

Brussels wants its money back

London has reacted with anger at proposals by the European Commission to cancel the famous British rebate, obtained in 1984 and now worth some £4 billion a year, as part of a new budget package which will take account of enlargement. Denis MacShane, the British European minister, said that the rebate was not up for discussion. He was responding to the Commission's budget proposals for 2007 – 2013. Six net contributor countries have called for the EU's spending to be capped at 1% of total GDP, the Commission has said that it wants to rise to 1.14%. The Commission wants to replace the British rebate with a general system which would apply to all net contributors: the idea is that net contributors would receive a 66% rebate as soon as their net contribution rises above 0.35%. The maximum rebate would be 7.5 billion euros. Chris Patten and Neil Kinnock, the two British commissars, have already attacked their colleague, Michael Schreyer, who drew up the suggestion, calling the plan "naïve". They have suggested a transitional period from 2008 to 2011 during which the rebate would fall from 4.6 billion euros to 3 billion on average in the period 2007 – 2013. London has received the support of Vienna, where the Finance Minister, Karl-Heinz Grassler, said that the Austrian Government "categorically" rejected the suggestion. But the new member states are keen for the budget to be reformed, since they will have to finance the British rebate. Paris has reacted cautiously to the proposal. The Foreign Minister Michel Barnier was clearly referring to the British rebate when he said, "Certain specific regimes are now out of date." The new president of the Commission, José Manuel Durao Barroso, has reacted very cautiously and remains evasive on the subject of the British rebate. [Philippe Ricard, *Le Monde*, 16th July 2004]

Barroso gets cold reception

Members of the European Parliament made a point of referring to José Manuel Durao Barroso as "the designated candidate" when he appeared to answer its questions on 13th and 14th July. The aim was to show that the European Parliament has the last word in the selection of the new president of the European Commission, and that the MEPs can quite easily veto the man who has been chosen by the heads of state and government. The European Parliament will vote on Barroso's candidacy on 22nd July. One of the

questions was, "Why did you resign from your post as Portuguese prime minister before your appointment was confirmed by the European Parliament?" Barroso tried to turn the tables on this question – which was intended to embarrass him by showing that he had rashly assumed that he would get the job – by saying that he had resigned "out of respect for the Parliament" and because he wanted to make himself available to it. He also said that it would have been wrong to leave the Portuguese people in a state of uncertainty for a whole month. Barroso was also given a grilling by left-wing MEPs for the economic policies he pursued while Prime Minister of Portugal. A Luxembourg MEP, Mr. Goebbels, attacked Barroso for reducing spending on education, research and the environment. Barroso replied that he had inherited a difficult budgetary situation and that Portugal had to conform to the rules of the Stability Pact "which was enforced by the Commissar Pedro Solbes, the Spanish Socialist former minister." But Barroso also said that the head of a government had to be "a politician, not a bureaucrat!" He also rejected the label "conservative" (even though he is supposed to be from the Right) saying that instead he was "a centrist reformer". In a reply to Daniel Cohn-Bendit, Barroso also recalled the fact that he had been a Maoist when he was 18, which presumably he thought would curry favour with the Left. He also came under pressure over Iraq. He defended his decision to host the Anglo-American-Spanish summit in the Azores which declared war on Iraq. He said that he had taken the decision based on information which he had at the time, that he refused to remain neutral in a war between the USA and Saddam Hussein, and that "the construction of Europe must not be made against the United States." Barroso spoke in English, French and Portuguese according to the language of his interlocutor, and addressed some of the MEPs by name, flattering them when he could. [Rafaële Rivais, *Le Monde*, 16th July 2004]

French Jews protest at Sharon

The President of the French Republic, Jacques Chirac, has denied saying that the Israeli Prime Minister, Ariel Sharon, is "not welcome" in France. [*Le Monde*, 20th July 2004] Tempers flared after Sharon called on French Jews to leave France "immediately," and come and live in Israel because of the rise of anti-Semitic attacks there. Sharon, who said that Jews

