

I. The search for a Commission president goes on

Solana throws his hat into the ring

The current High Representative for the EU's common foreign and security policy, Javier Solana, has said that he would find it very difficult to say No if he were offered the job of president of the European Commission. The Belgian Prime Minister, Guy Verhofstadt, and the British commissar, Chris Patten, have withdrawn their names from the race to succeed Romano Prodi. Although Solana said that he was "not a candidate" he also said that he was prepared to serve the EU in any capacity – a fairly obvious hint that he is a candidate. Solana's statement came shortly after the Spanish Prime Minister, Miguel Angel Moratinos, said that it was "practically decided" that Solana would be the new EU foreign minister. But when asked whether Solana might become Commission president instead, the minister said that "in European life" nothing could be ruled out. A new candidate will probably be proposed by the end of the month. [Martin Halusa & Katja Ridderbusch, *Die Welt*, 21st June 2004]

However, the leader of the European People's Party in the European Parliament, Hans-Gert Pöttering, has vehemently rejected Solana as a candidate. He has said that Solana has no chance and that he thinks "absolutely nothing" about the suggestion that he become the next president. Pöttering points out that the EPP won the European elections, and that it has expanded its position as the largest formation in the European Parliament. The Parliament, moreover, has to agree to the appointment of a new president. Pöttering has repeated the often-stated position of the EPP that the outcome of the European elections must be taken into account when the new Commission president is chosen. On the conservatives' list of candidates is Michel Barnier, the French foreign minister and a former commissar; the Prime Minister of Portugal, José Manuel Durao Barroso; the Austrian Chancellor Wolfgang Schüssel; and the Luxembourg Prime Minister, Jean-Claude Juncker. The speculation is now that Romano Prodi might be asked to stay on after his mandate expires on 31st October. The Irish presidency might call a special summit to discuss the matter on 30th June, the last day by which a decision must be taken. [Martin Halusa, *Die Welt*, 22nd June 2004]

Guy Verhofstadt issued a statement saying, "I am not available for the job (of Commission president). As Prime Minister, I want to continue to

work for the modernisation of my country." The Belgian premier was apparently shocked and bitter at the intransigent opposition to his appointment, expressed by London, Rome and some of the new EU member states. While Tony Blair refused to comment publicly on his opposition to Verhofstadt, the Belgian premier said that he was proud of the position Belgium took against the Iraq war. This was a clear reference to Blair's anger at the convocation of a mini summit, in Brussels, in the lead-up to the war, at which four EU countries (France, Germany, Luxembourg and Belgium) launched a European defence initiative as a way of marking their differences with America.

Mr Verhofstadt's domestic difficulties have increased because regional elections inflicted a heavy defeat on his liberal VLD party. The biggest party in Flanders, and in Belgium, is now the Vlaamsblok, which seeks an independent Flanders, and which Verhofstadt vowed to destroy when he gained power. In Wallonia, the Socialists are in the majority. Many in the VLD are now calling for the Vlaamsblok to be integrated into the regional Flemish government, in other words for the policy of excluding it from power to cease. Half of the mayors in Flanders now say that the "cordon sanitaire" electoral pact with other parties, which prevents the Vlaamsblok from being elected, should be broken. [Jean-Pierre Stroobants, *Le Monde*, 22nd June 2004]

Some now think that Bertie Ahern, the Irish Prime Minister, may get the Commission presidency. Ahern has said (somewhat immodestly) that he feels sure he could become Commission president if he wanted to, but that he does not want the job. At the same time, he has also declared that it was an offer one could not refuse. [*Sunday Tribune*, 20th June 2004] Ahern fills several of the informal conditions for the job: he is from a right-wing party, Fianna Fáil, which apparently pleases the European People's Party even though FF sat with Charles Pasqua and Philippe de Villiers in the Europe of Nations group in the last European Parliament. He is from a small country, which is the correct alternation after a Commission president from Italy. And he is said to have good communication skills. Finally, Jacques Chirac has apparently let it be known that the fact that Ahern is monoglot Anglophone will not be an obstacle. [Jean-Pierre Langellier, *Le Monde*, 22nd June 2004]

