

I. European Union news

Netherlands hope to succeed with constitution

The Dutch are to take over the presidency of the EU in July of this year, and they have expressed their intention to see an agreement reached on the European constitution by the end of December. The Irish presidency, it seems, holds out little hope that any progress will be made before the European Parliament elections on 13th June. Before that, there is to be a general election in Spain on 14th March, and Spain is one of the main countries which stand in the way of a conclusion, since Madrid, together with Warsaw, objects to the new voting arrangements outlined in the new treaty. The Dutch foreign minister, Bernard Bot, has said that there is only a window of three weeks or so between the presentation by the Irish presidency of an action plan for the negotiations (third week of March) and the beginning of the euro-election campaign. Bernard Bot denied that a recent joint statement by three net contributor countries, saying that the EU budget should not increase by more than 1% in the next round (2007-2013), was intended to ratchet up the pressure on Poland. The Dutch minister also said that he was opposed to a “two-speed Europe” and to the idea of a Franco-German directorate, even if enlarged to include the United Kingdom. The institutional system, he said, had “functioned very well up to now. We must not destroy what we have been at such pains to construct.” [Luc de Barochez, *Le Figaro*, 3rd February 2004]

MEPs’ pay still not harmonised

For 20 years, the European Parliament has been denouncing the fact that its members have different salaries according to which country they represent. This situation is likely to continue, since the Council of Foreign Affairs Ministers has decided to continue with the present situation, according to which MEPs receive the same salary as members of the respective national parliaments. This means that an Italian earns some €11,000 a month while a Spaniard gets only €3,000. A Pole will get €3,000 and a Hungarian a mere €760. France, Germany, Austria and Sweden vetoed a proposal to change the system and introduce a single salary, in a move which elicited harsh criticism from the President of the European Parliament, Pat Cox. The MEPs claim that an

agreement was reached on the principle of the matter in June 2003, and that the Council of Ministers has gone back on its word. They want their salary to be €9,000 (about £72,000 per year). Needless to say, the institutionalised thieving of travel expenses will continue: a German MEP gets €1,077 for a return air ticket from Berlin to Brussels, even though the ticket actually costs €191 in economy and €861 in business class. [Rafaële Rivais, *Le Monde*, 28th January 2004]

“EU seat in UN Security Council by 2007”

The European Parliament publishes a report on Thursday which says that it will be feasible to have an EU seat in the UN Security Council by 2007. The report suggests that the Security Council be enlarged, and that the EU be a permanent member of it. The seat should be occupied by the future EU “foreign minister”, a post which the EU constitution is supposed to create. The constitution is intended to give the EU legal personality. The author of the report, the German MEP Armin Laschet – who describes his constituency as being “the German part of the Euro-region Rhine-Maas” - says that it will take until 2005 to reform the UN and a further two years to ratify the European constitution, and that therefore 2007 is the date by which the EU could have its own seat. But Laschet says that he doubts whether the political will is there. He says that the main problem is Germany, which would rather have its own seat. Laschet also proposes that the old system of vetoes be replaced by a double veto, which would require two permanent members to vote against a provision. [*Die Welt*, 28th January 2004]

Berlin rejects euro tax

The German government has said that it does not support the attempt by the European Commission to introduce a European tax. “This is not a theme which the federal government is following,” said a spokesman for the German finance ministry on Monday in Berlin. The spokesman said that the EU’s problems were not so much on the income, but on the expenditure side. In other words, it should cut spending rather than increase tax. The spokesman was speaking following the publication in the *Handelsblatt* of a report claiming that Brussels was to start a formal initiative in favour of a euro tax on 10th February, and that it would be proposed as a part of

the new budget which must be voted for 2007-2013. The EU, according to the report, was going to appropriate to itself value added tax, energy tax or corporation tax. With these proposals, Brussels would receive for the first time its own right to raise taxes. As the *Digest* has previously reported, these plans were recently given support by the Austrian Chancellor, Wolfgang Schüssel. [*Handelsblatt*, 2nd February 2004]

