

I. Russia and Ukraine

Russia capitulates

In the wake of the contested Ukrainian elections, the Russian foreign minister, Sergey Lavrov, has stressed that he sees no danger of a new cold war and that Moscow wishes to see good relations with the EU. He said that his country's sponsoring, with the EU, of round table discussions between the competing candidates for the presidency helped ensure that the country did not break up. He insisted that Russia had respected the principle of non-interference in the internal affairs of another state. Lavrov said that President Putin had been right to attack attempts to "destabilise Russia" through terrorism in the Northern Caucasus (Chechnya) and he said that it would indeed be an attempt to isolate Russia if the West sought to put Ukraine unambiguously into the Western camp, as the EU president, Bernard Bot, had done between the first two rounds of the presidential election. Lavrov said that he wanted the EU to ensure free passage of goods and persons through Lithuania from Kaliningrad to Russia, and that it should also help to protect the rights of Russian minorities in the Baltic states: it was doing neither at present, he said. Lavrov said that Russia believed that world stability could be achieved only with a multipolar international system – precisely the opposite of what Washington wants. Lavrov also said explicitly that Russia would offer no opposition if Georgia or Ukraine decided to join NATO. "That is their choice," he said. [Interview with Matthias Brüggmann, *Handelsblatt*, 2nd January 2005]

Death in Ukraine

The Ukrainian minister of transport, Georgiy Kirpa, 58, has been found dead, killed by a bullet to the head. Although a revolver was found nearby, prosecutors have opened an investigation, fuelling suspicions that the death was not suicide. Kirpa is the second person in the Yanukovich government to have been found dead during the recent crisis over the presidential elections: on 3rd December, the head of the Ukrainian Credit Bank, Yuri Liakh, was found

dead in his office: he was supposed to have committed suicide by cutting his own throat with a paper knife. Mykola Tomenko, a close associate of the Ukrainian president-elect, Viktor Yushchenko, has said that these deaths are not likely to be the last – an incredibly threatening remark under the circumstances. [Lorraine Millot, *Libération*, 29th December 2004]

Unpopular measures in the pipeline

One possible candidate for Prime Minister under the new president is Petro Poroshenko, a 39 year-old "businessman", chairman of the parliamentary budget committee and campaign manager for Yushchenko. In an interview with *Le Monde* he has made no bones about the fact that the Ukrainian people are going to suffer as a result of Yushchenko's victory: whoever is chosen to lead the government, he said, would raise taxes, cut social spending, and suppress tax loopholes. Hundreds of millions of dollars will have to be "saved" in this way. Not without a certain irony, Poroshenko said that it was not normal that in a country where the average wage was a few hundred dollars a month, there should be so many millionaires: he is himself a businessman with an empire worth many hundreds of millions of dollars. [Christophe Châtelot, *Le Monde*, 4th January 2005]

Turkmenistan presents the bill

Following the victory of the "orange revolution", widely perceived as a Western-funded movement, the government of Turkmenistan has announced a 25% increase in the price of the gas it delivers to Ukraine, from \$44 to \$58 per 1000 cubic metres. Initially, Turkmenistan has asked for \$60 and threatened to cut the gas off completely, but eventually settled for \$58. The price rise will cost the Ukrainians an extra \$500 million in 2005. Some 40% of Ukraine's gas imports come from Turkmenistan. [Frankfurter Allgemeine Zeitung, 4th January 2005]

II. Other European News

German unemployment rises again in December

German unemployment rose in December by 206,900 to 4,464,200. This figure is 149,200 higher

than in December 2003. It means that the unemployment rate in Germany is now 10.8%, a rise of 0.5% in a month. One year ago the rate was

10.4%. The seasonally adjusted figure rose by 17,000 to 4,483,000. In West Germany, the total number of people out of work was 2,860,000, 133,400 more than in November and 110,000 more than in December 2003. In East Germany there were 1,603,900 people out of work, which is 73,500 more than in November and 39,200 more than in December 2003. The unemployment rate is 8.7% in West Germany and 18.5% in the East. [Frankfurter Rundschau, 4th January 2005]

