

I. Geopolitics

France and Germany respond to US plans for 'Greater Middle East'

The Americans have said that they want NATO to take a more active role in the region they describe as 'the Greater Middle East'. This region extends from North Africa to Afghanistan. France and Germany have presented an alternative, or 'complementary', plan which they are going to submit to their European colleagues for discussion. The concept of 'Greater Middle East' is not, however, confined to the Americans: Joschka Fischer, the German Foreign Minister, used the term "wider Middle East" in his speech to the Munich conference on security on 7th February.

[http://www.securityconference.de/konferenzen/rede.php?menu_2004=&menu_konferenzen=&sprache=en&id=123&] But commentators say that this new common initiative is intended to put a lid on Joschka Fischer's idea. The idea is to be conciliatory towards Washington, but to offer a different policy. The main difference, once the verbiage has been cleared away, seems to be that France and Germany propose a more flexible model for the region while the Americans seem convinced that only the imposition of liberal democracy can pacify the Muslim world. "The European Union," the document says, "should define a distinct approach which complements that of the USA, and work with its own institutions and instruments ... All the states and the societies concerned have expressed collective objections to any attempt to impose a 'model' on them from outside." There is a lot of talk about dialogue with governments and civil society, and there is a clear rejection of the American view that Islam is incompatible with modernity. The EU, say Paris and Berlin, should take full account of the national feelings and identity in each country. The document refers back to the EU's security strategy, published in December 2003, which emphasises the importance of the Israeli-Palestinian peace process. The document also says that there should be a multilateral approach, involving the UN, the EU and NATO, and it says that it wants the EU approach to be different from the NATO one. NATO is expected to discuss its own Middle East initiative at the Istanbul summit on 28th and 29th June. It is likely that this will include "security proposals" made to Middle Eastern countries by NATO, in other words some way of bringing them under the aegis of the North Atlantic alliance. [Laurent Zecchini, *Le Monde*, 3rd

March 2004] Meanwhile, the Americans have started trying to counteract some of the negative publicity they have already received in the Middle East about their "Greater Middle East" initiative. The number three at the State Department, Marc Grossman, has said that reform can come only from inside the countries themselves.

CDU wants to get back together with France

Karl Lamers, the former spokesman for the CDU for foreign policy, has said that his party needs to have a proper debate on the Euro-Atlantic relationship. A year after an open letter was signed by prominent CDU politicians attacking Chirac and the German government for their anti-Americanism, Lamers, who is now retired, has reproached his CDU colleagues for their opportunism. In recent months, he has exhorted the German Right to think deeply about their relationship between Europe and the United States, and about the capacity of the Europeans to act on their own. Lamers' appeal has been largely ignored in Germany but, as Tony Blair is getting into increasing difficulty over the fallout from the war in Iraq, the idea that perhaps the French had been right all along is beginning to gain ground in the traditionally pro-American CDU. The Iraq crisis was, in fact, only the latest in a long series of disagreements between Chirac and the German Right. The German Christian Democrats supported their Austrian colleagues when they allied with the Freedom Party, something which was criticised in the harshest possible terms by Chirac. The Christian Democrats also disagreed with the Elysée over the European constitution, for they wanted to insert a reference to God in the preamble, something to which Paris was vehemently opposed. Finally, the CDU-CSU accepted only reluctantly the French idea of holding a joint session of the French and German parliaments in Versailles to celebrate the 40th anniversary of the Elysée Treaty in January 2003. The CDU therefore reacted sharply when Chirac said that there was no difference whatever between his position and that of the German Chancellor: they started to attack Schröder as the "poodle" of the French. They also squared their general pro-Europeanism with their hostility to Chirac's policy on the war by saying that he and Schröder were dividing Europe instead of uniting it. They claimed that they

would have made the French act differently if they had been in power. They have also made a lot of mealy-mouthed declarations about wanting to be “more autonomous” from the Americans but not “against” the Americans. Wolfgang Schäuble, a leading figure in the CDU, said that he was “irritated” to see that the CDU was no longer the party of Franco-German friendship. [Henri de Bresson, *Le Monde*, 4th March 2004]

