

I. Uncertainties persist over EU's future

Raffarin mooted as Commission president

The choice of Commission president has to be made in four weeks, and there is still no clear favourite. The matter was discussed at the recent meeting of the French and German cabinets in Paris, as it was when the German Chancellor visited the Belgian Prime Minister and, later, Tony Blair. There is apparently a widely held view that a right-wing candidate has the best chance, since the present incumbent, Romano Prodi, is a socialist, and because both the European Parliament and the European Council (the national governments) have a conservative majority. In this context, the name of the current French Prime Minister, Jean-Pierre Raffarin, seems to be finding wide support. The man who was originally the Right's favourite, the Luxembourg Prime Minister, Jean-Claude Juncker, has firmly ruled himself out, saying that he does not want the job. Wolfgang Schüssel, the Austrian Chancellor, does not have much of a chance either because Jacques Chirac still resents him for having formed a government coalition with the Freedom Party. Chris Patten's name has also been mooted, but it is felt that his chances are hobbled by the fact that Britain does not belong to the eurozone. A Liberal might, however, prove to be the right compromise solution and therefore the names of Pat Cox, the current president of the European Parliament (and latest recipient of the Charlemagne prize), and Guy Verhofstadt, are being mentioned. Pat Cox seemed to receive the support of Chancellor Schröder when the latter said that the important thing was that the Commission president be "a convinced European". This was taken as meaning that he did not have to be a former prime minister, which Cox is not. Chirac seems to be behind the candidacy of Verhofstadt, in return for Belgium's support of the French position on Iraq, but this very point could also scupper his chances: both Tony Blair and Silvio Berlusconi, who supported the war in Iraq, are opposed to Verhofstadt for that very reason. [Martin Halusa & Andreas Middel, *Die Welt*, 21st May 2004; *Frankfurter Allgemeine Zeitung*, 19th May 2004]

God and politics

Seven countries have written an open letter to the Irish presidency in support of an explicit mention of Europe's Christian heritage in the European Constitution: Italy, Poland, Lithuania, Malta, Portugal, Slovakia and the Czech Republic. France,

Belgium and the Scandinavian states are against the idea. But Bertie Ahern, the Irish Prime Minister and current president of the European Council, has said that it is unlikely that any reference will be made to God. Meanwhile, the German Government has said that it sees "very good chances" of agreement being reached on the Constitution, even though there are even more areas of disagreement (including new ones with Britain) than there were in the run-up to the failed Brussels summit last December. [*Handelsblatt*, 21st May 2004]

Hopes fade again on Constitution

While the German Government – or at least the Chancellor – is trying to talk up the prospects of success for the Constitution, other EU politicians are feeling distinctly gloomy about it. The last meeting having been held on 24 May between EU foreign ministers before the mid-June summit which is supposed to agree on the Constitution, none of the major issues have been resolved – not the reference to God, not the voting system, not the size of the Commission. The most optimistic remark seems to have been that of Michel Barnier, a French commissar, who says, "No one wants to take responsibility for another failure." A recent draft apparently has the new double-majority voting system (13 member states plus states representing 60% of the population of the EU) entering into force only in 2009. Poland and Spain may have abandoned their opposition to the idea of double majority, but they want the threshold to be higher (65%). This would make it easier for them to achieve blocking minorities. Ireland has suggested reducing the size of the Commission to 18 commissars ... in 2014. [Katja Riddersbusch, *Die Welt*, 25th May 2004; Thomas Ferenczi, *Le Monde*, 26th May 04]

Poland in crisis

The Polish Parliament has failed to vote in favour of the current caretaker government headed by Marek Belka. Belka continues in office for the time being, but it means that Poland has been in a state of incipient crisis since 2nd May when the previous Prime Minister, Leszek Miller, resigned, under the pressure of a collapse in popularity, scandals, and a rift in his party. Belka was summoned back from Iraq, where he was the director of the country's economic policy (sic!) in the transitional Government. But he has

