' astonishingly high growth rates (8 – 10 per cent) but attacks Russia's unfriendly decision to increase gas prices to Belarus. Lukashenko said that Belarus would recover the lost money, some \$5 billion, by charging transit fees for goods which cross Belarusian territory between Europe and Russia. Currently, he said, transit and other services were being provided to Russia for free. He spoke sharply of his disapproval of the way Russia decided to hike up the prices: "*Without any grounds whatsoever, the Russian Federation has already enlisted itself as among the leading power centres in the world. In almost every spot of the world, Russia seems to see its interests. With the Russian interests present in Belarus, or in Ukraine, or in Georgia, it looks as if there must not be Belarusian interests in Belarus itself. Russia's policy is increasingly resembling America's policy... I believe that this aspect of the position of Russia's leadership is dangerous not only for Belarus. I'm not the only one to worry about that. It is a worry of the leaders of all the former Soviet Union republics. Russia is trying not to take any notice of us, the former USSR republics. It is an erroneous position. The reason behind it is the enormous monetary resources that Russia obtains from selling oil, gas, and other resources. But it will not take place forever. History testifies to that.*" [<http://president.gov.by/en/press39041.html>]

### **Radek resigns**

The Polish Defence Minister, Radoslaw Sikorski, has announced his resignation from the government. Sikorski, who holds a British passport and who has worked in the United States of America for the neo-conservative think tank, the American Enterprise Institute, had been an independent (i.e. without a political party) Minister in the right-wing government since it was formed in 2005. Although he cultivates an outspoken right-wing political personality, which normally would not put him into conflict with the right-wing Kaczynski twins who govern Poland, Sikorski is in fact supported mainly by the US government and the international pro-integrationist commentariat. His resignation comes after a public disagreement over whether the government should publish information about whether people collaborated with the communist secret services. Sikorski, who has always boasted of his radically anti-communist stance, has stood up against this plan and resigned specifically because the new head of military counter-intelligence was about to publish the list of collaborators. According to some, Sikorski is specifically a rival to Lech Kaczynski, the President of Poland, who will stand for reelection in three years' time.

Sikorski's departure was quickly followed by that of the Minister of

the Interior, Ludwik Dorn. Unlike Sikorski, Dorn is regarded as a close associate of the Kaczynski twins, and he is a founder member (with them) of the Justice and Law Party, to which Sikorski never belonged. [*Handelsblatt*, 7 February 2007]

### **Brussels bears down on Polish shipyards**

The European Commission has announced that it wants to impose draconian reductions on the production capacities of the main Polish shipyards at Gdansk, Gdynia and Szczecin. Brussels says that these shipyards must cut production by 40 per cent or else pay back the €580 million they have received in state aids. This would entail putting 15,000 workers out of a job. The Polish Minister of Economics, Piotr Wozniak, has until 28 February to come up with a restructuring plan for the shipyards – of which he is himself the majority shareholder. Brussels has been examining the state aids pumped into these yards since June 2005. Poles are finding it very difficult to understand Brussels' demand, since demand for ships currently outstrips supply. One explanation might be the fact that the shipyards are something of a political fiefdom for the ruling Law and Justice Party, and the Kaczynski government is increasingly out of favour in the West. Whatever the truth, the demand puts the shipyards on the horns of an impossible dilemma: they must either reduce their production, thereby making themselves unsaleable to the few foreign investors who might be interested in buying them, or pay back the state aids and go bankrupt. [*Gazeta Wyborcza, Le Monde*, 11 February 2007]

### **EU seeks to govern Switzerland**

The European Commission has published a unilateral judgement declaring that Swiss company tax law is 'incompatible' with the free-trade agreement which has been in force between it and Switzerland since 1972. The Commissar for Foreign Affairs, Benita Ferrero-Waldner, claims that tax breaks for certain holding companies are equivalent to state aids and that, where these companies in fact operate throughout the EU, the tax regime should be changed. Acting under pressure from Paris and Berlin, the Commission fired an initial warning shot in September 2005, criticising the fact that holding companies enjoy tax breaks at federal level and are hardly taxed at cantonal level either. The Swiss have reacted angrily, saying that tax matters, especially the tax prerogatives of the cantons, are a matter of Swiss sovereignty and therefore not up for discussion. The issue has arisen after a controversy in France when the rock star, Johnny Hallyday, announced that he was moving to Switzerland for tax reasons. French Socialist Deputies have attacked the 'predatory practices' of tax havens – by which they presumably mean anywhere that has lower taxes than France. In fact, Switzerland does not have particularly low corporate tax: the accounting firm KPMG puts it in 13th place in the world, with a corporate tax rate of 21 per cent on profits. Equivalent rates in Central Europe, Cyprus and the Republic of Ireland are much lower but of course much higher in France (33.3 per cent) and Germany (38.3 per cent). Some cantons have much lower rates than the national Swiss average, however; Zug, for instance, has corporate tax at 16.4 per cent. In recent years, a number of German, American and British companies have domiciled themselves in Switzerland for tax purposes. After a fruitless meeting between an EU delegation and the Swiss Foreign Minister, Michael Ambühl, the latter said that there was no text which obliged Switzerland to adapt its tax policy to that of the EU Member States. In 2004, however, Switzerland did agree, under EU pressure, to impose tax on savings held in Swiss bank accounts which caused some 300 million Swiss francs to be returned to the EU to be taxed there. The Swiss are angry at this unfriendly act by the EU, just when the

