

# INTELLIGENCE DIGEST

by John Laughland

## Court of auditors accuses Parliament of waste

The European Union's Court of Auditors has attacked the European Parliament for wasting millions of taxpayers' money. In a 'Special Report on Buildings Policy', obtained by the German daily, *Die Welt*, the Court says that, "between 1998 and 2004 the European Parliament paid around €6 million in rent for an empty building." The reason is that the Euro-parliamentarians moved out of the so-called Belliard complex into new buildings administered by the construction firm Espace Léopold. However, the old buildings were not taken over by the 'Committee of the regions' until 2004; in the meantime they stood empty. This is not the only reproach made against the Parliament. The auditors have also attacked what they say is a lack of long-term planning in the buildings policy of the European Parliament. This causes unnecessary costs. So, for instance, it is already clear that the new buildings now planned for the Parliament are going to be inadequate; because of EU enlargement, the Parliament now needs offices for 1,315 more people than before. This means that more expensive offices will have to be rented in downtown Brussels. "Better planning would have led to better arrangements," the report says. It also says that the whole of the Parliament's buildings policy is bedevilled by this piecemeal approach. This criticism follows revelations earlier this year that the Parliament paid between €32 and 60 million too much rent to the city of Strasbourg. [Christoph Schiltz, *Die Welt*, 12 September 2006]

The auditors have also attacked the EU for wasting money on its rural development programme. In a damning report, the Court of Auditors attacks Commission officials for their failure properly to oversee how this money is spent. They have expressed particular concern at €60 billion spent between 2000 and 2006. Naturally, the members of the Euro-establishment have blamed the Member States for the waste. Markus Pieper, a CDU MEP and expert on the EU structural funds, has said, "Mismanagement of EU funds can be avoided only when Brussels has more information about the way the money is used in the Member States." The Court of Auditors examined 300 projects and found that the selection criteria were too vague and that the funds were therefore not properly targeted. The system does not have sufficient means of checking what has been financed and what has been achieved with the money. Much of the money does not even go to rural regions at all. For the coming budgetary period, the rural development fund totals €77.7 billion, with €300 billion being paid directly to farmers by the CAP. [Christiane Buck, *Die Welt*, 15 September 2006]

## Euro Parliament buys its own building

The European Parliament has now decided to buy the building in which it meets once a month in Strasbourg. The property is being bought from the city of Strasbourg for €143 million. All MEPs travel from Brussels to Strasbourg once a month, together with their retinue of interpreters and assistants. The Parliament has a further seat in Luxembourg, where there are officials and translators. The cost of this yearly caravan (i.e. the removal of the 732 MEPs back and forth between Brussels and Strasbourg) is about €200 million. The President of the European Parliament, Josep Borrell, has asked the heads of state and government if his expensive and unpopular merry-go-round could be stopped by this request fell on deaf ears. Since there is no chance that Strasbourg will be dropped (France is

adamantly insistent that it remain one of the Parliament's locations), the decision has now been taken to buy the building instead of renting it for €15 million a year. Margot Wallström, a member of the European Commission, said that the constant moving between Brussels and Strasbourg was "nonsense". [*Frankfurter Allgemeine Zeitung*, 8 September 2006]

## Bulgaria and Romania definitely in

Bulgaria and Romania are now on track to join the EU on 1 January 2007. Günter Verheugen, the Commissar for enlargement, said on 8 September, "The decision-making process has come to an end. Romania and Bulgaria will join the EU on 1 January."

In fact, there are still some more formal hurdles for the two countries to jump over: the Commission is to insert safety clauses which will theoretically permit financial penalties to be imposed on the two countries if they fail to follow the dictates of Brussels on judicial reform and the fight against corruption. There are also concerns about the administration of structural funds (i.e. fears that the money will be stolen) and worries about environmental protection and food safety (i.e. the farms and food production factories are unhygienic). But the Commissars now say that "significant progress" has been made, even though they still intend to recommend to the heads of government that the safety clauses be inserted into the final agreement. Never before have two candidate countries been kept waiting until the last minute in this way. The safety clauses would allow financial aid to the two countries to be suspended if there were particular difficulties in their membership, for instance in the judicial system or in matters concerning the Single Market. Naturally, Sofia and Bucharest are rather cross at this treatment. The Bulgarian Government claims that it has implemented "100% of the acquis". The two governments oppose the introduction of these safety clauses because they think that it will encourage the existing Member States to close their doors to Romanian and Bulgarian citizens who want to come and work in the old EU, i.e. in Western Europe. It is feared that even the British will not allow workers from these countries to come freely. [Philippe Ricard, *Le Monde*, 12 September 2006]