fallen at the first hurdle, despite his promises to reduce Poland's chronically high unemployment (the official figure is over 3 million). The failure of the parliament to legitimise the Government also has implications for the European Constitution, because the opposition claims that it would be quite wrong for a caretaker government to sign up, on Poland's behalf, to something of this importance. Belka has also tried to garner support by saying that Poland's military presence in Iraq will be "substantially reduced". Polish public opinion was already very hostile to the war, and now the most famous Polish war reporter, Waldemar Milewicz, has been killed by insurgents, bringing the issue home to many ordinary Poles. (For some reason, the journalist was given a military funeral with a gun salute over the coffin.) According to the Constitution, the Polish Parliament must approve a new government by 28th May. Otherwise new elections will have to be held, and the winner of that would be either the Civic Platform or the Eurosceptic "Self-Defence" party of Andrzej Lepper. The remaining members of the governing socialist SLD party remain insistent on having Belka as Prime Minister (not least because he is the man the

President wants) and so they are now searching for coalition partners. [Gerhard Gnauck, *Die Welt*, 17th May 2004]

Northern League attacks "wasteful Brussels"

The Northern League has started its campaign for the European elections with clearly anti-EU message. It is attacking a Europe which is "distant from citizens" and complaining about "the diktats of Brussels". The League's popularity has been flagging since it obtained 10.1% of votes in 1996: it got only 4.9% in the European elections in 1999 and 3.9% in 2001. It is therefore trying to use the European elections to reinforce its own power within the governing coalition, the House of Liberties. To do this, it has chosen the tactic of presenting itself as radically different from the other two parties, *Forza Italia* and the *Alleanza Nazionale*. So it is denouncing both "Rome which steals our money" and "Brussels which wastes our money". Radio Free Padania, a pro-League station in Milan, claims to be receiving 1,000 phone calls a day from people complaining about EU legislation. [Jean-Jacques Bozonnet, *Le Monde*, 25th May 2004]

II. Euro-election gets under way

Berlusconi attacks ECB

Even the Italian Prime Minister has allowed himself to criticise the European Central Bank, saying that he thinks Frankfurt's monetary policy is "completely mistaken". "I am a convinced European," he said during a press conference on 24 May, "but I am not afraid to say that those who hold the reins of the single currency are doing things completely wrongly." Berlusconi said that the monetary policy of the ECB had kept the exchange rate of the single currency at a high level, which was "inconceivable and ill considered". Berlusconi has criticised the single currency several times in the past, and the euro is widely credited in Italy with having made the country far more expensive. Berlusconi said that the euro should be weaker, and that its current rate was making European products 25% more expensive than American ones. [*Le Monde*, 26th May 2004]

Haider demands EU condemn US

The governor of the Austrian province of Carinthia, Jörg Haider, who is the leading figure in (although no longer the leader of) the Freedom Party, has started his Euro-election campaign by strongly attacking the foreign policies of the USA and Israel. He and the leader of the Freedom Party, Herbert Haupt, called on the EU to issue a strong condemnation of US policies in Iraq and to demand an immediate

withdrawal of foreign troops from the country. Haider called on Europe to turn its back on US policy in general, and for Europe to distance itself clearly from Israel's policy towards the Palestinians. Haider said that the military intervention by the USA in Iraq was "a violent cultural-political declaration of war" on the world's billion Muslims. It could, he said, set the whole world alight. That was why the EU had to be called unambiguously to order. "Europe must withdraw from the American embrace," he said. He said that the USA had started the Iraq war with a lie and that the Americans were not "the Gods of this world". He said that Ariel Sharon's policy of destroying Palestinian houses with tanks was "mad". Haupt said the US attitude in Iraq was "unhappy"; he said that the presence of Polish and Italian troops in the country was contrary to international law. He said that Austria, which is the third home to the UN (after New York and Geneva) had a special role to play in opposing the policies of the US and its allies. Haupt attacked the governing ÖVP (Austrian People's Party), with which his own party is in coalition, for refusing to condemn the US intervention. More generally, the FPÖ has attacked the "ever increasing centralisation" of the EU. He called instead for people to recognise their loyalty to their homeland. The party has also attacked the euro for making prices rise. Haider has also specifically

attacked the EU commissar for agriculture, his fellow Austrian Franz Fischler, for agreeing to genetically modified food. But Haider reserved his sharpest criticism for the leader of the Social Democrat list, Hannes Swoboda and the independent whistleblower MEP, Hans-Peter Martin. Swoboda, Haider said, had encouraged the EU boycott of Austria in February 2000, when the other EU states tried to prevent the Freedom Party from joining the national coalition. Haider accused him of “treason” and said that his right to vote and to stand as a candidate should be withdrawn. “When a normal mortal