The statement follows an attack on the European Commission by the German finance minister himself, Hans Eichel, who has criticised Brussels' plans to increase its spending after 2006. Eichel said that ten countries want to cap the rise in Commission spending to 1% of economic performance. The Commission wants this to rise to an upper limit of 1.27% to cover spending of about 1.24%. He said that the budgets of the member states should not be over-burdened. The Austrian government has also firmly rejected the Commission's plans: the youthful finance minister in Vienna, Karl-Heinz Grasser called them "completely unacceptable". Eichel's statement comes after a long period of deterioration in relations between the European Commission and Germany: Brussels has irritated Germany by trying to get it to cut its own deficit, and is only irritating it further by now demanding an increase in Germany's EU contribution to pay for enlargement. Germany already pays €5 billion more than it receives back from Brussels. Many in Berlin fear that the gross contribution will rise by between €7 billion and €14 billion with respect to 2003-2006. [*Frankfurter Allgemeine Zeitung*, 20th January 2004]

Patten might be called upon to resign

The EU's commissar for external relations, Chris Patten, could find himself under pressure to resign, since the EU anti-corruption unit, Olaf, is sending a group of inspectors to Jerusalem to find out whether EU money has been paid to terrorists. Two MEPs, François Zimeray and Markus Feber, have said that they think the resignation of Patten is "certainly possible" if Olaf's suspicions are confirmed that the EU supports terrorists. They say that Patten would have "lied to the European Parliament". The Palestinian authority receives some €900 million in foreign aid, of which two-thirds comes from various EU budgets and the other third from individual EU member states. The BBC has claimed that some of this money is being siphoned off to the Al-Aqsa brigade, despite numerous claims by the Commission that the money is not being misused. [Katja Riddersbusch, *Die Welt*, 30th January 2004]

Let's have a party

The Union for French Democracy party, led by the centrist François Bayrou, has said that it wants to create a single pro-EU party, in the European Parliament, with the leader of the Italian left, the current Commission president, Romano Prodi. The two men are due to meet at the beginning of March, at a conference on the transatlantic relationship which is being organised by the Liberal group in the European Parliament, to which Mr Prodi's supporters belong. Marielle de Sarnez, a member of the national secretariat of the UDF, has said, "We must create a big European party". She thinks that the two big parties which have hitherto been the bearers of the European idea, the Christian Democrats and the Social Democrats, are in crisis. Apparently, the pro-European fervour of the Christian Democrats has been diluted by the admission into the ranks of the European People's Party of Eurosceptics like the British Conservatives and the Italian *Forza Italia* supporters of Silvio Berlusconi. (Apparently Mr. Berlusconi counts as a Eurosceptic in the eyes of the supporters of François Bayrou and Romano Prodi.) Madame de Sarnez says that euro-enthusiasm is also on the wane on the Left, since for example the French Socialists do not support the Constitution. It is not yet clear whether this new pro-European group (the UDF members are currently in the PPE) would be constructed with the Liberals or alongside them. There are policy differences between the UDF and the Liberals, the former opposing the latter's secularism and also its support for Turkish membership of the EU. The leader of the Liberals, however, said he would be delighted to see their ranks swelled by defectors from the PPE. [Rafaële Rivais, *Le Monde*, 4th February 2004]

France and Germany to create new think-tank

The French and German governments have announced their intention to create a "European centre for international economics", based on the model of an American think-tank. The new centre would be based in Brussels. The idea was launched during the 40th anniversary celebrations last January for the Elysée treaty. The purpose of this new centre is apparently to promote a "European" view about globalisation and social issues. The idea is, though, to include representatives from all 25 EU member states. So far no country has agreed to support the Franco-German plan but the hope is to get enough countries to support it and to give a budget of €3 - 4 million. But private capital is also to be solicited, so that the governments are not the majority shareholders and so that it is not too ideologically marked. [Arnaud Leparmentier, *Le Monde*, 29th January 2004]

