

WORLD NEWS

■ **EU REFORM** French President sets out agenda for 'pioneer group' of nations to race ahead with common policies while others are left behind

Reichstag hears Chirac's radical plan for Europe

THE DYNAMICS of Europe's most enduring sibling rivalry demanded a new initiative and it duly arrived yesterday. Amid the venerable walls of the Reichstag, President Jacques Chirac earned warm applause from German MPs for his vision of a future Europe driven by the Franco-German engine.

But even as Mr Chirac, the first foreign head of state to speak at the revamped home of German democracy, was receiving the ovation, politicians on the government benches were frantically scribbling their riposte. For in the battle of the speeches that is suddenly propelling European integration at dizzying speed, France had just landed some painful punches.

It was a clever piece of oratory, peppered with almost patronising compliments to Germany's progress from dictatorship to a civil society. At the Reichstag, whose walls bear the restored Cyrillic scrawls of its conquerors, visitors are almost obliged to mention the War. Soothingly, the French President closed that chapter by declaring Germany had matured enough to deserve a permanent seat on the UN Security Council.

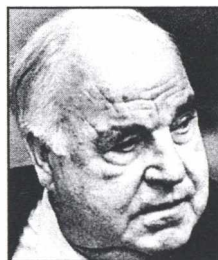
He then paid tribute to past leaders who had nurtured friendship between the two nations. A hesitant applause rose from the opposition as Mr Chirac read out the name of Helmut Kohl. The former chancellor rarely attends these days, but yesterday he was there, sucking on sweets as in the good old days.

Having buried their age-old enmities, the French President argued, Germany and France should steer the rest of Europe to a higher level of common existence. "For the construction

BY IMRE KARACS
in Berlin

of Europe to advance, it is especially Franco-German friendship that we have to deepen constantly," Mr Chirac said. "Let us regain our breath, the founding zeal."

"Oh, but we already have," one or two less polite members of his German audience might have been inclined to mutter. The German Foreign Minister, Joschka Fischer, had fired the parting shot in this "founding zeal" contest by calling for a federal Europe with a central



Helmut Kohl: Tribute drew hesitant applause

government. Surely, the French could not top that? No, France was not even going to try.

"Neither you nor we envisage the creation of a European super-state which would take the place of our nation states," Mr Chirac said, glancing left and right but avoiding the gaze of Mr Fischer seated in the middle of the Reichstag's plenary hall.

The idea of abolishing the nation state, he added for good measure, was "absurd".

France was clearly still troubled by Mr Fischer's ideas, or maybe by his idea that Germany was entitled to go into the

visions business without consulting Paris.

Now President Chirac had come to Berlin to re-establish its supremacy, and prevent any more disturbance while it was minding the EU shop for the next six months. Although Germany had promised to back France during the next tricky months, it has been firing distractive initiatives into the European arena. Poor France now finds itself playing catch-up.

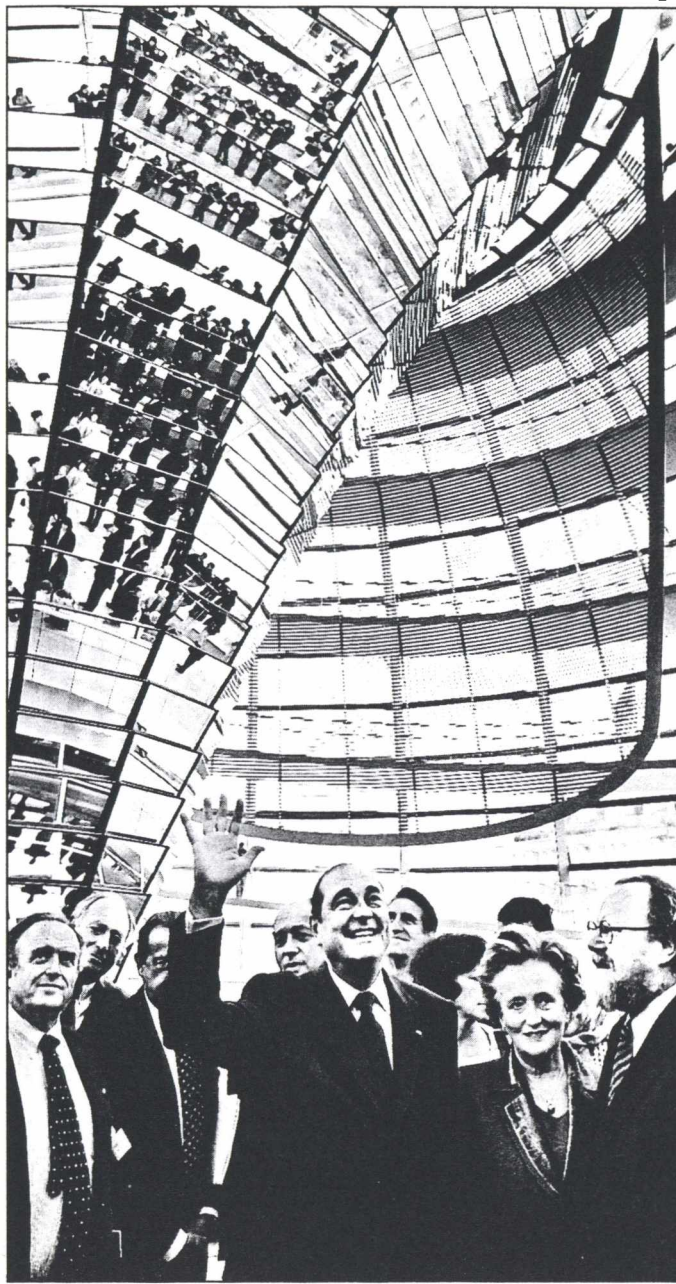
Countering Germany's call for a "great inter-governmental conference", President Chirac urged a "great period of transition" concluding in aims remarkably similar to those outlined by Berlin. France also saw the need, for instance, for a European constitution "within a few years", one recognising German anxieties about the enduring powers of their *Länder*.

