

NEWS

Chirac sets out vision of Europe in 2004

French and Germans resurrect two-speed plan for the EU, writes **Toby Helm** in Berlin

THAT Jacques Chirac, the French President, chose to announce his new vision of Europe in the Bundestag said it all.

Greeting him outside the parliament building in Berlin the French, German and European Union flags flapped together in the wind yesterday. The intended message was that the two nations were as one over Europe.

For months, rumour has had it that Paris and Berlin no longer see eye to eye on the future direction the EU should take and that the Franco-German motor that drove integration forward under Helmut Kohl and Francois Mitterrand had spluttered to a halt.

M Chirac's trip to Berlin, the first state visit to Germany by a French head of state for 13 years, will have scotched much of that.

From his very presence in the Bundestag three days before he launches his country's EU presidency, and more so from the content of his speech, it was clear that France and Germany still rule — and rule together — in Europe.

At the heart of M Chirac's address were two main ideas for taking Europe forward in the era after monetary union. Both have been floated recently by senior German politicians.

The first was that "pioneer groups" of EU nations should be allowed to forge ahead with integration without being held up by the vetoes of more reluctant

partners such as Britain. The problems the EU had in agreeing a tax on offshore savings — a plan that was blocked by Gordon Brown, the Chancellor, to protect the interests of the City of London — have weighed heavily on Franco-German minds.

"Countries that want to go further with integration on a voluntary basis and on precise projects should be able to do so without being held up by those who — and this is their right — do not wish to go so fast," said M Chirac.

In more detail, he made clear that a "two speed" Europe could come into effect as soon as January 2001 with Germany and France leading the way.

"I hope that from next year the pioneer group should be able to get down to better co-ordination of economic policy, a reinforcement of co-operation on defence and achieving greater efficiency in the fight against crime," he said.

Such a group would probably comprise France, Germany, Italy and the Benelux countries — all of which which have long been frustrated by vetoes of the more awkward member states.

The second important proposal was for a constitution for Europe that would once and for all define the relative powers of EU member states as against those of Brussels. Such a document, M Chirac explained, would help to make Europe more comprehensible to its citizens and politicians and easier to run.



Jacques Chirac, the French President, squares up to the problems facing the future of Europe

A core Europe of fast-integrating countries bound under a constitution, he insisted, did not amount to the creation of a European "superstate" or anything approximating to one.

"Neither you nor us envisage the creation of a European superstate which would substitute for our nations and mark the end of their existence as players in international life," he told 500 German MPs and dignitaries.

"Our nations are the source of our identity and roots. The diversity of their political, cultural and linguistic traditions make a

[positive] force for our union. In coming times, nations will remain the main reference points for our people."

Last month, Joschka Fischer, the German foreign minister, made a widely reported speech on the future of Europe in which he called for the formation of a European government representing an inner core of EU member states.

They would deal with a narrow or "lean" range of policies best dealt with between nations.

Because Mr Fischer used the terms "European government" and "federal-

tion", he was seen as advocating fully-fledged political union — in effect the creation of one country.

In fact Mr Fischer also insisted that nation states should remain inside and alongside the "European government". It would be "irresponsible" to trample on national sovereignty and traditions in such a way. "Only if European integration takes the nation states along with it into a federation will such a project be workable," said Mr Fischer.

Although some differences remain between France and Germany on detail and timing, they are now a hair's

breadth apart as far as the EU's next step is concerned.

Both want the EU to agree an extension of qualified majority voting in Nice in December to prepare for expansion.

Both want a constitution for Europe and a new round of institutional reform in about 2004.

While Paris and Berlin may not have always seen eye to eye on how to advance the European project, yesterday's speech by M Chirac shows how reports of the breakdown of their relationship were very premature.

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La vie en rose puts France in winning mood

Patrick Blishop in Paris sees national pride revived ahead of the French EU presidency

FRANCE, for once, is happy. The feelgood factor is thick in the air as people survey a booming economy, falling unemployment, and the prospect of their beloved *Bleus* steaming to victory in the Euro 2000 tournament.

And prosperity is all the sweeter for having been achieved in the face of lectures from *Les Anglo-Saxons* that the country would never make it in the world of information technology and carnivorous market capitalism.

From Saturday when it takes over the EU presidency, it will oversee the institutional reforms needed before new members are admitted to the club — a role that will no doubt further boost its self-esteem.

Not only has it achieved the highest growth rate in Europe, it has done so without jettisoning too many habits dear to the hearts of the citizens of what is in many ways a profoundly conservative country.

Every day the newspapers trumpet some fresh reason for being glad to be Gallic. The go-ahead to build the Airbus 3XX which can carry up to 800 passengers was given last week.

Despite being built in partnership with Britain, Germany and Spain, the achievement has been presented as a largely French one, and a humbling blow to the arrogance of the American-owned Boeing.

The Vivendi media, transport and utilities conglomerate has taken over such symbols of American cultural colonialism as Universal studios. Its chairman Jean-Marie Messier, 43, a classic product of the French educational elite, is now spoken of as the only man

capable of beating Rupert Murdoch's media empire. Unemployment has now dipped to 10 per cent, the lowest level since 1992. France has the highest life expectancy in the EU and half the girls born today will live to be 100.

These boons do not seem to have resulted from more work or self-flagellating diets. Last year work accounted for only 12 per cent of people's waking hours.

However, the current prosperity owes much to adoption of practices that the Socialists leading the government have in the past opposed. Lionel Jospin, the Prime Minister, has carried out a far more radical privatisation programme than his predecessors, selling off such giants as France Telecom and Air France.

But other modernising initiatives have crumbled in the face of fierce opposition to the still-mighty unions.

Corruption and nepotism stain vast areas of business life, and the Gaullist and Socialist parties are embroiled in scandals over phoney jobs and elections.

Political thought remains slow to adapt, partly a reflection of a culture in which politicians hang around for an astonishingly long time. President Chirac first served as prime minister in 1974 under President Giscard d'Estaing. The latter is still a major political player.

Enterprise is widely regarded with suspicion. France must be the only Western country where businessmen always appear in cartoons as bloated monsters puffing on cigars.

The French are astute enough to notice the contradictions and confident enough to believe they can reconcile them.