from many countries should leave, but that it was “absolutely necessary” for French Jews in particular, made his remarks at a service in Jerusalem to commemorate the life of the radical Zionist, Zeev Jabotinsky. Initially, reports said that the Elysée had told Mr. Sharon he was *persona non grata* in France but this has been corrected. Paris says that it is asking for an explanation for the remarks before proceeding with plans for a visit by Sharon to France. French Jewish leaders called the Israeli leader’s remarks “unacceptable” and accused him of trying to pour oil on the flames. Richard Prasquier, member of the executive bureau of the *Conseil représentatif des institutions juives de France* (CRIF), said, “The Jewish community is genuinely concerned for the future of its children, but we know that the French political class is doing all it can to fight anti-Semitism. Some Jews in France are thinking about leaving. This is perfectly true. But to leave means thinking that the situation can no longer be brought under control, and we have not reached that point.” Haïm Korsia, who works for the Chief Rabbi Joseph Stiruk, said that the question of Jews leaving France “was not on the agenda”. “We are a part of the soul of this country,” he said. He even rejected Sharon’s expression, “Jews of France”, saying that they were all French citizens as much as those of other religions or none at all. The Israeli authorities have singled out France for criticism several times, drawing attention to the large number of attacks on Jews in 2003. Salai Meridor, the director of the Jewish Agency, which helps people emigrate to Israel, said in Jerusalem that more and more French Jews were coming to the conclusion that their future did not lie in France.” But in fact the number of Jews leaving for Israel has fallen. It was 2,313 in 2003 as against 2,566 in 2002. On the other hand, these figures are 2 ½ times higher than in 2001 and 2000. The Jewish Agency, while denying that it is inciting French Jews to leave France, has nonetheless confirmed that it is opening offices in several French towns to help those who have plans to emigrate. It says that it is expecting between 30,000 and 33,000 French Jews to leave “in the near future”: this represents some 6% of the Jewish community, which is the biggest in Western Europe. The Chief Rabbi said, “The Jewish community in France has always lived well and happily, and it intends to stay.”

Stoiber calls for referendum

The Prime Minister of Bavaria, Edmund Stoiber, who was the Christian Democrat candidate for Chancellor in the 2003 elections, has called on the German Government to organise a referendum on the EU Constitution. Stoiber said that if Britain and France were going to hold a vote, then Germany could not

refuse to hold one. (Italy has also said it would hold a referendum, but Stoiber did not mention this.) The same view was expressed by the Christian Democrat Prime Minister of the Saarland, Peter Müller. He said, “If big countries like Britain, France, Spain and Poland hold referendums, then political leaders in Germany should look at the question of holding a plebiscite.” They were joined by the CDU deputy, Dietrich Austermann, who said, “The bond of legitimacy is getting more and more stretched. The danger is that it will break.” He was referring to sovereign responsibilities being transferred to the European level. Austermann said he was convinced that the Germans would vote in favour of an EU Constitution. But other members of the CDU rejected Stoiber’s call. Friedbert Pflüger who speaks on foreign policy issues said that he was “fundamentally of the view that plebiscites do not bring more democracy but instead only offer active minorities a public forum” (sic!). He said that a referendum on a Constitution “would just fake true participation in democracy, because the decision cannot be reduced to Yes or No.” Pflüger said that a referendum would bring together people who criticised the Constitution for all kinds of different reasons: he said that some oppose it because it goes too far and others because it does not go far enough. Some, he said, wanted a reference to God, others were dissatisfied with details of the environmental policy. He said that the fact that other countries were holding votes was merely a reflection of their different political traditions. The leader of the FDP Liberals, Guido Westerwelle, said that his party would try after the summer break to make sure that a referendum was held. [*Die Welt*, 19th July 2004]

Schröder on business trip to London

Chancellor Schröder visited Tony Blair in London for an hour on Thursday evening, after which a dinner was held for him at the German embassy attended by the head of Merrill Lynch, Stanley O’Neal. Schröder wanted to present an upbeat picture of Germany as a good place to invest. He claimed that most economics institutes in Germany had revised upwards their predictions for growth. He was clearly attempting to reverse the highly adverse publicity which Germany now gets in economic matters, especially in Britain where the headlines portray Germany as an economic basket case. Merrill Lynch is represented in Germany by the former prime minister of Baden-Württemberg, Lothar Späth. Schröder is now throwing his whole prestige into the balance in an attempt to reverse this negative perception. Schröder’s discussions with Tony Blair also turned on the German economy because its

performance affects the way the overall European question is addressed in Britain. If German and eurozone unemployment remains stubbornly high, then the likelihood of Europe or the euro ever becoming popular in Britain will remain stubbornly low. [*Die Welt*, 16th July 2004]