federation has promised to pay 1 billion Swiss francs to the new Member States of the EU, a decision approved in a referendum and which was intended as a goodwill gesture to show Switzerland's pro-European credentials. [Philippe Ricard, *Le Monde*, 6 February 2007]

### Barroso tries to pressurise Dutch

The President of the European Commission, José Manuel Barroso, has said that the government of the Netherlands has "*the responsibility to present a good solution*" to the problem posed by the Dutch 'No' to the European Constitution in a referendum in 2005. Barroso met the Dutch Prime Minister, Jan Peter Balkenende, and addressed Dutch Deputies. The Dutch media have interpreted this as putting the Dutch people and government 'under pressure'. Barroso said, "*International cooperation and diplomacy would become impossible if governments signed treaties and then said afterwards that it was 'a joke'*." Barroso thereby displayed astonishing contempt for the democratic principle that all treaties are subject to subsequent ratification, whether by the people in direct votes or by Parliaments. Barroso also said that he was not in favour of a 'mini-treaty', the solution suggested in France by Nicolas Sarkozy, according to which parts of the Constitutional Treaty would be submitted for re-ratification. Like Chancellor Merkel of Germany, who said on French TV that she 'respected' the French 'No' while at the same time saying that she was determined to see the Constitution ratified anyway, Barroso said also that he 'respects' the Dutch vote but that he refuses to consider the Constitution to be dead, as the previous Dutch Foreign Minister, Ben Bot, had said it was. Barroso repeated that the EU could not continue to operate "*with institutions from the 1980s*", apparently forgetting that the EU institutions were reformed in 1992 (at Maastricht), 1997 (at Amsterdam) and 2000 (at Nice). The Dutch government, for its part, has presented a manifesto in which it refuses to speak of 'the Constitution' and says instead that it is in favour of a better definition of the powers of the EU, reducing them in some areas like social policy but reinforcing them in others. The new government coalition has decided to allow the Dutch Council of State to decide whether or not any new treaty should be subject to a referendum. The Christian Democrats and the Socialists in the government secretly hope that the Council of State will allow them to ratify the new treaty with a parliamentary vote, in order to avoid a second referendum. The small Protestant party in the government, Christen Unie, is one of the strongest opponents of the Constitution. [Jean-Pierre Stroobants, *Le Monde*, 7 February 2007]

### EU to punish crimes against the environment

The European Commission wishes to use the criminal law to issue punishments for polluters. A Directive published in the first week of February provides for prison terms of up to ten years and fines of up to €1.5 million for people who commit crimes against the environment. The claim is that the introduction of such punishments reflects public concern for the environment, while the prosecuting authorities will be more neutral than the administrative authorities who currently issue licences to dump waste. The text defines nine environmental crimes; prison terms of between five and ten years for the intentional deposit of substances into the soil or into water which cause death or severe lesions to persons or "*substantial damage to the quality of the air, the earth, water, animals or plants*". The same article also provides for punishment for the storage or handling of nuclear material. This attempt to penalise pollution is the Commission's second: the first attempt was in 2001. But the European Council refused to accept it, preferring instead to protect national sovereignty. In 2003, on the suggestion of Denmark, a similar proposal was made although on a different legal basis: the idea was to pass the law under 'police and

judicial cooperation,' a 'pillar' which would have bypassed the European Parliament. The Commission appealed against this proposal and won its case before the European Court of Justice: this irritated sovereignists, of course, but also the then Austrian Chancellor, Wolfgang Schäussel and the Danish Prime Minister, Anders Fogh Rasmussen. Both called for the role of the ECJ to be re-thought. By overruling the Council, the ECJ indeed ruled that the EU does have the right to enforce its directives using the criminal law. [Rafaële Rivais, *Le Monde*, 8 February 2007]