## 'Who is still afraid of EU enlargement?'

This question is the title of a report produced by a 27 year-old Hungarian specialist in EU law, Julianna Traser, which claims to show that Eastern European immigration into Western Europe has increased productivity and driven wages upwards. The report argues in favour of lifting the remaining restrictions on Eastern European immigration which most EU states introduced when the new Member States were admitted in 2004; the Austrians and Germans are terrified of allowing uncontrolled immigration from the East. The author denounces these controls as politically inspired, but her own reasoning seems largely political: she says that Western European states ought to have a more open attitude towards the East to prevent the EU from being "artificially divided". Traser also claims to demonstrate that immigration has been good for the economies which have allowed it. Britain and Ireland are the two countries with the freest policies towards Eastern European immigrants but others (Finland, Greece, Italy and Portugal) have also lifted restrictions. [The report can be read at: [www.ecas.org/file\\_uploads/1182.pdf](http://www.ecas.org/file_uploads/1182.pdf) See also *Frankfurter Allgemeine Zeitung*, 14 September 2006]

### Euro Parliament gets difficult on Turkey

The European Parliament seems to be hardening in its attitude towards the prospect of Turkey joining the EU. The most recent report by the European Parliament is rather negative for Turkey's prospects. A strong minority on the Foreign Affairs Committee is of the opinion that the outcome of the accession negotiations which started in October 2005 is still open, i.e. that Turkey might not and should not be allowed to join the EU after all. Criticism has become ever stronger at the alleged infringement of civil rights in Turkey, including limitations of freedom of speech and freedom of religion as a result of new anti-terror legislation. The Parliament has to approve the admission of any new Member States and its Committee has said that recognition of the 1915/1916 genocide against the Armenians must be a pre-condition for EU membership. Camiel Eurlings, a Dutch Christian Democrat MEP, has said, "*The tempo of reform is definitely slowing down [in Turkey].*" MEPs seem to be losing their patience at Turkish foot-dragging over its refusal to recognise Cyprus and its refusal to allow Cypriot ships or planes to land at its ports. A Social Democrat MEP has said that if Turkey does not recognise Cyprus by the end of the year then the European Parliament could call for the accession process to be suspended. [*Frankfurter Allgemeine Zeitung*, 5 September 2006]

### Sarkozy defends himself for being pro-USA

The French presidential election campaign is well under way. On the left, the favourite seems to be the common law wife of the leader of the Socialist Party (herself a politician in her own right and former senior minister), Ségolène Royal, who had a wide appeal because of her good looks and eclectic politics. (She is currently firing off apparently right-wing statements in an effort to seduce 'middle France' whose values are conservative.) On the right, Nicolas Sarkozy, the Interior Minister and head of the main right-wing party, the UMP, is also much talked about. Jean-Marie Le Pen and Philippe de Villiers are also running their campaigns, as are various extreme left-wing candidates. For his part, Sarkozy suffers (if he suffers at all) from the public perception that he is pro-American, at a time when the United States and its policies are more unpopular than ever before. In an interview in *Le Monde*, Sarkozy was asked how he reacted to the charge of being pro-American: "*If after twenty-five years of political life, the only serious reproach which people can make is to say that I am too close to a country against which we have never fought a war, a country with which we have fought in the past to eradicate Nazism and with which today we are fighting to defeat terrorism, I am happy to accept that. The US is a country which has had full employment for nearly fifteen years, a country in which every year economic growth is one point or one and a half points above ours, a country in which democracy combines stability and political change harmoniously. Finally, the US is a country which sets an example for the integration of immigrants: half of the Nobel Prize winners in America are of foreign origin.*" Sarkozy said he was not a blind admirer of the USA but that anyone of good faith would see that "*we have no reason to quarrel with the US.*" The presidential candidate said that he was not an unconditional ally of the Americans, and that for instance he was opposed to the accession of Turkey to the EU. He implicitly criticised President Chirac when he argued, strangely, that there had been no point threatening to use the French veto in the Security Council against war in Iraq in 2003 because in any case there was no majority in the Council in favour of war anyway. He said that France's scepticism about the war had been justified in the light of events, but only to the extent that Iran was now more powerful than before. Sarkozy said that he admired the "*energy and fluidity*" of

