

F. 8 28/6 p1

Chirac calls for an inner core to pioneer enlargement of EU

French president urges Berlin and Paris to lead integration

By Haig Simonian in Berlin

Jacques Chirac, the French president, yesterday called for a two-tier Europe in which France and Germany would lead a "pioneer group" of member states pushing ahead with integration.

Although Mr Chirac said he opposed new bureaucracies, he suggested the pioneers could set up "a light secretariat" to co-ordinate their affairs as part of a process that could end with a form of European constitution.

His vision - set out in a 45-minute address to the Bundestag in Berlin - marked the latest contribution to a German-led debate about how to organise the 15-member EU as it prepares to take in as many as 13 new members from southern, central and eastern Europe.

Mr Chirac said the pioneers would pursue policies covered by the existing European Union treaties as well as new activities. Subjects could include foreign affairs and defence - where there is already wide-ranging co-operation - and the fight against organised crime.

The creation of a new inner core is likely to raise concerns among member states, notably Britain, about the creation of a multi-speed Europe.

It is also likely to alarm can-

didate countries which worry about entering the EU as second-class members.

Initial reaction from Britain was muted. The Labour government repeated its opposition to a "two-league Europe", but said it did not believe that was what President Chirac was proposing.

The government in Poland, the largest candidate country, said it was not opposed to moves by some members to closer integration as long as the process was open to all.

Mr Chirac stressed the "pioneer group" would be open for others to join at their own speed. At a news conference yesterday evening he stressed that his proposal was not a tactic to delay enlargement.

He also recognised potential British reservations. "The UK has its own problems. Well, we must take the greatest account of that," he said.

Plans for the future of Europe after enlargement are likely to feature in a private dinner meeting between Tony Blair, the British prime minister, and Gerhard Schröder, the German chancellor, in Berlin tomorrow night.

Unlike the canvas unfolded by Joschka Fischer, the German foreign minister, last month, Mr Chirac stressed Europe's future lay rooted in the nation state and

called the federal vision "absurd".

Mr Chirac set out a three-stage programme to prepare for enlargement.

The first phase, including the intergovernmental conference due to wind up at the EU summit in Nice in December, would tackle the "leftovers" from the Amsterdam treaty, including the extension of qualified majority voting and the European Commission's size.

Mr Chirac described the second phase as a "big transition" covering the ratification of accession treaties and the creation of the pioneer group.

The third phase would involve re-drawing the treaties underpinning the EU to facilitate future changes and increase transparency. Member states would also define precisely the functions of the central Brussels bureaucracies, national governments and the regions.

At the end of the process, Mr Chirac called for some form of European Constitution, which could be put as a referendum in those member states with a tradition of plebiscites.

Chirac endorses idea, Page 2

Editorial Comment, Page 12

Europe's double act, Page 12

ft.com/news/worldnews/europe

WORLD NEWS

F.T 28/6

Chirac endorses idea of a constitution for European Union

By Robert Graham in Paris

President Jacques Chirac yesterday took a radical step away from the French right's traditional mistrust of closer European integration by endorsing the idea of a constitution for Europe during his state visit to Germany.

In a keynote speech just ahead of the French presidency of the European Union in July, Mr Chirac also dropped his reservations about responding to German federalist ideas on Europe and talked of creating a "pioneer group" to tackle the challenges posed by enlargement.

Both in tone and content, President Chirac's text marked a departure from his previously cautious, step-by-step approach to building European unity.

It was also in marked contrast to the somewhat pedestrian outlines of French policy expounded by Lionel Jospin, Socialist premier, earlier this month.

On that occasion, Mr Jospin had outlined three main priorities for the six-month French presidency of the EU - and of these the emphasis

was on reinforcing growth and jobs in Europe. He only replied in rhetorical terms to the challenging vision of Europe earlier laid out by Joschka Fischer, German foreign minister.