German President goes to Poland

It was in conditions of some tension between Berlin and Warsaw that the new German President, Horst Köhler, made his first state visit abroad, to Poland. He visited Warsaw, Danzig (Gdansk) and the Hela Peninsula. There were no grand speeches, as if to underline the normality of the visit, which was described as “neighbourly”. But, now that Poland is part of the EU and NATO, it seems that the demons of the past are once again haunting the German-Polish relationship. According to some commentators, the huge issues of expropriation and war damages hangs in the background. Anna Wolff-Poweska, a so-called “expert” on Germany, wrote in *Gazeta Wyborcza* that some solution had to be found to the 60 year-old “burden”. Köhler tried to put all that behind him when he said that Germany and Poland had to “look to the future together”, and he made flattering noises about Poland’s “success”. He said that he supported the tri-national vocation of the university at Frankfurt on the Oder on the Polish border (France is also involved) and said that perhaps other nations should be involved as well. The two presidents spoke little about Iraq, Köhler preferring just to refer to the “values and interests which link us to the USA” rather than discuss the opposite policies pursued by the two neighbours during the Iraq war. The personal history of both presidents is relevant to the historical issues: President Kwasniewski was born in Pomerania, formerly German territory, the son of Poles expelled from Eastern Poland when that part of the country was awarded to the Soviet Union at Yalta, while President Köhler was born in Skierbieszow in the General government of Poland under German occupation in 1943. Köhler said that he would follow the precedent set by his predecessor, Johannes Rau, whose “Danzig declaration” had ruled out compensation and the reckoning up of personal suffering. But the organisation “Prussian Treuhand” wants to make such demands for Germans expelled from Poland. Köhler said explicitly that he regretted the actions of this organisation, saying that it could lead to “misunderstandings”. But he said that in a free society such things could not be forbidden. “My opinion is that there is no serious political force in Germany which would take up the political theme of property claims,” he said. He said that his own parents had come to Poland as a result of the war and

suffering which Germany had unleashed on the country. He said that Germans remained conscious of their historical responsibility for what happened. However, the Expellees Association (*Bund der Vertriebenen*) reaffirmed its intention to proceed with the creation of a Centre against Expulsion in Berlin, a project against which Warsaw has protested. The expellees’ president, Erika Steinbach, said, “We are primarily a national organisation. 20% of all Germans are expellees or the children of expellees. Poland must stop trying to block things.” [Gerhard Gnauck, *Die Welt*, 16th July 2004]

Mr Erdogan goes to Paris

The Turkish Prime Minister, Recep Tayyip Erdogan, has made a three-day visit to France in order to argue in favour of Turkey’s membership of the European Union. In December, the EU countries are going to decide whether to open accession talks with Ankara, on the basis of a report which the Commission is to produce in October. In 1999, the EU confirmed Turkey’s status as a candidate but her candidacy is hotly contested among EU member states. During the European elections, the right-wing parties in France expressed their hostility to the accession of a country with a population of 70 million Muslims, and this as Europe is still digesting the admission of ten new member states in May. Erdogan met the Prime Minister, Jean-Pierre Raffarin; Alain Juppé, the former leader of the UMP pro-Chirac party (who is soon to be replaced in that post by Nicholas Sarkozy); François Hollande, the leader of the French Socialists; and François Bayrou of the centrist UDF. The French Left is basically in favour of Turkish membership. In the last three years since the election of Mr. Erdogan’s AKP party, the Turkish Parliament has passed scores of laws which are supposed to get the European accession process moving. The influence of the army has been reduced and cultural rights have been given to the Kurds. The Turkish Foreign Minister, Abdullah Gül, says that these reforms have reached a “critical mass” and that most of the EU’s demands have now been met. These include the release of a Kurdish campaigner, Leyla Zana, which has led to the removal of Turkey from the list of those countries deemed to be deficient in democracy. Ankara’s positive attitude to the Cyprus question during negotiations on the Annan plan has also helped Turkey’s EU prospects. [Nicole Pope, *Le Monde*, 20th July 2004]