II. Constitution

Kissinger gets a phone number

The European Union is about to have the “phone number” which Henry Kissinger used to joke it lacked – that of a European Foreign Minister. One of the main agreements reached at the weekend at Brussels was to fuse the posts currently occupied by Chris Patten and Javier Solana and to create an “EU minister for Foreign Affairs”. The new post will be a 5-year mandate, and there will be an EU diplomatic service, composed of national diplomats and Commission staff, and with a considerable budget. The EU Foreign Minister will be both part of the Commission and the Council of Ministers, to the extent that he will coordinate the work of the national foreign ministers. Javier Solana has been mooted for the job, as has Joschka Fischer, the current German EU minister. [Andreas Middel, *Die Welt*, 16th June 2004]

Vatican attacks constitution

Speaking in Polish during a short allocution after saying the *Angelus* on Sunday, the Pope has attacked the EU Constitution for its failure to make any reference to Christianity or even God. “One should not cut the roots from which one is born,” said the Pontiff. He made the remark in the context of an expression of thanks to the Polish people (more precisely, its Government) for having tried to include a reference in the new Constitution. Commentators seemed to agree that the Pope had been speaking off the cuff, and that his remarks betray the bitterness at the failure of the Vatican’s policy of pushing Poland forward as the lead country of a group of seven (the others were Italy, the Czech Republic, Portugal, Malta, Lithuania and Slovakia) who called for the insertion of a reference to Christianity. [*Corriere della sera*, 20th June 2004]

Italian Foreign Minister lukewarm

The Italian Foreign Minister, Franco Frattini, has said that the European Constitution “deserves 6 ½ out of 10” – in other words, not much – but that the only way to achieve consensus was to reduce expectations. The Minister said that he was favourable to a referendum in Italy on the new treaty, and that he hoped to be able to celebrate its signature in Rome between October and November. Frattini welcomed the confrontation between Berlin and London over who should be the new commission president, because he said that it showed that there was no “directorship” in Europe – a reference to Italian fears that Rome would be excluded if Paris, London and Berlin created a new “triangle” in place of the old Franco-German axis. The Minister welcomed the new phrases inserted about the “economic

governance” of Europe, something which France, Germany and Italy had wanted badly. He also welcomed the “new balance of powers between the Commission and the Council of Ministers on the surveillance of deficits”, i.e. the watering down of the Stability Pact. The Minister said that Italy had fought until the last minute for the inclusion of the words “in particular Christian” after the reference to Europe’s “religious” heritage, but that France, Belgium and Finland had said they would not accept it under any circumstances. (It is being said that Jacques Chirac responded to Berlusconi’s demand on this by saying sarcastically, “Thank you, Father”.) [Giuseppe Sarcina, *Corriere della sera*, 20th June 2004] The Minister’s remarks about a referendum have sparked off a debate on the matter which crosses the political spectrum. Members of the *Alleanza Nazionale* and *Rifondazione Comunista*, as well as people from the centrist parties and the Northern League, have said they want a referendum. Silvio Berlusconi claims not to have thought about the issue yet. [*Corriere della sera*, 22nd June 2004]

German CDU tries to claw back national power

The Christian Democratic Union has concluded a debate in the Bundestag on the European Constitution by demanding extra powers for national parliaments in future EU decision-making. The CDU MEP, Peter Hinze, has said that in future the opening of negotiations on the admission of new member states must be approved by a two-thirds majority of the Bundestag, and the European spokesman for the CDU in the Bundestag has made the same proposal. This is an obvious way of trying to obtain a German veto on Turkish membership. The FDP Liberals and the Greens have attacked this proposal. The FDP leader Guido Westerwelle called it “irrelevant”, and the head of the Greens in the Bundestag, Volker Beck, has called on the CDU leader, Angela Merkel, to make it clear “whether Peter Hinze is a political adventurer or whether the whole CDU now represents a security risk for the EU.” The previous week, the leader of the Bavarian Christian Social Union, the Bavarian Prime Minister Edmund Stoiber, also called for the approval of national parliaments to be sought before all major EU decisions. The CDU and the CSU have now constituted a working group which will examine proposed changes to the German Constitution to give effect to such demands. Hinze, who belongs to this working group, said that the decision on whether to admit a new member is in fact usually taken at the beginning of the negotiation process, and not at the end. For this reason, he said