Finland ‘could join NATO’

A working group set up by the Finnish Ministry of Defence has concluded that Finland could easily and quickly join NATO. The country would be militarily ready in four years, according to the report. The costs of accession would be €300 million over twelve years, and the yearly cost would be €45 million. The only obstacle would be to overcome more than 50 years of neutrality. Most Finns remain opposed to giving up their traditional neutrality. The government’s desire to join NATO also took a knock when Sweden voted against adopting the euro: Stockholm and Helsinki had hoped to join NATO together. Supporters of Finnish membership of NATO argue that the security situation has changed and they draw attention to the fact that the Baltic states are soon to join NATO as well. They say that it would be wrong to worry about provoking the

Russian bear, as Finland did in the Cold War. [*Der Standard*, 3rd March 2004]

EU imposes sanctions on American products

The European Union has taken action permitted by the World Trade Organisation against certain American imports. A 5% tariff will be imposed, rising progressively to 17%, on a range of imports from paper and clothes to the component parts for nuclear reactors. In 2002, the WTO declared illegal an American law which gives tax breaks to American exporters. The spokesman for the European Commission has said that the sanctions will be lifted the day the Congress changes the law, which President Bush has already promised to revise. Pascal Lamy, the commissar for trade, added that the sanctions were not retaliation but simply a matter of respecting the rules, and that they would be rescinded the day the Foreign Sales Corporation (the legal entity which permits these tax breaks) was abrogated. The level of the sanctions will rise each month the law is not changed, until they reach a total value of \$4 billion, the sum permitted by the WTO. The Commission evidently hopes that the application of sanctions will be especially effective in an election year, when domestic economic issues are very much to the fore. [*La libre Belgique*, 1st March 2004]

II. Enlargement politics

Czech mate

The Czech president, an occasional contributor to *The European Journal*, has again irritated pro-Europeans both in his home country and in Brussels. On the occasion of a visit to the seat of the European institutions, Václav Klaus told a Czech newspaper that he felt the same sense of hopelessness when contemplating the process of European integration as he had felt during the 1960s when listening to the speeches of the Soviet leader, Nikita Khrushchev. He added that if he thought that there was no chance that the EU might still evolve into a union of sovereign states, then he would “commit harikiri”. These remarks naturally elicited an immediate response from the Czech government, whose foreign ministry said that the views were Professor Klaus’ private views alone. This is not the first time that President Klaus has ruffled euro feathers. In his New Year’s address, he referred to the “end of the formal sovereignty” of the Czech Republic, and he said that the capital would henceforth not be Prague but Brussels. In his most recent interview, he said that any deepening of the EU institutions would only aggravate the questions about the organisation’s

democratic legitimacy. He said that the planned European constitution, which pushes integration even further ahead, was the result of Brussels’ “integration fever” which was making reform impossible. Klaus’ anti-EU statements naturally infuriate the pro-EU political class in his country (including some in his own party) and abroad but they are more welcome among the Czech electorate, many of whom are already disillusioned with the EU even before they have joined it. Many of Klaus’ professional enemies have been conducting a smear campaign against him for this very reason. Jiri Pehe, a former adviser to the former Czech president, Václav Havel, who presents himself as a neutral “commentator” but who is in fact a political agitator always ready with an anti-Klaus rent-a-quote, claimed that Klaus was secretly opposed to EU membership altogether. (This tactic mirrors exactly what the British Labour government says about the Conservatives.) Pehe says that he assumes that Klaus voted against EU membership in the 2003 referendum, and indeed Klaus has always refused to say how he voted. On the other hand, it was Klaus who initiated the process of EU membership when

he was prime minister. [Interview with Klaus in *Mlada Fronta Dnes*, 28th February 2004; *Der Standard*, 1st March 2004]