Sarkozy against Turkey joining EU

Nicolas Sarkozy, the rising star of the French right and President of the main centre-right party, has once again said that he thinks that some kind of privileged partnership is the best kind of relationship between the EU and Turkey. Sarkozy warned that people were in danger of de-stabilising the EU out of fear of de-stabilising Turkey: he meant that people are arguing in favour of EU membership for Turkey on the basis that the country must be firmly aligned to the West if it is to remain democratic. Sarkozy drew attention to the fact that Article 57 of the European constitutional treaty specifically mentions such privileged partnerships. "Why would we include such a concept in the constitution if we are not going to use it?" he asked. Sarkozy berated the Turks for their position on Cyprus, and Europe for even admitting the possibility that Turkey might not recognise Cyprus. He also reproached Europe for seeming to abandon its goal of advancing political integration and instead getting lost in ever more waves of enlargement. Sarkozy said that, for him, the question of the borders of Europe was indistinguishable from the question of the identity of Europe. "The more of us there are," he said, "the less integration there will be. If Europe wants to embrace everyone, it will end up holding nobody." Sarkozy also attacked the view that the EU would become more powerful the bigger it grows. "What is the point of being big if no one can take any decisions?" Sarkozy said that privileged partnership should be offered not only to Turkey but also to other countries such as Ukraine, Israel and the countries of the Maghreb. He said that he supported the leader of the German Christian Democrats, Angela Merkel, who has promised to abandon German support for Turkish membership if her party is elected in 2006. Sarkozy also said that it would be impossible to keep the Turkish question out of the debate on the European Constitution: a referendum is expected to be held in France in the first half of 2005 on the issue. He said that he would campaign for the Constitution, implying that he greatly regretted the fact that the Turkish issue would weaken the pro-Constitution case. [Michaela Wiegel, Frankfurter Allgemeine Zeitung, 22nd December 2004]

Juncker warns of danger of referendums

The incoming president of the European Council, the Luxembourg Prime minister, Jean-Claude Juncker, has said that he does not want the numerous referendums which are to be held in the EU to cause stagnation. Juncker has said that he fears that the EU will stagnate in the next eighteen months, and he has "warned" member governments not to use the referendums as an excuse for "not doing our work". Popular pressure, in other words, must not be allowed to get in the way of what politicians want to do. He has said that the main tasks include re-writing the Stability Pact, which is supposed to limit the amount of money governments can borrow, and to come to an agreement on the budget for 2007-2013. Juncker has said that he has no intention of revisiting the October 2002 agreement which fixes agricultural subsidies at their present level until 2013, but that he will seek to obtain the progressive reduction and eventual abolition of the British rebate agreed at Fontainebleau in 1984. (Juncker said that he always referred to that summit as "Fontainebluff.") He referred to the British rebate as "a mistake" and rejected any idea that the same principle of a rebate should be extended to other net contributor countries. Apart from these remarks, Juncker's interview is notable mainly for its extremely bureaucratic and opaque language – the discourse of a true Eurocrat. [Interview with Arnaud Leparmentier, *Le Monde*, 4th January 2005]

It is indeed true that the 2007-2013 budget remains a sticking point. The aim is to reach agreement on it by June 2005. The Commission wants the EU budget to be 1.24% of EU GDP while the six net contributors – Germany, Britain, the Netherlands, Sweden, Austria and France - want it to stay at 1%. Since the agreement has been reached to keep agricultural spending at its present level, reductions in spending will have to come from elsewhere – mainly by cutting regional aid, but also by axing the British rebate. Mediterranean countries, especially Spain, are likely to lose their regional aid in favour of the new Eastern European states. [Arnaud Leparmentier, *Le Monde*, 4th January 2005]

Lithuania closes one of its nuclear reactors

In conformity with EU demands, EU has taken the highly unpopular measure of closing one of its two nuclear reactors, situated in the Eastern Lithuanian town of Ignalina. The second reactor is to be closed before the 1st January 2010. The pretext is that these reactors have the same structure as the one which blew up in Chernobyl in 1986, but it seems odd to allow a nuclear reactor which is in danger of exploding to continue working for decades if the danger is real: it is likely that the closure of the

reactors has more to do with a desire to render the new member states dependent on Western sources of energy, than on any security considerations. The closure is even less logical, since the reactor was modernised in 1990 and has never had any kind of accident: Ignalina allowed Lithuania to make money because it produced more electricity than the country needed. The cost of dismantling the plant will be between €2 and €3 billion over 30 years. Lithuania is already looking at ways of replacing the lost supplies of energy, either by buying electricity from neighbouring Poland ... or by getting the French company Areva to build a new nuclear reactor. [Antoine Jacob, *Le Monde*, 2nd January 2005]