And President Chirac paid grudging lip-service to EU enlargement - a German favourite - while warning that new members will not be allowed to weaken the cohesion of the EU's founders.

The French leader skilfully skirted the awkward issue of Germany's influence in a reformed community. More decisions should be made by taking account of member states' "weight", he said, without clarifying what he meant.

The call for the "avant-garde group" to start building core Europe was a master stroke. Suddenly, it is France that seems to be setting the European agenda - boldly going where no German has gone before.

In reality though, President Chirac will probably soon find himself outflanked again as the German government applies its growing weight on the European accelerator.



President Jacques Chirac, with his wife Bernadette, at the Reichstag

Blair sidelined by sharp elbows at heart of EU

THE NEW French vision of a hardcore of EU countries forging ahead with European integration threatens to undo months of patient alliance-building by Tony Blair in his attempt to counterbalance Franco-German influence.

Yesterday's speech by the French President, Jacques Chirac, will have heightened the alarm in London that its diplomatic successes in Europe during the last six months could be short-lived.

At last week's EU heads of government summit in Feira, Portugal, Mr Blair underlined his new strategy of forging contacts with a range of countries by holding two meetings with his most important new ally, Spain's centre-right leader, Jose Maria Aznar.

Although from different backgrounds the two leaders, who speak French when together, have struck up a good relationship and together helped to set the agenda for the so-called "dot.com" summit in Lisbon in March, which stressed the need for economic deregulation.

But this new Anglo-Spanish axis, reinforced by alliances with the more Eurosceptic countries of Scandinavia, is under threat from "reinforced co-operation", an idea designed to allow groups of countries to forge ahead faster than others towards European integration.

Two examples of this trend, under which blocs of countries co-operate in different policy areas, already exist: the European single currency and the Schengen passport-free movement pact, neither of which Britain has joined fully.

Moreover there is already, under the Amsterdam Treaty, provision for countries to co-operate more closely, although none has yet tried to do so. One reason is that the hurdles that have to be overcome are substantial: at present eight

BY STEPHEN CASTLE
in Brussels

countries have to call for greater co-operation, and any member state can veto its going ahead.

It now seems inevitable that this will change in December, when the EU heads of government meet in Nice to amend the treaty. The question is how. Most diplomats expect that the number of countries whose backing is required to go ahead and co-operate will be cut, perhaps to five or six, with the other member states losing their veto.

Such a scheme would allow for a system of "variable geometry", with different countries in an enlarged EU co-operating at different levels. But yesterday Mr Chirac went further, suggesting that a hard core of countries would emerge, forming a solid bloc of pioneers, or an avant-garde. This would be served by its own secretariat, and EU countries would either become members of "core" Europe or stay in an outer orbit.

Such an idea is anathema to the British, because it would consign the country formally to the EU's slow lane despite its important contribution in areas such as defence.

But even if Mr Chirac's ideas for a European hard core are constitutionally impractical, more mainstream ideas of "reinforced co-operation" - an informal avant-garde - may emerge anyway. If France and Germany agree on closer co-operation, the Benelux countries and Italy are likely to join in.

In such circumstances Mr Blair's new ally, Spain, would feel very uncomfortable about staying out of the European mainstream by siding with Britain. Despite all his hard work, the Prime Minister could find himself facing the prospect that confronted his predecessor - life at the fringes of the EU.