But confirmation that the Czechs, and other Europeans in the accession states, are becoming disillusioned with the prospect of joining the EU, came from an unexpected quarter – the future Czech member of the European Commission. Pavel Telicka was attacking the proposal by net contributor states to cap their contributions at 1% of gross national income. He said that such parsimony would only fuel the already rising anti-EU feeling in the accession states. He said that this disillusion had numerous causes, which included the restrictions being placed on the rights of people from the accession states to work in the existing EU countries. Telicka said that these restrictions were “not a good message”. He also said that, in view of the failed European constitution, Europe needed more leadership and a stronger Commission president. Telicka, who is the present Czech ambassador to the EU, also rejected criticism of him by President Klaus, who had called him “a typical bureaucrat” after he was parachuted into the post of Czech commissar following the sudden resignation of the previous appointee, Milos Kuzvart, even before he had taken up his job. Telicka also rejected the attacks made on him by members of the opposition Civic Democratic Party (ODS) and of some members of the government for the fact that he had been a member of the Communist Party of Czechoslovakia. Telicka will work with the commissar for health and consumer protection, David Byrne, until a new commission is appointed in November. [*Der Standard*, 1st March 2004]

Czechs complain about labour restrictions.

The Czech Prime Minister, Vladimir Spidla, has told his Belgian counterpart, Guy Verhofstadt, that he thinks that the restrictions, which Belgium imposed on 2nd March on the free movement of labour from accession countries, are unjustified. Belgium has imposed the restrictions for two years, against seven years for Germany and Austria, and Spidla said that “neither economic nor social reasons” justified this. [*Radio Free Europe Newslines*, 3rd March 2004]

Verheugen hints at Turkish admission

The commissar for enlargement has said that he hopes the disagreement between Poland and the other countries over the revision of the votes in the Council of Ministers will be resolved. He claims that a debate has started within Poland, which makes him optimistic that there will be agreement on the constitution. Asked about Croatia’s stated aim of joining the EU in 2007, together with Romania and Bulgaria, Verheugen said that he advised the Croats to take the necessary first steps towards membership

without becoming fixated on a date. He said that the EU did not yet intend to admit Croatia. He would only say that Croatia was the most promising candidate among all the possible candidate countries in the “Western Balkans”. Questioned on Turkey, Verheugen said that he was sure that the EU governments would follow the recommendation made to them by the Commission, although he could not say what that recommendation would be. Asked about pressure from the United States over Turkey, Verheugen said that any such pressure would be counterproductive. On the other hand, the rest of his interview makes it quite clear that he is indeed in favour of Turkish membership: he was at pains to deny, for instance, that Turkish admission would cost Germany or the EU a lot of money. He also said that “sensible transfers” to Turkey were in the EU’s interest. He also said that the CAP and the structural funds would have to be reformed before Turkey could be admitted, which implies that it will be, on condition that the payments are not too onerous. He also said that he regretted that the debate in Germany on Turkey was concentrating on the financial issue, and said that a “modern liberalised Turkey” was in “our interests”. (This is exactly the position of the British government, as expressed recently by Dennis MacShane in *The Spectator*.) He said that it would probably take at least ten years before Turkey was admitted. Asked about the proposal to have a “super commissar” in the reformed Commission, with responsibility for trade, consumer protection, the environment and economics, Verheugen said that while he rejected the term he thought that such a consolidation of functions within the Commission was a good idea. He also said that he was in favour of an EU tax, but that he did not think it would be achieved. [Interview with Katja Riddersbusch, *Die Welt*, 4th March 2004]

Schüssel’s chances fade

A visit to Paris by the Austrian Chancellor, Wolfgang Schüssel, scheduled for early spring, has been officially postponed and, according to a spokesman for the French Prime Minister, Jean-Pierre Raffarin, it is now not likely to occur until the summer. Commentators are seeing this as an indication that the Chancellor’s chances of becoming the next president of the European Commission are growing slimmer by the day, since one of the purposes of the trip was to discuss his possible appointment. There is not even anything in Mr. Schüssel’s diary for the summer holidays. Elysée sources are now saying that it might happen in the autumn, if at all. This would indeed scupper Schüssel’s chances, because the new Commission president will have to be chosen at the EU summit on 18th – 20th June. One reason for Paris’

