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EUROPE

EU INSTITUTIONS PARIS-BERLIN RELATIONSHIP IS SOLID AS FRENCH PREPARE TO TAKE OVER PRESIDENCY

# Germany and France hopeful on reforms

By Tony Barber in Mainz

Germany and France insisted yesterday that their alliance within the European Union remained solid, in spite of continuing differences on questions of reforming EU institutions to make way for a big enlargement of the membership.

"On the essential questions, we are exceptionally united," said Gerhard Schröder, German chancellor, after a Franco-German summit in the city of Mainz.

In the most tangible sign

of closer co-operation, the French and Germans confirmed they would work together on producing a satellite reconnaissance system aimed at reducing continental Europe's dependence on US military intelligence.

Germany also confirmed its intention to order new Airbus A400M military transport aircraft, a step that would enhance the capabilities of the European wing of the Nato alliance.

However, Mr Schröder and Jacques Chirac, France's president, gave no details of

how they intended to settle contentious EU issues such as the redistribution of national votes in the policy-setting Council of Ministers. They are supposed to be decided before the end of an inter-governmental conference in December.

As the largest EU country since reunification in 1990, Germany has pressed for more voting power, but France has held back from endorsing the German request.

Officials from both sides said yesterday's summit had

not been expected to produce agreements on specific details of the reforms needed to prepare the EU for the incorporation of up to a dozen new members from central, eastern and southern Europe.

France takes over the EU's rotating presidency next month and is keen to ensure that reforms of the Council of Ministers' voting procedures and of the size and structure of the European Commission can be agreed at the EU's December conference in Nice.

Mr Schröder, Mr Chirac and Lionel Jospin, French prime minister, who also attended the Mainz summit, emphasised the positive atmosphere of the talks, saying the Franco-German relationship was in immaculate condition.

Many commentators on both sides of the Rhine have recently described the relationship as lacking the warmth and dynamism that it possessed when Helmut Kohl and François Mitterrand governed Germany and France in the 1980s and

much of the 1990s.

But the two countries' leaders noted yesterday that they broadly agreed on most important EU issues. In particular, they said, they saw no need to lift diplomatic sanctions imposed on Austria after the far-right Freedom party entered the Austrian government earlier this year.

Austria, aware of France's determination to keep the sanctions in place, has sought to have the sanctions lifted before France takes over the EU presidency.