

I. Moment of truth for constitution

Constitution goes down to the wire

Foreign ministers met in Brussels on Monday and Tuesday to hammer out the preparations for the meeting at the weekend between the heads of government of the EU and the future member states. They want to conclude an agreement on the EU Constitution before the end of the Italian presidency on 31st December. The usual brinkmanship has characterised the run-up to the week's negotiations: the German and Italian leaders have said they would rather have no agreement than a bad one. Most commentators say that the omens are bad for a solution, but the *Digest's* sources say that the Italian presidency will reach an agreement, come what may.

Pessimism

One seasoned EU diplomat has been quoted saying, "I have taken part in all the Inter-governmental Conferences since 1980, and I have never been as pessimistic as I am today." There has been significant retreat from the draft constitution presented by Valéry Giscard d'Estaing in June. Britain has reintroduced the national veto into areas from which it had been removed, namely taxation, and other countries (especially Poland and Spain) have demanded a change to the voting arrangements. The small countries continue to resist attempts to reduce the number of commissars below the number of member states, for they fear that they will thereby lose their representation on the Brussels Commission.

Small countries lose out

The large countries say that this gives small countries an excessively large influence. Faced with these disagreements, Giscard has said that it is better to have a crisis than to try to paper over the cracks and sign an accord just for the sake of it. The Italian Foreign Minister has said the same thing. On the size of the Commission, it is likely that an agreement will be reached. It is likely that, for a transitional period until 2104, the next two Commissions will have 25 members but that the principle of a reduced Commission will be included in the Constitution. But that leaves the question of voting rights unresolved and Poland and Spain have said they will not give in on it. They have said they want to maintain the system agreed at Nice and are prepared at most to revisit the question in 2008. Nice gives Poland and Spain, which together have 80 million inhabitants, 54

votes in the Council, while Germany, which has 82 million inhabitants, only has 29 votes. France and Germany have said that if there is failure then they will set up an avant-garde of countries prepared to "move forward" together. They have even speculated about the possibility of creating a "Franco-German Union".

Heavily charged agenda

Other issues have also been placed on the already heavily charged agenda. These include a list of 46 (mainly construction) projects intended to stimulate growth; a commitment to admit Bulgaria and Romania in 2007; and the statement that "a resolution on the Cyprus question will remove an obstacle to Turkish admission to the EU". The EU has indeed recently decided that Cyprus does represent an obstacle to Turkish membership. [*Le Monde*, 7th December 2003]

Big guns line up

The French President and the Italian Prime Minister have joined forces to push for an agreement this week. Berlusconi has said he is "relatively optimistic" that an agreement can be reached. The two leaders met at a EU-Maghreb summit in Tunis on Saturday. Chirac has criticised countries who argue over the institutions of Europe and make it into a "domestic political issue". He has also said that the "sum of the different aspirations" is by definition incoherent. Berlusconi, for his part, named Poland and Spain as being unreasonable in their demands. The Italian premier said that the voting weight they had been given reflected neither their population nor the size of their economies. Berlusconi also said that he was not prepared to insist on an accord at any price, and that he was prepared to hand over to the next presidency if necessary. This is intended to scupper the attempt to put off decisions until 2008, a position supported by the United Kingdom. "An enlarged Europe cannot permit itself a bad agreement or something which has been cobbled together. Europeans need a Europe which functions," said Chirac. [*Le Figaro*, *Libération*, 8th December 2003] The German Chancellor has added his voice to those who are saying that it is better for the summit to fail than for a bad agreement to be signed. Silvio Berlusconi met Gerhard Schröder in Berlin on Sunday and both men said they did not rule out the possibility of failure. Schröder said that Germany had "limits" in

the negotiations. But he said that the Constitution would have to be signed by May 2004, because European elections are due in June.