For instance, he merely questioned whether there should be "an avant garde of a few countries" to give new impetus to the reform of Europe's institutions.

Mr Jospin also cautioned that any big new ideas on overhauling the EU institutions had to have "a sufficient degree of realism to be shared and have a reasonable chance of success".

But yesterday, Mr Chirac not only dropped the "avant-garde" phrase but talked far more grandly of "pioneers".

Furthermore, his proposal that this "pioneer group" set up its own secretariat was not even on the drawing board before.

This underlined just how Mr Fischer's original speech on the future of Europe has galvanised the French body politic in a short space of time - effectively injecting new vigour into the French presidency of the EU. It built on a recent, informal, brain-

storming session of Franco-German leaders at Rambouillet, where Mr Chirac acquired the conviction that Europe's evolution should no longer be held up by the euro-sceptic doubts of countries such as Britain and Denmark.

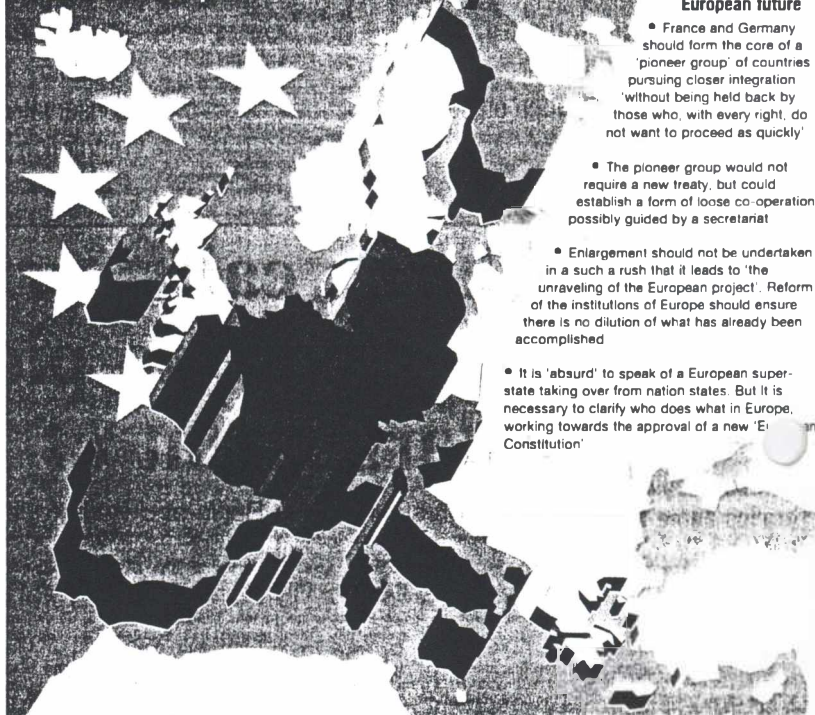
At the domestic level, Mr Chirac's change of tack suggested he and his advisers thought French public opinion had moved substantially in favour of closer EU integration since the 1992 referendum on the Maastricht Treaty was won by a narrow majority.

But Mr Chirac also, for the first time, behaved as if he no longer feared the "sovereignist" vote represented by the rightist National Front and the hard-line Gaullists who have broken away from his own RPR party.

Indeed, if anything, the challenge to his ambitions to win a second presidential term in 2002 is coming more from Francois Bayrou, leader of the centrist UDF and a confirmed European federalist.

Another domestic element in this change has been the pro-European convictions of Alain Juppé, former premier,

A multi-level Europe



Chirac and the European future

- France and Germany should form the core of a 'pioneer group' of countries pursuing closer integration 'without being held back by those who, with every right, do not want to proceed as quickly'

- The pioneer group would not require a new treaty, but could establish a form of loose co-operation, possibly guided by a secretariat

- Enlargement should not be undertaken in a such a rush that it leads to 'the unraveling of the European project'. Reform of the institutions of Europe should ensure there is no dilution of what has already been accomplished

- It is 'absurd' to speak of a European super-state taking over from nation states. But it is necessary to clarify who does what in Europe, working towards the approval of a new 'European Constitution'

who at Mr Chirac's behest has drawn up a draft for a European constitution. This is due to be unveiled later this week. But the key factor has been Mr Chirac's need to

demonstrate to the electorate that he can still take the lead in foreign policy even though he does not control parliament or the government agenda. Success and

visibility in this role is crucial to his chances for a second term in office.