### Marxist writer supports Le Pen

With the French presidential election campaign in full swing, writer Alain Soral has announced his support for the National Front leader and for the Patriotic Union he has tried to create with other right-wing parties, while claiming that he remains a Marxist. Soral, who supported Jean-Pierre Chevènement, the anti-EU left-wing politician and former Minister of the Interior, when he ran for the presidency in 2002, and who is close to the controversial African-Muslim comedian, Dieudonné, has now joined forces with Jean-Marie Le Pen via his friendship with Le Pen's daughter, Marine, who is becoming more and more important within the Party as it tries to moderate its image. Soral has also helped Le Pen write some speeches, most notably the speech he gave at the historic town of Valmy on the theme of the Republic. In a splendid example of dialectical reasoning, Soral says that he is still a Marxist and that he believes that "*only nationalism possesses the necessary elements to incarnate a true economic and social alternative to the excesses of globalisation and ultraliberalism*." He adds, "*I think that if Marx were alive today, he would call on people to vote for Jean-Marie Le Pen*." For Soral, the National Front, "*which gathers together workers, small businessmen and artisans*" is "*the party of the people*" and bears "*the spirit of the Commune*." Soral said that the only difference between the right and the left in France was that one had "*a little more femininity*" than the other. Soral said that Ségolène Royal, the Socialist candidate, was "*the last in a long line of useful idiots of feminism*." He said that she had nothing in common with Marine Le Pen who, he said, was "*un très bon homme politique*". He said that one could perhaps accuse Marine of being a little too masculine and sometime quite brutal but that at least she discusses economic matters whereas Ségolène Royal is all emotion and psychology. "*Jean-Marie Le Pen had a son, he is called Marine*," Soral concludes. [Christiane Chombeau, *Le Monde*, 8 February 2007]

### New blow for French sovereignty

In a ruling on an EU Directive on gas emissions, itself a consequence of the Kyoto Protocol, the French Council of State, the supreme court for administrative matters, has refused to study the constitutionality of certain laws when there is a conflict between the EU law, the Constitution, and a French law. The Council of State, in other words, has said that it will not examine the constitutionality of French laws adopted in order to implement EU Directives into national law. The question arose when Arcelor, the French steel maker, appealed against the French law implementing the EU Directive on the basis that, by allowing derogations from the emissions quotas for factories in certain related sectors (especially aluminium and plastic), the law infringed the principle of equality. The decision not to review the constitutionality of this act is all the more astonishing since the supreme judge on the Council of State said that he thought that the law was indeed inequitable. "*The plastic and aluminium industries emit greenhouse gases which are identical to those emitted by steel factories*." But instead of striking down the French decree implementing the Directive, the Council of State passed the matter on to the

European Court of Justice. This decision was justified on the basis that the ECJ offers the same protection as the Council of State. But obviously the ECJ does not take the French Constitution into consideration, since its law and jurisprudence flows instead from the EU Treaties. The Council of State has reserved for itself the right to review future implementing legislation if it feels that the ECJ does not offer a similar level of protection, which the French Constitutional Council has also previously done. The argument is that the Directive also infringes European law on equality. But what if the ECJ does not come to this conclusion? The same day, moreover, the Council of State also embedded EU law into French national law by ruling in favour of a litigant who had argued that French legislation was not in conformity with EU legislation, and awarded him damages. [Christophe Jakubyszyn, *Le Monde*, 9 February 2007]

### Portuguese vote on abortion

A majority of those who cast their vote on 11 February – 59.3 per cent – has approved a bill which would legalise abortion in Portugal. However, since the turnout was below 50 per cent, the vote is invalid. (The turnout was 43.6 per cent.) The Socialist government of the country has therefore decided to pass the bill in Parliament instead. José Socrates said that his desire was to fight against back-street abortions (the argument always used for legalisation) and he said that the government was now obliged to present a bill to Parliament which respected the will of the people. The proposal is to legalise abortion in the first ten weeks of pregnancy. Currently, women who have abortions are liable to up to three years in prison. The conservative opposition has attacked the government for pressing ahead with the initiative, saying that it will divide Portuguese society. This is the second time that a referendum has failed to legalise abortion: a similar vote in 1998 also failed because the turnout was only 32 per cent. [*Diário de Notícias*, 12 February 2007]