Poland in the doghouse

The Germans have reserved special criticism for Poland, provocatively predicting that the country will be completely isolated in its position of refusing any change to the voting system agreed at Nice. (The Polish position was 'weakened' by the fact that the Polish Prime Minister, Leszek Miller, broke his legs in a helicopter crash at the weekend. But he has vowed to attend the summit in a wheelchair if necessary.) Schröder has said Germany is not prepared to budge on this issue, and he claims to have the Italian presidency on his side. As the most populous country, Germany naturally resents the veto power of smaller states. Spain, which initially threatened it might prevent any agreement unless it obtains satisfaction, has now started to indicate that it might be prepared to give way on this – and abandon Poland – if there is agreement to extend the period in which it receives money from the EU structural funds. Alternatively, it might ask for a reduction in the rights of minorities to which the constitution makes reference, or for one or two European agencies to be located in Spain. Spain is currently the largest net recipient of EU money (€8.8 billion per year). [*Die Welt*, 8th December 2003; Nikolaus Nowak, *Die Welt*, 6th December 2003]

Isolated

On Monday, the first day of negotiations, the Italian presidency announced that it would not accept the Spanish and Polish proposal to change the voting system back to the one agreed at Nice. Franco Frattini, the Italian Foreign Minister, said that the principle of "double majority" (50% of states' votes + 60% of population) would be preserved, yet this is precisely what Spain and Poland have said they will never accept. The German, French and Luxembourg foreign ministers all upped the ante by saying that they did not want to delay decisions, and that they want the European Council to come to clear conclusions. Poland and Britain had suggested adopting a partial constitution and leaving outstanding issues until later. Disagreement was so profound, indeed, that the ministers could not even agree to sign up to the EU's new military powers, which the Italian presidency had claimed was the object of "a very broad consensus". The neutral countries Finland, Sweden, Austria and Ireland have said they refuse to sign a clause guaranteeing mutual defence. [*Le Monde*, *Agence France Presse*, 9th December 2003] Other major outstanding issues include whether to extend the powers of the European Parliament over the EU budget, and whether to re-visit the British

budget rebate. [*Le Figaro*, 9th December 2003]

Czech mate

The Czech Government has added its voice to those opposing the changes in the voting system proposed by the draft Constitution. The Czech Foreign Minister, Cyril Svoboda, said on 8th December that his Government continues to oppose the system of double-majority voting. Like the other states which oppose the change, he says that it will act to the disadvantage of smaller states. He also said that Prague continued to insist on each country having at least one commissar in Brussels. President Václav Klaus has said that he supports the position of the Government on this, but that he would personally prefer there to be no constitution at all. [*Radio Free Europe Newsline*, 9th November 2003]

Problems with defence

The Foreign Ministers are also trying to prepare an agreement on EU defence following the tripartite agreement between France, Germany and the United Kingdom at Naples two weeks ago. The plan is to enshrine the principle of "EU defence" (i.e. a military capacity for the great European powers) within the new EU Constitution. This will be referred to as "structured co-operation" and builds on the concept of "enhanced co-operation" agreed at Nice. It will allow some states to "go further" in EU matters than others.

Key lies in Washington

According to *Le Monde*, Tony Blair is waiting for a green light from Washington before signing up to the new EU military headquarters. The agreement, which was to be signed this weekend, and which was to be based on the recent tripartite agreement between Britain, France and Germany to set up a planning centre independent of Nato, is not yet in the bag. Paris and Berlin argue that the mutual defence agreement, and the so-called "structured cooperation," both of which are supposed to be included in the Constitution, must go together with the new military headquarters. So if the British do not get the go-ahead from the Americans about the new HQ, then the whole agreement might collapse. London is trying to convince Washington that the agreement will not undermine Nato. In addition, it will require astonishing verbal gymnastics to find a form of words which will reconcile the neutrality of four EU states with a constitution which contains a clause obliging all members mutually to defend one another, if at the same time a small group of those states, acting under "structures co-operation", is able to undertake military operations in the name of the EU but perhaps without the approval of all EU states. There are still outstanding disagreements about how big a majority of states should have to vote for