America and said that the Enron affair was "*moral*" because it showed that America was not only a country in which people like Bill Gates could make a huge amount of money but also a country which could correct its own errors. [*Le Monde*, 10 September 2006]

Sarkozy met George Bush for 40 minutes on 12 September 2006 in Washington, in the offices of the National Security Adviser, Stephen Hadley. He was accompanied by his wife, Cécilia and by the UMP deputy, Pierre Lellouche, who used to be Jacques Chirac's foreign policy adviser. Mr Sarkozy and his team were pleased when the White House released a photograph of the meeting; that morning, Sarkozy had given a speech to the French-American Foundation in which he denounced "*an arrogant France*". "*Never again,*" he said, "*should we make a crisis out of our disagreements*" – as had happened in 2003 over the Iraq War. Sarkozy was also very hawkish over Iran, insisting that "*all options remain open*", i.e. that a military attack should be on the table. "*We must close no doors,*" he said. "*I think I have been as clear as possible. In the 1980s, during the hostage crisis, firmness paid off.*" Whereas the French Foreign Minister, Philippe Douste-Blazy, had said in July that Iran was "*a factor for stability*" in the Middle East, Sarkozy said instead the country was "*febrile*". "*History teaches us the consequences of complacency in the face of aggression and fundamentalism,*" he said. On Israel, Sarkozy's language was even more like that of an American politician. "*I want to say how close I feel to Israel,*" he said. "*Israel is the victim. It must do everything to avoid being presented as the aggressor.*" On the other hand, he called on the Israelis to have "*an appropriate reaction*" to events, saying, "*We are behind you.*" Finally, Sarkozy spoke about Darfur, which is exciting a good deal of interest and passion in the United States. He said that "*indifference*" and "*lack of courage*" should not permit "*the first crime against humanity of the 21st Century*" to be committed. [*Corine Lesnes, Le Monde*, 14 September 2006]

### Bayrou says French media not independent

François Bayrou, the centrist candidate who is trailing badly in the polls, has put the cat among the pigeons by saying, live on prime time TV, that the French media are not independent and that there is a tight interconnection between politics, the economy and the media. His affirmation is correct. TF1, the first TV channel, is owned by Martin Bouygues, the owner of a construction company which builds roads and bridges for the French state. The national daily, *Le Figaro*, is owned by Serge Dassault, who makes aircraft for the French air force. *Paris Match* and *Europe 1*, the leading radio stations, are owned by the arms manufacturer Arnaud Lagardère who also owns a minority stake in *Le Monde*. These three media barons all have an interest in maintaining good relations with the next French president and they all seem to be rooting for Sarkozy. The impact on press freedom is clear: when Alain Génestar published photos of Nicolas Sarkozy's wife with her lover, the cuckold politician was furious and Génestar was sacked. When the head of *Europe 1* was looking for a reporter to cover the party Sarkozy leads, the UMP, he asked Sarkozy's advice – which both parties have said they considered quite normal. There are plenty of other rumours about interference in the press by owners: Serge Dassault is supposed to have tried to set the questions for an interview Ségolène Royal gave to *Le Figaro*, for instance. [*Handelsblatt*, 15 September 2006]

### What is the use of opinion polls?

Studies show that opinion polls eight months before a presidential election in France seldom accurately predict the final outcome. The polls, however, are often themselves used in the political battles in the run-up to an election. At the moment, they are being used, for instance, to bolster the campaign of Ségolène Royal to become the