coldness towards Schüssel is said to be that Chirac still holds it against the Austrian Chancellor that he engineered a coalition with the Freedom Party, at the time led by Jörg Haider, while the centre-right politicians in France were doing their utmost to distance themselves from the National Front led by Jean-Marie Le Pen. (For some reason, this logic does not seem to apply to the Italian right, which happily formed a coalition with the post-fascist National Alliance and with the radical Northern League.) It was Jacques Chirac who led the EU states in their year-long but ultimately ill-fated diplomatic boycott of Austria after the “black-blue” coalition was formed in Vienna in February 2000. [*Der Standard*, 2nd March 2004]

Ireland hopes to get agreement on constitution

The Irish Prime Minister, Bertie Ahern, who holds the presidency of the EU, has said that he is trying to unblock the negotiations on the European constitution. He is hoping that a dinner-summit on 25th March might enable progress to be made. He hopes that this meeting might lead to negotiations being reopened in April. He is banking on the feeling, which he hopes other European leaders share, that things should not be allowed to drag on for too long without a decision being taken. “It won’t be any easier in November than in April,” says the commissar Michel Barnier. While Ahern does not want to reopen negotiations unless he is fairly certain that there will be agreement – no doubt he fears that a second failure will finish the project off for good – others say that the impetus towards a

constitution will be lost once a new commission and parliament are appointed. According to the veteran French MEP, Alain Lamassoure, “if it’s not done by the summer, it’s finished.” Germany, meanwhile, seems to have back-pedalled somewhat on the issue of “core Europe”, Joschka Fischer having said at the end of February that he was opposed to the idea of a small “hard core” of states. A German diplomat has added that Europe needs a way of functioning as 25 states, and “reinforced cooperation” was not a solution. There are also disagreements between France and Germany over the issue of Turkish accession. Germany is strongly in favour of Turkey joining the EU, while France has kept her cards close to her chest. But no one doubts that France and Germany will act together on the issue of the European constitution. The Irish are working on obtaining agreement on the three main points of disagreement: the reform of the commission, the extent of qualified majority voting and the issue of the voting rights in the Council of Ministers. Jacques Chirac and Gerhard Schröder have told Tony Blair that he cannot keep the national veto in all the areas he wishes.

But the issue dividing Poland and Spain from France and Germany – the issue of the voting rights in the Council of Ministers – is still not resolved. All eyes will be on the forthcoming Spanish elections, for the Socialists have announced that they will abandon their opposition to the new constitution if they are elected to power on 14th March. [Arnaud Leparmentier, *Le Monde*, 4th March 2004]

III. Other news

Paris and Berlin call for rate cut

The heads of government of France and Germany have taken the unusual step of calling explicitly for a cut in euro interest rates. Chancellor Schröder said in an interview that he could understand if people asked themselves whether the interest rate was at the right level. The French Prime Minister, Jean-Pierre Raffarin, said that he agreed with the Chancellor’s point of view. Opposition parties in Germany have strongly attacked the Chancellor’s remarks, saying that they represent an attempt to exert political influence over the European Central Bank. Critics say that this is the most serious attempt since Oskar Lafontaine, Schröder’s former finance minister, to influence the ECB. Economists and business leaders also criticised the Chancellor’s remarks, precisely because they might prove counter-productive. The ECB could now consider itself obliged to keep

interest rates unchanged in order to demonstrate its independence. [*Die Welt*, 27th February 2004]

Visas for sale in Kiev

A million visas have been issued illegally by the German embassy in Kiev, the capital of Ukraine. It now turns out that the German Foreign Ministry was aware of the problem as early as October 2000. The embassy in Minsk was also the subject of inspections. At that stage, irregularities were noticed in the distribution of visas, and criminal involvement is strongly suspected, especially people going to work illegally in the West, and prostitutes. Now a row has broken out between the police and the foreign ministry as to who is responsible. The German opposition is accusing the government of having acted in an organised and deliberate way against the Schengen agreement. [Guido Heinen, *Die Welt*, 3rd March 2004]