II. Other European News

Turkey and Northern Cyprus attack Verheugen

The President of the Turkish Republic of Northern Cyprus, Rauf Denktash, has attacked a statement made by the EU commissar for enlargement, Günter Verheugen, in which he implied that the EU would not recognise the elections in TRNC on 14th December unless the opposition won. President Denktash said that if there was democracy and justice in the EU, then Verheugen would be dismissed. Denktash added that the recent inclusion by the EU of the resolution of the Cyprus issue as a condition for the membership of Turkey was not only an insult to Turkey but also evidence of disrespect for international treaties. Denktash called Verheugen “an elephant in a china shop” and accused him of scuppering any chance of an agreement between the two sides in Cyprus by unconditionally supporting the Greeks. Verheugen had said he finds the Annan plan “balanced” and “the only alternative”, to which Denktash responded, “I am sure he hasn’t even read the Annan plan.” [*Turkish Republic of Northern Cyprus Info*, 4th December 2003]

Attempt to get rid of Lithuanian President

Following the sudden overthrow of the Georgian President, Edward Shevardnadze, on 2nd November, attention is now moving to Lithuania where a campaign has got under way to unseat the man who won a surprise victory in the presidential elections last Christmas. Having beaten the former president, Valdas Adamkas (himself a former American citizen), Roland Paksas now finds himself accused of having “links” to the Russian Mafia. A few thousand people have gone to demonstrate in the streets of Vilnius calling for his resignation. Already people are saying that they want the “crisis” to be resolved “democratically”, just as in Georgia everyone said they wanted it to be resolved “peacefully” - which it was when the President was unconstitutionally forced to resign. The “crisis” began when the parliament adopted a resolution saying that the “links” between President Paksas and a naturalised Russian businessman, Yuri Borisov, were “a threat to national security”. Borisov is alleged to have paid €900,000 to Paksas’ election campaign, and that he was made a presidential adviser in return, as well as receiving some privileges for his company, Avia Baltika. [Antoine Jacob, *Le Monde*, 7th December 2003] Now people are talking about launching impeachment proceedings against Paksas, even though the precise nature of the allegations seems astonishingly vague. The parliamentary report makes undefined allegations about “links” to Russia, “influence”, “suspicion” and

so on but seems to have few facts. Indeed, it seems obvious that the campaign against Paksas is being run by the secret services, which are under the control of the Prime Minister, the former Communist First Secretary, Algirdas Brazauskas. To impeach the President would require 85 votes in the 141-seat parliament. 70 voted for the resolution saying Paksas was a threat to national security. But the Lithuanian press is advising him to follow Shevardnadze’s example and resign. [Reiner Gatermann, *Die Welt*, 5th December 2003]

Knives out for Putin

The Organisation for Security and Cooperation in Europe, which includes as members all states in Europe but which generally represents the views of the Western powers, especially the USA, has sharply criticised Sunday’s elections to the State Duma in Russia. It said that the poll on 7th December had “failed to meet many OSCE and Council of Europe commitments” and that it “called into question Russia’s willingness to move towards European standards for democratic elections.” The president of the OSCE parliamentary assembly, the British MP Bruce George, said that the election represented “a regression in the democratisation process of Russia”. The vote was comprehensively won by United Russia, the party which supports the Russian President, Vladimir Putin. Attention will now focus on next year’s presidential elections. The main criticism was that the media was too biased in favour of the government.

[http://www.osce.org/news/show_news.php?id=3757]

German defence minister calls for stronger EU

Peter Struck has said that he wants the EU to have a stronger role with respect to NATO and the USA. Speaking at a congress on defence policy in Berlin, the German defence minister said that NATO was the first choice for crisis management operations, and that America and Europe were the first choice for each other. But he said that in the transatlantic alliance it was a matter of burden-sharing and responsibility. This meant that it was necessary to accept that Europe would not always necessarily agree with the US. [*Deutsche Presse Agentur*, 9th December 2003]

German MEPs ‘interested only in their expenses’

