

Blair put on the spot as Germany increases pace of integration ● Demands for inner core of states ● Cabinet colleagues tell Brown to test now for joining euro

Showdown over Europe

John Hooper in Berlin and Ian Black in Brussels

Germany's chancellor, Gerhard Schröder, has signalled his intention to accelerate European integration. Berlin wants a major round of talks by 2004 to tackle the "big issues", including the difficult relationship between the European Union and the nation state.

His initiative will put Tony Blair, who is due in Berlin next week to meet the chancellor privately, under intensified pressure at home and on the continent.

Germany's move points to a renewed drive to persuade the union's 15 members to transfer more sovereignty to the common EU pool.

Berlin is proposing the most fundamental rewriting of date of the European community's founding charter, the 1958 Treaty of Rome.

Officials said that, as soon as the current round of reforms was completed, the chancellor wanted inter-governmental negotiations to begin.

One source said the topics would include:

- A new constitution for the European Union;
- A review of the treaties on which it is founded;
- Changes to the balance of power within the union;
- Changes to the division of responsibilities between regional authorities, national governments and EU institutions.

Others said the talks would also have to reach a decision on creating an "inner core" of EU states, ready and willing to blaze a trail towards full political union.

This was at the crux of proposals aired last month in a controversial keynote speech by Germany's foreign minister, Joschka Fischer.

According to some sources, the new German agenda would include potentially explosive proposals for splitting the EU treaty. Two new treaties would be written.

One would enshrine the EU's broad aims and principles and could be altered only by unanimous consent. The other would cover more routine, but still crucial, issues including EU voting procedures, and could be amended by a simple majority in the union's council of ministers — thus ending the British veto.

The forum that would carry forward the changes sought by Berlin is an inter-governmental conference (IGC), which

could last months or even years. Proponents want it to get under way as soon as a far more modest set of reforms — due to be approved at the union's Nice summit in December — are ratified by national parliaments. This is likely to take at least two years.

Officials said the proposed conference could start as early as 2003.

"We want the Nice summit to create the conditions for EU expansion. But there should also be another big inter-governmental conference within a specific time limit which should deal with the big issues", one official said.

"It would be a logical step," said another, who cautioned that it would not be appropriate to table a formal proposal until after France's six-month term holding the EU presidency ends in December.

Reducing the scope for using national vetoes, reducing the number of EU commissioners and altering the voting weights of member states are all meant to be resolved in the next six months. Euro-enthusiasts also want the next inter-governmental conference to deal with a charter of rights.

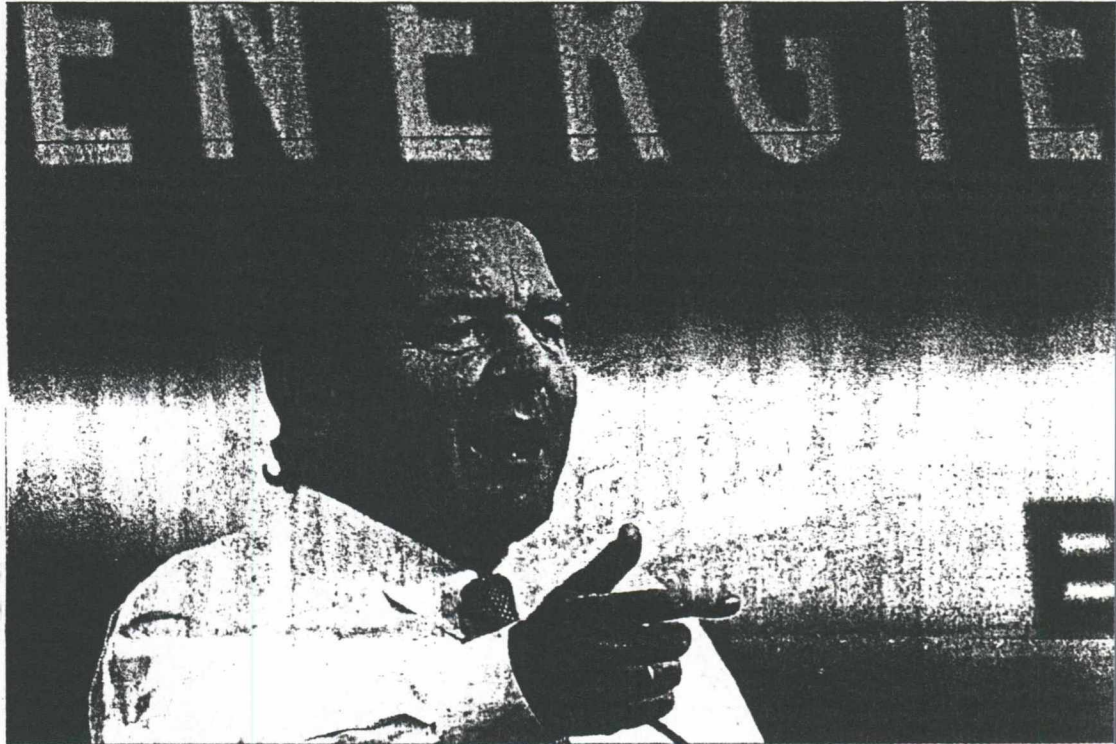
Mr Fischer argued last month that the looming enlargement of the union could paralyse decision-making if there were not a much clearer vision of where its institutions were heading.

Britain, France and almost all other EU members reacted coolly to his speech, insisting that the key integration issues from the 1998 Amsterdam treaty had to be tackled first and that further debate was both premature and divisive.

Germany's ambitions were clear during this week's Feira summit in Portugal, when Mr Schröder and the French president, Jacques Chirac, upbraided Mr Blair for opposing a "two-speed Europe" and said that a Britain outside the single currency was already in the slow lane.

In Brussels, the EU's commissioner for the IGC, Michel Barnier of France, said Mr Schröder was trying to placate the powerful states that make up Germany; they want the division of powers between states and the EU to be addressed soon.

In London, the Tories' foreign affairs spokesman, Francis Maude, said the German idea "gives the lie to Labour's claims that the EU is going its way".



Chancellor Gerhard Schröder is putting himself in position to lead a new offensive in favour of more European Union integration. Photograph: Jens Meyer