During the visit, President Chirac expressed his support for Turkish membership. According to a statement by the Elysée Palace, President Chirac said that the integration of Turkey into the EU was desirable and that it should occur as soon as possible. He thereby confirmed his statement made at the

Istanbul summit on 29th June that Turkey's movement towards admission to the EU was "irreversible". Chirac has thus set himself at odds with numerous members of his own UMP party, who are opposed to Turkish membership. During the talks, Mr. Erdogan also confirmed that Turkey intends to buy up to 50 Airbuses for Turkish Airlines. The contract worth 1.6 billion euros is to be shared with the American aircraft manufacturer, Boeing. [*Le Monde*, 20th July 2004] Turkey has also expressed an interest in the purchase of French nuclear power stations to be built in Turkey. Some 100 businessmen accompanied Erdogan on his visit, to underline the economic case for Turkish membership. Turkey now has the support of both Jacques Chirac and Gerhard Schröder. [*Handelsblatt*, 21st July 2004]

Germany won't get its super-commissar

The rumour is spreading that the new president of the European Commission, José Manuel Durao Barroso, will not want a "super-commissar" of the kind Germany envisages, and to which post it wanted Günter Verheugen appointed. Barroso said during his appearance before the European Parliament that he wanted to retain the principle of individual competence: this is equivalent to a clear rejection of the idea of bundling up into one the responsibilities of several commissars, on industry, trade and the economy. The new president-designate is apparently following the advice of the general secretariat of the Commission, which is opposed to the idea of merging the offices of various commissars. The fear is that a super-commissar would, although a vice-president, be more powerful than the president himself. Verheugen is therefore trying to see what other powerful jobs he could get in the new Commission. Paris apparently wants the single market portfolio, while Britain's Peter Mandelson might get Mario Monti's job as competition commissar. [Michael Scheerer & Marcello Berni, *Handelsblatt*, 19th July 2004]

Commission sues Cresson for corruption

In an unprecedented step, the European Commission has issued a writ against the former commissar, Edith Cresson, for nepotism while in office from 1995 to 1999. It was Cresson's behaviour which led to the collapse of the Santer commission in 1999. Cresson was accused of employing her lover (and dentist) to do Commission work. If she is convicted, she may lose her pension rights. It will take at least two years for the European Court of Justice to reach a decision. The Belgian judicial authorities had sued Cresson for

the same affair last month, but Cresson's lawyers argued that it was an internal Commission matter – so the Commission has sued her instead. Cresson was Prime Minister of France for a few months in 1991 but she resigned then because of corruption scandals within the governing Socialist Party. [*Handelsblatt*, 19th July 2004]

Bossi resigns

The leader of the Northern League, Umberto Bossi, has resigned from the Italian Government, partly because of his own illness and partly because of an internal row within the governing coalition between his party and the *Alleanza Nazionale*. While the League wanted tax cuts (it campaigns for the fiscal and political independence of Northern Italy) Gianfranco Fini's party, which has strong support in the South, wanted to keep tax and subsidies high. The Treasury Minister, Giulio Tremonti, was caught in the middle and Silvio Berlusconi sacrificed him, on Fini's demand. Bossi has said he will become a member of the European Parliament instead. He and his party have said, however, that they will continue to support the Government and not try to bring it down. [*La Repubblica*, 19th July 2004]

Do the "European Democrats" exist?

The Conservative Party in Britain claims that it has negotiated a clever deal with the federalist European People's Party. The idea is that the Tories join up with the Czech ODS, the Portuguese Popular Party and one Italian to form a sub-group called European Democrats. According to one Conservative MEP, this solution is as good as not belonging to the EPP at all. ["The end of the affair for Tories and federalists," by Daniel Hannan, *The Daily Telegraph*, 18th July 2004] How odd, therefore, that the web page of the "European People's Party (Christian Democrats) and European Democrats" makes no mention whatever of the autonomy of the ED. [<http://www.epp-ed.org/home/en/default.asp>] Instead, it reports only on the re-election as party leader of the arch-federalist Hans-Gert Pöttering. It is impossible to find anything out about the new ED group from this page. The Conservatives claim that they have remained within the EPP because they want to team up with other conservative parties in Europe. How odd, therefore, that their first act in the new European Parliament was to vote a Spanish Socialist, Josep Borrell Fontelles, as President of the Parliament, even though the conservative parties in Europe clearly won the European elections.

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