### Vatican tries to stop gay marriage in Italy

The Holy See reacted strongly to the adoption by the Italian government on 8 February of a bill which would recognise *de facto* couples, whether homosexual or heterosexual. On the occasion of the reception of the new Ambassador of Colombia, Pope Benedict XVI, denounced laws which would damage “*the identity of the family and respect for marriage*”. In an editorial, the official organ of the Holy See, *Osservatore Romano*, announced that the Church intends to put all its effort into a battle against the ratification of the new law. The Bishops’ Conference in Italy has attacked “*the heavy juridical and cultural consequences*” of the new law for Italy. Some commentators have said that the Church’s resolve is greater than that fought (and lost) against divorce and abortion in the 1970s. [Henri Tincq, *Le Monde*, 11 February 2007]

### Markets expect rise in interest rates

The financial markets in Europe are expecting two rises in euro interest rates this year, the first of them in March. When he announced in February that the basic rate would remain at 3.5 per cent, the President of the European Central Bank, Jean-Claude Trichet, hinted that the rates would be raised at the next meeting on 8 March 2007. Trichet warned that wage rises were particularly dangerous for inflation, at a time when the powerful German union, IG Metall, is asking for a rise of 6.5 per cent. He also said that increases in liquidity and credit would push up prices. [Cécile Prudhomme, *Le Monde*, 11 February 2007]

### EU Parliament concludes report into CIA

After a year of inquest, a committee in the European Parliament has come to the definitive conclusion that the CIA has been undertaking

illegal activities in Europe within the framework of the ‘war on terror’. However, the MEPs did not find incontrovertible evidence for co-operation in these illegal activities, especially ‘extraordinary rendition’, on the part of European governments or European secret services. The existence of a special CIA programme for dealing with terrorist suspects has in any case been confirmed by President Bush himself. The report was passed by the committee by 28 to 17 votes with 3 abstentions. The European Parliament as a whole votes on it in mid-February. Opponents of the report within the committee, essentially conservatives, objected to the fact that Liberals, Greens and other leftists had made amendments which, they claimed, were not based on fact but on speculation. Romania and Poland have either denied or refused to confirm the allegation contained in the report (although these two countries are not named specifically) that they hosted so-called ‘black sites’, i.e. secret detention centres, on their territory. [Horst Bacia, *Frankfurter Allgemeine Zeitung*, 23 January 2007]

### Slovakia to ratify EU Constitution

The Slovak Prime Minister, Robert Fico, has said that his country will do what it can to get the EU Constitution ratified in its present form. “*We will do everything possible to see that the Constitution succeeds*,” he said. He added that Slovakia did not intend to present any compromise amendments to the EU Constitution, “*because we are happy with the text as it is. We would be happy if it was accepted*.” Fico said that he was happy with the leadership qualities of Angela Merkel who, he hoped, would see through the ratification of the Constitution following its rejection by Dutch and French voters in 2005. [Handelsblatt, 4 February 2007]

### Albania and Bulgaria beg EU to switch lights back on

The governments of Albania and Bulgaria have asked the European Commission to reconsider its decision that two units at the Bulgarian nuclear power station at Kozloduy must close. The closure of the reactor when Bulgaria joined the EU has plunged much of the Balkan peninsula into darkness. Albania has been the worst hit, and has been enduring power cuts of between 5 and 14 hours a day as a result. The appeal was issued by the Albanian Prime Minister, Sali Berisha, and his Bulgarian counterpart, Sergei Stanishev. [Erlis Selimaj, *Southeast European Times*, 6 February 2007]

### Dutch government to naturalise 30,000 illegals

The new Dutch government is to naturalise the estimated 30,000 illegal immigrants currently in the territory of the Netherlands. The new government, composed of Christian Democrats, socialists and the Christian Union, has been vehemently attacked for this by the opposition Liberal party, whose Immigration Minister, Rita Verdonk, made a name for herself for her tough stance on immigration. Mrs Verdonk’s party called the plan “*extraordinarily irresponsible*.” The Freedom Party led by Geert Wilders has also attacked the plan, saying that it would bring the Netherlands “*to the brink*” by encouraging “*the Islamic invasion*”. The proposed naturalisation has a retroactive effect, since it is being offered to all those who made an initial request for citizenship before 1 April 2001, when the new more restrictive immigration law was introduced. The Socialist government of Spain passed a similar law in 2005, providing for the mass naturalisation of illegal immigrants. Commentators have argued that this contributed to the mass influx of new boat people, principally from West Africa, who have been flooding into the Canary Islands ever since the law was passed, presumably in the hope that there will be future naturalisations as well. [Jean-Pierre Stroobants, *Le Monde*, 8 February 2007]