Socialist Party candidate. Her enemies point to the fate of Lionel Jospin, who was tipped to win in 2001 but who was in fact beaten into a humiliating third place by Jean-Marie Le Pen in 2002. There are some exceptions: a poll in October 1987 got the result of the second round for the following year right to within a few decimal points. But such accuracy is the exception, not the rule. In October 1980, Valéry Giscard d'Estaing was widely predicted to beat François Mitterrand, the Socialist Party challenger, easily. In fact, of course, Mitterrand was elected in 1981 and served as president for fourteen years. Six years later, the polls all showed Raymond Barre to be the likely winner. Moreover, they predicted that he would win against Michel Rocard, when in fact Rocard never even stood as a candidate. In October 1994, Jacques Delors, who also never stood, was widely trailed as the likely winner for the following year. It was not until he announced in December 1994 that he would not stand that his poll rating vanished. Jacques Chirac went on to win the 1995 poll. In autumn 1994, moreover, Chirac was trailing the other possible right-wing candidate, Edouard Balladur, quite badly in the polls. Finally, no one predicted that Jean-Marie Le Pen would get through to the second round in 2002. The previous September, the polls indicated that he would get only 6 per cent when in fact he got over twice that amount. It therefore goes without saying that no one predicted Chirac's 80 per cent victory in 2002. [Béatrice Gurrey, *Le Monde*, 15 September 2006]

### 'Populism' on the rise in Norway

Following the success of the Danish People's Party led by Pia Kjaersgaard in Denmark, now it is Norway's turn to see a Eurosceptic and anti-immigration party rise to prominence. The Party of Progress led by the 37 year-old blonde Siv Jensen, was elected to the Norwegian Parliament in 1997 and took over the leadership of the Party in May. It is not the largest political party in Norway. In September 2005, the Party polled 20 per cent of the votes; its poll rating now stands between 30 and 35 per cent. The Party faces the usual tired old accusations of populism because it denounces the established political class and campaigns against immigration and in favour of law and order. It also calls for tax cuts and an increase in public spending financed by sales of oil. The Party's officials say they have nothing to do with Jean-Marie Le Pen and deny that they are either populist or xenophobe. (But then so does Le Pen.) The Party's fortunes rose earlier in the year with the demonstrations across Europe for and against the cartoons of the prophet Mohammed published in a Danish newspaper. [Anne-François Hivert, *Libération*, 12 September 2006]

### Syria accepts EU troops

According to the Italian Prime Minister, Romano Prodi (the former President of the European Commission), Syria has accepted a proposal that the EU send border guards to police the frontier between Syria and Lebanon. Speaking in Bari, Prodi said that the Syrian President, Bashar al-Assad, had in principle agreed to the idea. UN General Secretary, Kofi Annan, has asked Germany to provide personnel for the force. The suggestion is in response to Israel's demand that there be strict surveillance of the Syrian-Lebanese border to prevent arms being sent across it to Hezbollah. Officials from the German customs police are already helping their Lebanese colleagues in Beirut. Prodi said that any EU force should be unarmed and not wear uniforms; the guards would essentially be just 'observers'. The Germans are still debating what exactly their role will be in any intervention force in Lebanon but many members of the German Parliament are determined that German troops should be sent to help disarm Hezbollah. [*Handelsblatt*, 9 September 2006]

### German navy to be sent to Lebanon

The German Chancellor, Angela Merkel, has defended her Cabinet's decision to send the German navy to Lebanon as part of the UN intervention force. The decision took a long time to reach since the presence of German troops in the Middle East is highly controversial. Mrs Merkel said that the intervention had "a historical dimension" by which she meant that it was significant in the light of German history. Germany had a special responsibility for the existence of Israel, she said, and for a peaceful solution to the conflict in the region. The naval part of the intervention will operate under German leadership. The Chancellor also said that the intervention force should avoid the mistakes of the past, previous UN resolutions on peace in the Middle East having failed. Germany is to send 2,400 troops, of which 1,500 are to patrol the Lebanese coast. The naval force will consist of two frigates with helicopters, two troop ships and four cruisers. There are also Dutch, Danish and Norwegian sailors in the intervention force. The German Defence Minister says that the 'mandate' is robust enough as it allows the force to inspect a ship even if it offers resistance. The idea is for the force to blockade Lebanon from any arms shipments for Hezbollah. The cost of the intervention will be €46 million this year and €147 million in 2007. The FDP Liberals have opposed the intervention, saying that the exact interaction between the UN force and the Lebanese army has not yet been clarified. For the time being, the intervention is supposed to last until August 2007. The total number of sailors deployed will not exceed 2,400. [*Die Welt*, 13 September 2006]