that it was important to have Bundestag approval at the beginning of the negotiations. However, he did not say that this demand was unconditional. But Hinze also said that he would recommend that the CDU vote in favour of the existing Constitution, saying that it contained “more light than shadow”. Peter Altmaier, another EU politician in the CDU, said that in the past the Bundesrat (the Federal Council, the second chamber of the German Parliament, which is a committee of the *Länder* governments) had always succeeded in getting its demands satisfied with previous treaties, and that it

was therefore natural that the lower chamber, the Bundestag, should also have the same right. The ratification of the Constitution requires a two-thirds majority in both the Bundestag and the Bundesrat. It is assumed that the CDU and CSU will still vote in favour even if these demands are not met, but the recent bad showing of the governing SPD Social Democrats will apparently make it difficult for the proposals to be rejected. [Ansgar Graw, *Die Welt*, 22nd June 2004]

III. Other European news

Czech Prime Minister threatens to resign

One of the casualties of the European elections may be the Czech Prime Minister, Vladimir Spidla. His Social Democratic party won a mere two seats in the euro-elections, way behind the opposition ODS and the Communists. He has announced that he will resign as party leader and Prime Minister if he loses a confidence vote at Saturday’s special congress of his party. This would lead immediately to the collapse of the governing coalition. Originally Spidla said that he would seek a confidence vote in the Parliament but his Christian-Democrat and Freedom Union partners said it would be better if the Social Democrats solved their own internal problems first instead of transferring them onto the national Government. It seems obvious that the Freedom Union, and probably the Christian Democrats too, are really seeking to keep their options open: rather than vote for Spidla in parliament, they want to see whether they might enter a coalition with one of the other parties instead, if the present Government falls. Spidla evidently hopes to bring rebellious Social Democrat deputies into line with his confidence vote: many of them are pining for a return of their former leader, Miloš Zeman. Spidla has bolstered his attempt to bring the rebels into line by threatening to resign as Prime Minister as well as party leader, because this has scuppered an alternative, which would have been for him to continue as Prime Minister but to resign as party leader only, handing that job to his deputy, the Interior Minister Stanislav Gross. Spidla has said that he takes full responsibility for the poor showing of his party in the euro-elections. If Spidla does resign, then President Klaus will have to ask Gross to form a minority government. Gross thinks that such a solution might work, if the Communists support the minority government. This would bring the Communists, who came second in the euro elections, back into the political system for the first time since the fall of communism at the end of 1989. [Hans-Jörg

Schmidt, *Die Welt*, 22nd June 2004]

Berlusconi alleges electoral fraud

The Italian Prime Minister, Silvio Berlusconi, has alleged that numerous votes for the right-wing governing parties were invalidated during the count of the recent euro and local elections in Italy. He said that the opposition parties had “professionals who add more and more votes for themselves and fewer and fewer for us.” He said that Italy needed to avoid handing itself over “to people like them”. His remarks elicited a sharp rebuke from the leader of the reformed Communist Democrats of the Left, Massimo d’Alema, himself a former Prime Minister. “If a President of the Council (i.e. Prime Minister) gets to this point,” said d’Alema, “the best thing would be to leave him alone in his delirium.” The judge turned politician, Antonio di Pietro, said that he would be writing to the public prosecutor asking him to investigate the allegations made by the Prime Minister. [*Corriere della sera*, 22nd June 2004]

Switzerland holding out over withholding tax

The Swiss Government has still not given a binding date for the introduction of the EU tax on savings, according to a spokesman for the European Commission. It is planned that tax on savings will be levied across the EU, even on accounts held by foreigners, starting in January 2005. There has been much pressure in Germany for non-EU Switzerland to be included in this, in order to prevent Germans from escaping the tax by putting their savings in Switzerland. Without Swiss cooperation, the introduction of the tax might be delayed, perhaps for six months or a year. Switzerland had agreed to levy a tax of up to 35% on interest payments for accounts held by EU citizens in Switzerland, and the agreement also provided for Switzerland to maintain its banking secrecy. But this agreement has not yet been ratified. Countries with high budget deficits, like Germany, expect to reap big earnings from the

introduction of this tax, and naturally they want to prevent as many of their citizens as possible from avoiding it. [*Handelsblatt*, 22nd June 2004]