Cuba re-establishes “official contacts” with several European countries

The EU having decided to rescind the diplomatic sanctions it imposed against Cuba in 2003, Havana has reopened official contacts with the ambassadors of France, the United Kingdom, Germany, Italy, Austria, Greece, Portugal and Sweden. On 14th December, the EU Committee for Latin America decided to stop inviting Cuban dissidents to its embassies' official receptions. Cuba considers them to be mercenaries in the pay of the USA. In response to the death sentence imposed on three Cuban hostage-takers last year, the EU adopted a series of symbolic measures, including inviting the dissidents. The Cuban government responded by ceasing all official contact with EU embassies. Relations with Spain were normalised at the end of November, after the new Spanish government indicated that it wished to become more friendly with Havana. Neither Belgium nor the Netherlands had been subject to the Cuban “sanctions” because they had not held a national day reception and had not invited dissidents. Havana is trying to isolate those countries – Poland, the Czech Republic and Slovakia – who are against any relaxation of the EU's sanctions against Cuba until all political prisoners have been released. There are believed to be some 300 political prisoners in Cuba. [Paulo A. Paranagua, *Le Monde*, 5th January 2005]

Berlusconi attacked in the street

The Italian Prime minister was the victim of a sudden physical attack by a tourist while taking a walk in central Rome. Roberto Dal Bosco, from Northern Italy, who was spending a few days on holiday in Rome, caught sight of the Italian Prime Minister who was admiring a crib in Piazza Navona. He lunged towards him and smashed him on the back of the head with the camera tripod he was carrying. He later said that he had carried out the attack because Berlusconi was the person he hated most in the world. Berlusconi went home, had a large bandage

put on and left the same evening for his house in Sardinia. Dal Bosco was taken away immediately and it was expected that he would be given a stiff prison sentence. But he was released only 19 hours after the attack, the investigating magistrate finding that he was guilty only of causing “aggravated lesions”. The magistrate did not indict Dal Bosco for the graver crime of “attacking a politician”, a crime which carries a maximum sentence of seven years in prison. As soon as he was released, Dal Bosco expressed regret for what he had done, saying that he would probably write to Mr. Berlusconi to apologise. [Richard Heuzé, *Le Figaro*, 3rd January 2005]

Austrians fall out of love with EU

Austria joined the EU ten years ago, along with Sweden and Finland. Two-thirds of the Austrian population voted in favour of EU membership then, but now the mood has turned sour. The thing which Austrians most resent is the transit through their territory of masses of EU lorries, over which the Austrians have given up all control. Austrian pro-EU politicians had repeatedly promised that the issue would be resolved within the EU institutions but these promises have been in vain. [*Die Presse*, 30th December 2004] Austrians were also shocked when, in February 2000, their new EU colleagues ganged up against them and imposed diplomatic sanctions following the inclusion of the Freedom Party in the national governing coalition.

Agreement signed on trans-Balkan pipeline

The Prime Ministers of Bulgaria, Macedonia and Albania have signed a political declaration giving the go-ahead for an oil pipeline to be constructed across their territories, from the Bulgarian Black Sea port of Burgas to the Albanian Adriatic port of Vlora. The pipeline is to be built by the US company AMBO (Albania-Macedonia-Bulgaria Oil Pipeline), whose CEO is Edward Ferguson. According to the US Department of Energy, the Balkan peninsula is an important transit route for Caspian oil, and this is what the new 912km-long pipeline will be for. The project will cost \$1.2bn dollars and will take 3-4 years. The pipeline will transport 950,000 barrels of oil per day. [<http://www.eia.doe.gov/emeu/cabs/balkans.html>; Bulgaria Online, 28th December 2004]

Questions being asked about Cyprus in Turkey

An independent Turkish deputy, Emin Sirin, has put down a question to the Turkish government asking what commitments it has made to the EU over Cyprus. He claims that an article in the final draft of the Constitution implies that Turkey will recognise the Republic of Cyprus and that the exact way in which this will be achieved has been laid out in a

diplomatic note sent by the Foreign Ministry. Sirin has asked to see the diplomatic note, or at least to be informed of its contents. [*Turkish Daily News*, 4th January 2005]