### Slovakia in the dog house again

Within months of the election of a left-wing government in Slovakia which governs in coalition with the nationalist right, relations have deteriorated between Bratislava and Budapest over the question of the rights of the Hungarian minority in Slovakia. During the governments of former Prime Minister Vladimir Meciar, Hungary constantly claimed that the rights of the Hungarians in Slovakia were under threat. Once a more EU-friendly government was elected, these complaints stopped. Now they have re-started, ever since the new Prime Minister, Robert Fico, decided to govern in coalition with Meciar's Movement for a Democratic Slovakia and Jan Slota's Slovak National Party. Fico's own party has been expelled from the Socialist International for his alliance with the 'extreme right' and letters of protest have been sent by various European grandees. Now an attack on a Hungarian woman by two skinheads has been transformed by Budapest into an affair of state. The Hungarian Government demanded that the Slovak Government clamp down on such racist attacks. The Hungarian Prime Minister, Ferenc Gyurcsany, a former Communist youth leader, called on Mr Fico to condemn the alleged rise in attacks on Hungarians. The Slovak Government responded angrily that such attacks happened in all countries and that Slovakia did not expect to be taught lessons by others on how to combat intolerance and xenophobia. Meanwhile, the Slovak Minister of Foreign Affairs accused Hungary of orchestrating with the Hungarian minority in Slovakia a campaign to discredit Slovakia. [Martin Plichta, *Le Monde*, 5 September 2006]

### EU and US continue to disagree on flight data

The United States and the European Union remain unable to reach an agreement on what kind of data can be communicated to the American authorities about passengers travelling to the US on flights. The US requires 'Passenger Name Records' to be submitted in order to track suspected terrorists. These records currently show the flight number, the address of each passenger (including where he or she is

staying in the US), e-mail, credit card number, telephone number and food preferences. The agreement to provide this data was overruled by the European Court of Justice in May, following an appeal by the European Parliament, some of whose members are very concerned about the implications for peoples' privacy. The ECJ judges have instructed European officials to negotiate a new agreement by 30 September 2006. However, the differences between the two sides remain and are widening. The US Homeland Security Secretary has deplored the fact that Washington is "handcuffed" by the present agreement, which prevents this data being given to the FBI or to a foreign government, while the administration as a whole wants more information, not less. The Americans resent the fact that the current rules do not allow them to know whether, for instance, a mobile phone number which may have been found in an Al Qaida computer in Afghanistan has been used to reserve a flight. [Philippe Ricard and Jean-Pierre Stroobants, *Le Monde*, 15 September 2006]

### Kaczynski in Berlin

The Polish Prime Minister, Jaroslaw Kaczynski, will visit Berlin on 30 October in order to hold talks with his opposite number, the German Chancellor Angela Merkel, in the context of the continuing difficult relations between the two countries. Kaczynski said that the visit was intended to "enlighten certain problems created by misunderstandings". New oil has been cast on the fire by the call made by members of the League of Polish Families for the rights of the German minority in Poland to be curtailed, especially its right to seats in the national Parliament. However, the main bone of contention between Warsaw and Berlin remains the construction of the gas pipeline between Russia and Germany, bypassing Poland and the Baltic states. The consortium building this pipeline, which Poland strongly opposes, is chaired by Mrs Merkel's predecessor as Chancellor, Gerhard Schröder. In addition to opposing the construction of the new gas pipeline, Poland wants the currently existing oil pipeline which runs between Odessa and Brody to be extended towards Plock or Gdansk in Poland. Currently, this oil pipeline transports Russian oil from Northern Ukraine to the Black Sea. The Poles want the oil to flow the other way, from the Caspian (where their allies, the Americans and the British, now control the oil) via the Black Sea northwards and then into Poland. Poland wants Brussels to finance the construction of the pipeline extension; alternatively it will seek credit from the European Investment Bank. [Célia Chauffour, *Le Monde*, 12 September 2006]