A Dutch Social Democrat MEP, Michiel van Hulten, has accused German MEPs of blocking a compromise on the MEPs’ pay only because they want to preserve the current corrupt arrangements

for claiming travel expenses. At present, business class travel is reimbursed even if an MEP takes economy class to come to Strasbourg or Brussels. "The present system of paying expenses is a scandal," van Hulten told the *Frankfurter Allgemeine Zeitung*. According to the new proposed agreement, travel expenses would be paid on the basis of the actual money spent on the ticket. But this would remove a considerable amount of income from MEPs' pockets. "That is the main reason why most German MEPs oppose the compromise," said van Hulten. MEPs can get €1,040 for a trip from Berlin to Brussels, even though tickets can be bought for €150. The agreement, which had been hammered out between the Parliament and the Italian presidency, was opposed by numerous German SPD MEPs: their chairman, Martin Schulz – the man of whom Silvio Berlusconi said that he would do well as an actor playing the commandant of a concentration camp – justified this by saying that the debate about MEPs' pay should be avoided during the elections to the European Parliament in June 2004. Van Hulten also accuses the German MEPs of writing to the president of the European Parliament, Pat Cox, demanding that the travel expenses be based on actual costs, only for internal political reasons. "They are playing to the domestic gallery," he says, arguing that they knew when writing the letter that their request stood no chance as long as a new statute had not been agreed. [Helmut Bänder, *Frankfurter Allgemeine Zeitung*, 8th December 2003]

Rumsfeld attacks France again

Donald Rumsfeld has again attacked the notion that "Europe" is the equivalent of the "old" Franco-German EU. In an interview with the *FAZ* he ridiculed the idea that "Europe" acted only when France waves the flag and says it is Europe. "Europe is in Iraq," said Rumsfeld, "and I'll tell you which European Nato states are not in Iraq: Iceland, Belgium, France and Germany. Is that Europe? All the others are there, 18 out of 26 present and future members of Nato!" Rumsfeld was trying to prove that America is not alone in Iraq, and that Europe remains its ally. He said that the countries which were not militarily involved had their own reasons – "and we respect them". [Klaus-Dieter Frankenberger, *Frankfurter Allgemeine Zeitung*, 4th December 2003]

Blocher elected to Swiss Government

The most prominent member of the Swiss People's Party, the head of its Zurich section, Christoph Blocher, who is known for his robustly anti-EU

views, has been elected to the Swiss Government, following his party's victory in the elections on 19th October. His election is significant because it is the first time that the party political composition of the Swiss federal government has changed since the 1950s, all previous governments having consisted of the same combination of parties. Now the SVP (which is called Democratic Union of the Centre in French) will have two seats in the Government instead one. The party's main strategic aim has therefore been achieved. [*Neue Zürcher Zeitung*, 10th December 2003]

Czech diplomat calls for "forgetting memorial"

The Czech ambassador in Vienna, Jiri Grusa, who lived in Bonn from 1981 to 1989, who writes poems in German, and who generally likes to think of himself as "a citizen of the world", says that instead of opening a "Centre on Expulsion", as is planned in Berlin, Europe needs "a memorial of forgetting". "The art of forgetting," he says, "that is the secret for Europe's progress." [Jacques Schuster, *Die Welt*, 10th December 2003]

No compensation for Serbs

Germany has not been required to pay compensation to 35 people from Serbia-Montenegro for injuries they or their families sustained during the Nato attack on Yugoslavia in 1999. Nato planes attacked the town of Varvarin in May 1999 and 10 people were killed, with a further 17 suffering serious injuries. The appellants claimed that the attack was illegal under international law. The case turned on the legal question as to whether individuals can take states to court for compensation, or whether such cases can be dealt with only between states. Given that the Kosovo war was fought supposedly to protect the rights of the individual against the power of states, it is ironic that Germany has been let off the hook by invoking the principle of state sovereignty. [*Deutsche Presse Agentur*, 10th December 2003]

'Sign the constitution or leave the EU'

Romano Prodi has told *The Irish Times* that if a country does not ratify the European Constitution, it could be expelled from the EU. He said that such a decision could occur only after a long process of reflection, but he has broken a taboo by even referring to the possibility. Ireland initially rejected the Nice treaty, and approved it only after a second poll was held on the same treaty. [*The Irish Times*, 10th December 2003]

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Tel. + 44 20 7590 9901, fax 7590 9975, euro.foundation@e-f.org.uk