German economist: “social system may collapse”

The head of the Ifo economics institute in Germany, Hans-Werner Sinn, has warned that the social system in Germany and Europe may be eroded. He said that EU-enlargement will mean that there will eventually be free movement of labour throughout the EU. Sinn said, “If Europe creates a social union on the German model, with harmonised state benefits across the whole continent, then we will have twenty regions like East Germany in Europe.” He added that European social systems were threatened by immigration: he recommended that if people leave country A to go and work in country B but fail to find work there, then country A should continue to be responsible for their unemployment benefit. He said that social benefit tourism had to be stopped, or else the whole system would collapse. He also said that nationals – e.g. in Germany - would lose their jobs as a result of immigration, because no extra jobs would be created. Between 1970 and 2002 7.5 million people had immigrated into Germany, of which 3.1 million had found jobs. He said that over the same period, the unemployment rate among Germans had risen by 3.2 million – which is a polite way of saying that foreigners have taken German jobs. [*Handelsblatt*, 18th June 2004]

Madrid bomber’s links to police

Spain is rife with speculation at the implication of the discovery of the private telephone number of the head of Spain’s Civil Guard bomb squad in the possession of the wife of the man accused of supplying the dynamite used to blow up the trains in Madrid on 11th March. The wife of Emilio Suárez Trashorras, who is alleged to have supplied 200kg of dynamite to the bombers, had the number of Juan Jesús Sánchez Manzano, the head of Tedax (*Técnico en Desactivación de Artefactos Explosivos*, the Spanish police’s anti-explosives unit). This revelation has raised fresh concerns that there was some security service link with the bombings which killed 190 people. Señor Suárez Trashorras and two other men implicated in the bombings have already been identified as police informers. Other members of the group had evaded police surveillance, despite concerns within the security services about their activities and evidence of their association with al-Qaeda. [*El Mundo*, 18th June 2004]

Kosovo Albanians demonstrate for independence

Kosovo Albanians have demonstrated in Pristina demanding that the United Nations leave Kosovo,

which it has governed since the NATO invasion in 1999, and make Kosovo into an independent republic. They celebrated the 5th anniversary of the passing of the UN Resolution 1244 which ended the Kosovo war and set up UN rule by calling for its abrogation. These demonstrations follow the anti-Serb pogroms in March, which were permitted by the very NATO troops which are supposed to protect the ethnic minorities, and which resulted in the deaths of 28 Serbs and the wounding of hundreds. In the pogroms, scores of Serb churches and monasteries were attacked and burned, as NATO troops withdrew to allow the Albanian mob through. Some suspect that Kfor and the UN had decided that it was too difficult and costly to protect the remaining Serb enclaves. The demonstrations have been led by the same “student leaders” who protested against the Serbs, and some of them have set themselves up as a new paramilitary movement. The emergence of such a group in a tiny province which is under the military control of NATO seems, like the similar uprising in neighbouring Macedonia in 2000, to be tolerated by the West. The economy has collapsed in the last five years, and yet these student leaders’ main “demand” for the privatisation process to be accelerated and for Kosovo to be integrated rapidly into the European Union. [Isabelle Lasserre, *Le Figaro*, 22nd June 2004]

Tensions still high in Georgia

Elections have been held in the Autonomous Republic of Ajara, from where the president was summarily ejected from power in May. The result was a predictable 75% for the candidate put up by the Government in Tbilisi. Members of the former president’s circle and family have been arrested. [*Urtass*, 21st June 2004] Tbilisi’s attention is now also turning to the secessionist province of South Ossetia, which declared independence from Georgia in 1992 but which no other state recognises. An ultimatum has been issued to South Ossetia to arrest a “peacekeeper” allegedly responsible for shooting a civilian, or face invasion. [*RBC News, Russia*, 22nd June 2004] In other developments, it has been reported that the United States Customs and Border Protection Department will provide assistance to Georgian border police. [*Daily Georgian Times*, 21st June 2004] Finally, the opposition Labour Party in Georgia has written to the US Government and European bodies to protest against “the policy of censorship and dictatorship” of the mass media, especially television, implemented by the new Georgian leadership. [*Caucasus Press*, 17th June 2004]

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