The Germans are concerned at the suggestion made by the League of Polish Families that at the local elections to be held in November parties representing national minorities (i.e. Germans) should no longer have to get more than 5 per cent of the vote in order to get a seat in Parliament. Initially the Prime Minister suggested that he agreed with the League's position. The Germans have reacted indignantly to the suggestion that the current provisions are 'asymmetric' since Poles in Germany do not have special electoral rights. The 1991 treaty between Germany and Poland guaranteed minority rights in Poland and the Prime Minister has since said that nothing should be changed now in that respect. The row comes against the background of the continuing tensions generated by the German expellees' association. The Polish Parliament is going to discuss the terms of the 1991 treaty at the end of September. [Reinhold Vetter, *Handelsblatt*, 11 September 2006]

### Prodi says EU is 'left-wing'

The Socialist Prime Minister of Italy and former President of the European Commission, Romano Prodi, has said that the European Union is 'left-wing', at least as far as its policy on globalisation is

concerned. Prodi was giving an interview to *Le Monde* and he was asked about social 'solidarity' in a globalised world. He replied, "In this regard, the EU is left wing. It is the only world structure in which less developed regions have grown faster than developed regions, thanks to the structural funds and thanks to a serious regional policy. A country without infrastructure like Spain has been transformed into an ultramodern country thanks to European funds." Prodi also boasted of the fact that Europe has not been divided by the recent war between Israel and Lebanon; he said that, instead, Italy at his initiative had taken a lead and that the others had followed. On what to do about the European Constitution, Prodi said that he approved the suggestion made by his Interior Minister, Giuliano Amato, that "a group of wise men" be created. (This is the usual EU tactic for obtaining a political stitch-up.) Prodi said, however, that such a group could not propose a new Constitution but that it would be a useful way of "reopening the debate". He said that a good occasion for this would be the 50th anniversary of the signature of the Treaty of Rome, which falls on 25 March 2007. "In my opinion, it is possible to relaunch the constitutional project but with a very simplified version." He said that the principle of voting by unanimity had to be abandoned, for this would lead to "complete blockage" in an EU with 25 (soon 27) Member States. Asked about the huge disparities in wealth between the North and the South of Italy, Prodi replied that it was Italy's "own fault" that it had not used the money from the EU cohesion funds properly. "The first thing we have to do," he said, "is to recognise that we have wasted an enormous amount of money." [Interview in *Le Monde*, 13 September 2006]

### Muslim brotherhood attacks Pope

The Egypt-based Islamic group, Muslim Brotherhood, demanded an apology from Pope Benedict XVI after remarks the pontiff made about Islam during his apostolic visit to Bavaria. The organisation called on Islamic countries to threaten to break off diplomatic relations with the Holy See if such an apology was not forthcoming. This same demand had also been made by the Organisation of the Islamic Conference in Jeddah (the largest Islamic organisation in the world) as well as by the Pakistani Parliament. In a lecture in Regensburg on 12 September 2006, and addressing the question of the relationship between reason and faith, Pope Benedict quoted at some length from a dialogue conducted in 1391 by the Byzantine Emperor Manuel II Paleologus, on the subject of Christianity and Islam. He quoted the following passage from the Emperor: "Show me just what Mohammed brought that was new, and there you will find things only evil and inhuman, such as his command to spread by the sword the faith he preached," and used this passage to argue that Christianity, unlike Islam, believes that religion and reason (or reasonableness) are completely compatible. "Whoever would lead someone to faith," the Pope quoted the Emperor further, "needs the ability to speak well and to reason properly, without violence and threats... To convince a reasonable soul, one does not need a strong arm, or weapons of any kind, or any other means of threatening a person with death." These quotations elicited a furious response from, among others, Turkish imams and the leader of the Muslim Brotherhood, Mahdi Akef, said that they showed that the Pope had a false understanding of Islam. The General Secretary of the Muslim Council in Germany said that he could not believe that the Pope had said that the distinction between Christianity and Islam lay in their attitude to violence, since Christians had been bloody in history too. The Pope has since made a public apology for his comments, but his gesture is unlikely to appease all. [*Die Welt*, 15 September 2006]