EPP tries to exclude Communists

The European People's Party is attempting to prevent former Communists from joining the European institutions when the EU is enlarged in May. If passed, this resolution would, for instance, prevent Gyula Horn, the former foreign minister of Hungary, from being number two on the Socialist list in his country and thus from being elected to the European Parliament. Socialist leaders in the European Parliament, like Enrique Baron Crespo, have already said that the EPP's proposal is "unacceptable", and he pointed out that members of the Christian Democrat parties hailed Gyula Horn as a great democrat in 1989 when he opened the Hungarian border with Austria, an act which soon brought down the Berlin wall. He also attacked some EPP political formations – the Austrian Christian Democrats, the Italian members of *Forza Italia* – for having made coalitions in their national governments with the extreme right. The PPE initiative would also torpedo the chances of the Estonian Siim Kallas. This former communist is now a member of the Liberal group. Graham Watson, the leader of the Liberal group, has said, "Each person must be judged on his merits, and if he or she is a democrat who has been democratically elected, we must respect that." He said that a person's past could not be held against them. [Rafaële Rivais, *Le Monde*, 5th February 2004]

Spanish Socialists vow to give up veto

The leader of the Spanish Socialist Party, José Luis Rodríguez Zapatero, has hinted that his party would sign the European constitution if it wins power in March. He has said, "With us, Spain will become a country which finally believes in the necessity of strengthening the European Union. This country will have a government which does not accept talk of "old Europe" and which wants to find again an active relationship with France and Germany, and the other motor countries of the European construction. Spain will have a government which is capable of discussing the unilateralist actions of Mr. Bush." The implication is that Spain under the Socialists would break with the strongly pro-American policy of the present Prime Minister, José-Maria Aznar, and with its opposition to signing the European constitution. Hitherto Spain and Poland have been the main opponents to the new treaty. [Interview with Martine Silber, *Le Monde*, 5th February 2004]

Prodi receives Jewish award

The president of the European Commission, Romano Prodi, has received a humanitarian award from the European Rabbinical Centre, based in Brussels. The award was seen as something of an olive branch after three months of bad blood

between the European Commission and European Jews, caused by the publication of a controversial opinion poll by the Commission which found that a majority of Europeans considered Israel to be a major threat to world peace. The row worsened when the European Monitoring Centre for Racism and Xenophobia was accused of censoring a report on anti-Semitism among Muslims in Europe, and among those who oppose the policies of the state of Israel. Prodi's presence at a ceremony to reopen the Jewish Pedagogical Academy in Vienna, burned down in November 1938, was intended to draw a line under this. Prodi received the prize from the Chief Rabbis of Israel, Russia and Ukraine, and in the presence of a member of the Israeli government and of the Austrian interior and finance ministers. The ceremony took place during the second annual conference organised by the Rabbinical Centre and the Foundation of Ronnie Lauder, an American billionaire, attended by a hundred rabbis from all over Europe, Israel and the USA. In Central and Eastern Europe alone, some 219 Jewish communities have been re-created since the fall of communism. The Chief Rabbi of Antwerp, David Lieberman, praised Mr. Prodi as "a protector of the rights and the dignity of minorities", and especially of the Jewish community. "You have devoted your life," Lieberman said, "to freeing our community from fear." In response, Prodi recalled that his first symbolic gesture after being appointed president of the European Commission was to visit Auschwitz, the construction of a united Europe being "the peaceful and democratic response to the events which marked the first half of the 20th century". The peace which has broken out between the European Commission and Jewish groups could, however, collapse if it is shown, as suspected, that money from Brussels has been going to Palestinian terrorists. Already, the leader of the Austrian Jewish community, Ariel Muzicant, has said scathingly that, "Prodi says to us, 'Don't be afraid and trust us.' But never since 1945 has the question been so intensely discussed whether Jewish communities have any future in Europe." [Joëlle Stolz, *Le Monde*, 4th February 2004]

Popularity of EU falls in Germany

Both the EU and its imminent enlargement are increasingly unpopular in Germany. The latest Eurobarometer poll shows that only 46% of Germans think the EU is a good thing, against 59% in the first half of 2003. Enlargement is supported by 38%, compared with 42% earlier in the year. 54%, unchanged, say they support the evolution of the EU to political union. [*Handelsblatt*, 4th February 2004]