criminal commits a severe infraction of the Constitution, his right to vote is withdrawn, and treason is a serious crime.” Haider said that Hans-Peter Martin’s career had been characterised by “deceit, envy and spite”. Haider called Martin “a guy who lies shamelessly”. He accused the ÖVP of performing the pre-emptive cringe towards Brussels, always doing whatever Brussels wanted, and that the reason for this was that the Christian Democrat leader, Wolfgang Schüssel, wanted to become Commission president. [*Der Standard*, 26th May 2004]

III. Other European news

Austrians and Slovaks argue over nuclear power

Three years after their concerted effort to get the Czechs to close their nuclear power station at Temelín, the Austrians are now once again enraged, this time with the Slovaks. The Slovak Minister of Economics, Pavol Rusko, caused a storm when he implied on television on 23 May that Slovakia might build two new nuclear reactors at Mochovce, 140 km East of Vienna, to compensate for the closure of the two reactors at Bohunice, which the EU has demanded that Slovakia shut down. Slovakia wants to preserve its position as an exporter of electricity, but this is very much not what the rest of the EU has in mind for the accession states. The Austrians’ fury has seemingly known no bounds: the head of the Social Democrat list for the European elections, Hannes Swoboda, said that the minister’s remarks were “an affront to Austria and its European partners”. His rival, the leader of the Freedom Party list, Hans Kronberger, said it was “a monstrous affront and a provocation of the first order”. The spokeswoman for the Greens said that the statement demanded a rapid and severe reaction by the Austrian authorities. All these three parties are facing a big contender in the form of Hans-Peter Martin, the dissident former Social Democrat MEP who has made a huge name for himself denouncing the systematic corruption which is practised by the current members of the Strasbourg assembly. Martin’s independent list is supported by the influential mass-circulation daily *Kronenzeitung*. The Foreign Minister, Benita Ferrero-Waldner, tried to calm everyone down and claimed to have received an assurance from the Slovak Foreign Minister, Eduard Kukan, that Rusko’s statement did not reflect the position of the Slovak Government. But her colleague the Deputy Chancellor, Hubert Gorbach, of the Freedom Party, issued the following communiqué: “The (Slovak) economics minister should know that in a community that which could

present a danger is discussed together because risks do not stop at borders. It is absolutely irresponsible towards future generations to invest in risky energy.” Gorbach said that he and the Austrian Government would do everything in its power to prevent Slovakia from building new power stations. Minister Rusko was not to be intimidated, however. On TV on Monday night, he questioned whether the Bohunice reactors would be closed down after all as planned in 2006 and 2008. “We will have to reconsider this decision and negotiate again,” he said. [Joëlle Stolz, *Le Monde*, 26th May 2004] The European Commission has said that Bohunice must be closed as agreed during the accession negotiations, but that Mochovce is a national decision. Günter Verheugen, the commissar for enlargement, said of Palko’s suggestion that Bohunice might not be closed after all, “It’s out of the question. Slovakia must respect the accession treaty.” Verheugen said any new negotiation was impossible. But Mochovce, Verheugen’s spokesman said, was none of Europe’s or Austria’s business. “We do not want to prevent, and cannot prevent, an EU member state from building or extending a nuclear power station,” said the spokesman. Austria had not demanded the closure of Mochovce during Slovakia’s accession negotiations. Rather embarrassingly for the Austrians, the Euratom Treaty, signed at the same time as the Treaty of Rome (1957) commits the signatory states – i.e. the EU member states – to “the development of a powerful nuclear industry which contributes to the prosperity of all peoples.” [*Der Standard*, 26th May 2004]