Yesterday, Mr Chirac laid down clear markers the French EU presidency

would be his presidency

See Editorial Comment, and Comment and Analysis. More coverage on www.ft.com/news/worldnews/europe

UK government seeks to play down differences with Chirac

By Brian Groom, Political Editor

The British government attempted to play down President Chirac's speech, arguing that it did not amount to a call for a "two-speed" Europe.

A spokesman for Tony Blair, the prime minister, said: "If the French president is saying there should be a hard core, or a two-league, Europe, then that is something which we would not agree with, nor would others. But we don't believe that is what he is saying."

Downing Street claimed President Chirac's statement, that countries wanting to proceed voluntarily with integration on specific

issues should not be held back, did not depart from the present situation.

This has allowed different groups of countries to move ahead on issues such as defence, the euro and the Schengen accord on borders.

In response to Mr Chirac's proposal for a "pioneering group" to be built around France and Germany, the spokesman said Britain might want to be in the vanguard on subjects such as defence co-operation.

It is clear, however, that closer co-operation between EU members will be the most difficult issue for the UK in the intergovernmental conference on reforming EU institutions, due to come to

a head at the Nice summit in December. Britain is also wary of German plans for a second IGC by 2004, which it thinks should not take place until the next wave of enlargement, due around that time, has happened.

The key issue, however, will be how far Britain is forced to compromise in Nice on proposals to allow smaller groups to move forward together than provided in the Amsterdam treaty, and for the veto on such proposals to be removed. Mr Blair will himself be travelling to Berlin on Thursday for talks with Germany's Chancellor Schröder.

■ Mr Chirac's remarks also drew a guarded response in

Poland, the largest of the 13 countries in accession talks with the EU, reports John Reed from Warsaw.

"We aren't against EU countries moving toward closer integration, but that group should be open to any country that wants to be a member," said Jozef Oleksy, of the Polish parliament's European integration and foreign policy committees.

"We aren't afraid of the concept of increased co-operation or flexibility [within the EU], but it shouldn't lead to two categories of countries," said Jacek Saryusz-Wolski, head of Poland's Office of European Integration.

By Michael Smith in Brussels

The European Commission is to bring forward an "action plan" to help EU border regions cope with the union's enlargement into central Europe.

Günter Verheugen, EU enlargement commissioner, told members of the European Parliament yesterday that measures were needed to assist areas next to accession countries. Although enlargement would benefit EU economies, some areas of Austria, Germany and Italy would have to bear an initial burden "That cannot be allowed to happen," Mr Verheugen said.

Speaking afterwards, Mr

Verheugen said the union risked losing internal support for enlargement unless it tackled problems arising from competitive pressures facing small and medium-sized companies near borders with accession countries.

In conjunction with Franz Fischler and Mario Monti, farms and competition commissioners, he hopes to produce proposals by the end of the year.

EU officials said one option would be to provide border regions with better connections to main transport and infrastructure networks. Another possibility would be to apply state aid rules more

flexibly in border regions. Separately, the EU's European Policy said yesterday that enlargement would have a positive effect both on the European environment and on business, and the sooner it took place the better.

A working party report said an estimate of €120bn (\$112bn) was generally accepted for adapting accession countries' environments to EU requirements.

It said investment costs were wrongly assumed to be largely a burden on public capital requirements and this "misapprehension" was giving rise to requests for long "transition periods".

Brussels to speed aid for border regions