II. Other European News

Nato official convicted of forgery

In a case which has become a *cause célèbre* in Romania, but which has received almost no coverage in the British or Western press, a former Nato official, who worked on Nato enlargement, has been sentenced by a Dutch court to 14 years in prison for fraud. He was acquitted of related charges of complicity in money laundering and drug trafficking. Since he has already been in custody for 14 months, the convicted man was immediately released. The conviction is a major embarrassment for Lord Robertson, the head of Nato, since Matser was one of the organisation's key people for Eastward enlargement. Matser's two co-defendants were an Italian drug trafficker, Pietro Fedino and a Dutch estate agent, Willem van Voorthuizen. They were also convicted of fraud, and given 15 and 18 months respectively. [*Gardianul*, 28th January 2004]

Italy naturalises 600,000

By 31st December 2003, Italy had naturalised 634,728 illegal immigrants in the last year, the largest naturalisation ever undertaken in Europe. Only 25,892 requests for naturalisation were rejected, out of a total of 705,404 requests. Previous naturalisations, involving some 250,000 people, took two years to complete. The biggest nationalities receiving papers are Romanians (132,769), Ukrainians (100,135), Albanians (47,060) and Moroccans (46,918). The Italians have also reported a 40% drop in illegal immigration in 2003, and they claim that arrivals from the Balkans and Turkey have fallen by 90%. Certainly, huge numbers came into Italy from the Balkans and Turkey in the late 1990s and early parts of this decade; most of them used Italy merely as a transit-point. Italy now has some 2.5 million legal immigrants. Now demands are being raised for these people to be able to vote in local and regional elections. The proposal that they should be able to vote was supported, surprisingly perhaps, by Gianfranco Fini, the leader of the *Alleanza nazionale*, but it will need a constitutional revision if it is to be made into law. [Jean-Jacques Bozonnet, *Le Monde*, 3rd February 2004]

Poles prepare to sue Germany

The Mayor of Warsaw has presented provisional figures evaluating the damage done to the Polish capital by the Nazis in World War II. He estimates

the damage at \$3.5 billion, which he says is equivalent to \$31.5 billion in today's currency. Lech Kaczynski told *Die Welt* that the preparation of these figures was a response to the suggestion by certain people in Germany – he was referring to the expellees – who might be preparing claims against Poland for expropriation suffered in 1945 and 1946 as Germans were driven out of the territories awarded to Poland at Yalta. The threat, in other words, is that Poland would sue Germany if the expellees start demanding compensation or the return of their property. The Mayor has also said that he thinks his provisional figure is far too low, and he has asked a group of experts to study the matter and report back in two years. 90% of Warsaw was destroyed in 1945. The regional assembly for the surrounding region of Mazovia, in which Warsaw is located, has also said that it will calculate war damages, an initiative launched by the patriotic and anti-EU parties, the League of Polish Families and the Right and Justice party, to which Kaczynski belongs. But support for this stand goes way beyond these two parties. Jan Rokita of the "Citizens' Platform" accuses the Germans of playing with fire if they start to open up compensation or restitution claims. [Gerhard Gnauck, *Die Welt*, 28th January 2004]

Sudeten row carries on and on

While the Poles appear to be putting up something of a defence against the plans of some Germans to demand compensation or property restitution, the Czech president has been attacked in his own country's press for choosing as his official residence a house which once belonged to a German family in Prague, expelled for collaborating with the Nazi occupiers. President Klaus, whose recent article on the European constitution was published in the *European Journal*, was attacked in *Mlada fronta Dnes* because the house in which he intends to live once belonged to a family called Lippert, expelled and expropriated after 1945, when it was transferred to the Ministry of Defence. The newspaper says this means the president will be subject to pressure from German expellees. It is reported in the Czech press that German expellees have already started looking for descendants of the Lipperts in Germany. [Zita Senkova, *Die Welt*, 3rd February 2004]