Independents in Turkey rally against EU and US

The Independent Turkey Party held a rally in a central square in Istanbul on 2nd January on the theme “Neither the EU nor the US”. Some 3,000 people attended. Addressing the meeting, the party chairman Haydar Bas said, “The Republic of Turkey, which was founded by Atatürk 81 years ago, has come to a point where it is going to lose its independence. We say No to the Broader Middle East and North Africa Project, led by the European Union and the United States. It imposes more severe conditions on Turkey than Sèvres.” (The Treaty of Sèvres (1920) was imposed on Turkey by the allies after the First World War and fixed her present borders.) Bas said that the EU negotiations were bringing Turkey close to disintegration; he also said that there were no jobs for Turks in the EU and questioned why the political class was striving so hard for membership. Referring to an incident in the northern Iraqi city of Sulaimaniyah in which 11 Turkish Special Forces members were captured by U.S. troops in August 2004, Bas said: “We don’t want to be an ally of a country that has detained Turkish soldiers. The best policy for Turkey is to cooperate with Balkan, Caucasian and Middle Eastern countries.” [*Turkish Daily News*, 4th January 2005]

Thousands in Georgia against role in Iraq

Some 34,000 Georgians have signed a petition calling for the withdrawal of their country’s contingent of soldiers from Iraq. Georgian law provides that a petition of more than 30,000 signatures is sufficient to lodge a formal appeal in parliament. Georgia has been involved in the multinational forces in Iraq since 2003, with 300 servicemen deployed there now. There are plans to increase the strength to 850 in 2005. [*Itar-Tass*, 21st December 2004]

Villiers attacks Turkish accession – and Chirac

The veteran anti-EU campaigner, Philippe de Villiers, has published a book attacking the idea that Turkey should join the EU. Villiers, who is leader of the *Mouvement pour la France*, also attacks Jacques Chirac for his support for Turkish membership. With his customary rhetorical flair, Villiers has said that, “Jacques Chirac changes his mind of many subjects but on one thing he has never varied: his Oriental tropism.” The title of the book, *Les turqueries du Grand Mamamouchi*, is a reference to Molière’s great

comedy, *Le bourgeois gentilhomme* [English text here: <http://www.gutenberg.org/dirs/etext05/8brgh10.txt>] in which the ridiculous and upwardly mobile anti-hero, Monsieur Jourdain, is tricked into believing that he has been elevated to the fictitious Turkish noble rank of Grand Mamamouchi. “Monsieur Jourdain is in the Elysée Palace,” joked Villiers. “For the first time, France is governed by a Mamamouchi.” Villiers is also, of course, campaigning against the European Constitution, which he says is closely linked to the issue of Turkish accession anyway. [*Le Figaro*, 5th January 2005]

A family affair

A concerted campaign is being launched in Poland to shoe in the wife of the current president, Alexander Kwasniewski, as his successor when his term comes to an end this autumn. Polls have been produced showing that Jolanta Kwasniewska has 19% support, more than anyone else. The second most popular candidate is a 38 year-old TV presenter, Thomas Lis. [Gerhard Gnauck, *Die Welt*, 5th January 2005]

Germany gives half a billion to S-E Asia

Germany has made itself the largest donor nation by announcing €500 million worth of aid for reconstruction following the tsunami disaster in the Indian Ocean. Chancellor Gerhard Schröder said that the aid would be spent over a period of 3 – 5 years. He also called on German insurance companies not to try to wriggle out of settling claims in connection with the catastrophe. Schröder said that the aid would be given mainly for rebuilding schools and hospitals but also for orphans. He also said Germany wanted to help finance an early warning system for future quakes. It seems that the early repayment of some Russian debt will be used to finance this aid. But opposition politicians have attacked the aid package, saying that it will in fact mean more German debt. A CSU politician has said that the money should come from cutting coal subsidies. Others have warned that the money should not be taken from the coffers intended for development elsewhere in the world. Both Schröder and Foreign Minister Joschka Fischer have rejected suggestions that Germany is giving this money in order to smooth the path towards obtaining a permanent seat on the UN Security Council. The other donor countries have pledged less than Germany: Japan, €377 million, USA €264 million. Britain’s Prime Minister has promised “several hundred million pounds.” [*Frankfurter Allgemeine Zeitung*, 5th January 2005]