Russia signs up to WTO and Kyoto

Moscow has signed a wide-ranging agreement with the European Union which obliges it to raise the domestic price of gas and to reduce the taxes it charges for flying over Siberia. These measures should make it more likely that Russia will be able to join the World Trade Organisation, and the

agreement represents the conclusion of years of negotiation conducted between Pascal Lamy, the EU commissar for trade, and Guerman Gref, the Russian minister for economic development. Russian entry to the WTO is still dependent on further discussions with the USA and China. Russia has agreed to raise the price of gas from \$27-28 per 1,000 cubic metres to \$37-42 in 2006 and \$49-57 by 2010, a huge leap which will presumably have a severely negative effect on Russian industry and consumers. The agreement also requires that Russia keep tariffs below 7.6% for industrial imports and 13% for agricultural products. Russia has also said that she is favourable to the Kyoto agreement, which would involve reducing carbon dioxide emissions. The only false note sounded during the meeting between the European Commission president and his Russian counterparts was when the Russian Foreign Minister, Sergei Lavrov, rejected in advance the EU's "senseless efforts" to encourage Russia to start a political process in Chechnya. [Thomas Ferenczi, *Le Monde*, 23rd May 2004]

Kosovo administrator quits

The man who heads the United Nations Mission in Kosovo, Harri Holkeri, has resigned in a climate of high tension between Serbs and Albanians, following the massacre of scores of Serbs, the injuring of hundreds, and the burning of hundreds of churches by Albanian thugs in March. The former Finnish Prime Minister is therefore leaving at a time when there is more enmity between the two communities than at any time in the five years since Nato attacked Yugoslavia on the side of the Albanians. Holkeri called the Albanian attacks "a crime against humanity" and blamed the Kosovo Albanian leaders. But this was crying over spilt milk, because the Kfor troops who are supposed to keep the peace in Kosovo in fact offered no protection to the Serbs at all. Holkeri had tried to make gestures in favour of the Serbs, such as when he boycotted an inaugural session of the newly renovated Kosovo Parliament because its murals made no reference to the history of the Serbs in Kosovo. In addition, the economic collapse of Kosovo has been vertiginous ever since the UN moved in: unemployment is now at least 50% of the population.

Macedonians flock for Bulgarian citizenship

According to a Macedonian newspaper, huge numbers of Macedonian citizens are applying for Bulgarian passports because it is easier for them to get visas for the West with Bulgarian passports than with Macedonian ones. The paper alleges that some 480 passports have been granted in 2004, and that the

total number granted in 2001 was 3,000. But there are allegedly some 15,000 applicants. Diplomatic sources say that the interest of Macedonian citizens in Bulgarian passports skyrocketed as soon as Bulgaria became a candidate for EU membership. Bulgaria is expected to join the EU in 2007. [*Dnevnik*, Skopje, 14th May 04] In the past, Bulgaria has been one of the main centres for the trafficking in passports, with diplomats in at least one embassy (France's) being found guilty of selling Schengen visas to people who want to come to Western Europe.

Four CIS presidents want common economic space

The presidents of Russia, Ukraine, Belarus, and Kazakhstan -- Vladimir Putin, Leonid Kuchma, Alexander Lukashenko and Nursultan Nazarbaev -- met in Yalta on 24th May and agreed to press ahead with the implementation of the treaty on the creation of the Single Economic Space, signed in September. President Putin said, "The primary objective of the next stage in the evolution of the SES is to formulate as quickly as possible a workable regulatory and legal basis for economic cooperation." The next stage is to present 61 draft agreements on foreign trade, customs tariffs, and the business environment: these will be discussed in September. [*Radio Free Europe Newslines*, 25th May 2004]

Popish plot

80,000 Catholics assembled at the pilgrimage shrine of Mariazell in Austria on 21st May to reaffirm their belief in the "Christian foundations" of the EU. Some 60,000 came from Hungary, Slovakia, and Czech Republic, Poland and other former communist accession countries. Many had walked to Mariazell, some for many days. National flags and ancient banners were carried; men wore Austro-Hungarian military uniforms and women wore folk-costume. Guest of honour was the 93 year-old son of the last Austrian Emperor, Otto von Habsburg, who attended the Mass held in the open air, together with seven heads of state and the president of the European Commission, Romano Prodi. The Cardinal Archbishop of Vienna, Christoph Schönborn said that the presence of so many people was "a profession of faith in the Christian foundations of Europe". The Pope sent as envoy no less a figure than Cardinal Angelo Sodano, Vatican Secretary of State, who said that now that Europe had been made, it was time to "make Europeans" and to give them "a common conscience". [Joëlle Stolz, *Le Monde*, 24th May 04]

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