Televised interview given by M. Jacques Chirac, President of the Republic, on France's National Day (excerpts)

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PARADE/LONDON BOMBINGS/TERRORISM

QUESTION Thank you for welcoming us for what is a traditional interview, but one with a slightly unusual atmosphere today because at 1 p.m. you observed, like the 25 European Union countries, a two-minute silence in memory of the victims of the London terrorist attacks. So, New York, Madrid, London today everyone is wondering, basically, which capital, perhaps, will be targeted tomorrow. Could it be Paris, even though France didn't participate in the Iraq war?

THE PRESIDENT I should first of all like to reiterate our solidarity with the British people. Solidarity I immediately expressed we were in Scotland when it happened to Her Majesty The Queen, the Prime Minister, the authorities and the British people who, I'd like to emphasize, have, once again, displayed admirable calm, efficiency, sang-froid and, earlier during the two-minute silence, I had a deep feeling of respect and friendship for the British people. Before coming to...

QUESTION ... the possible threat for France?

THE PRESIDENT ...your question, [I'd like to say:] today is 14 July, our National Day, and we've just watched the parade. So you'll allow me first to pay tribute to the Brazilian soldiers who took part in the parade and the Brazilian airmen who were marvellous we were glad to see them on the Champs-ElysØes, in the presence of the Brazilian President and then to all the soldiers in the parade, and beyond them, all the French armed forces who this morning, once again, presented a fine image of France. And so I'd like to express to them my high regard, gratitude and confidence in them.

QUESTION (...) Is France targeted to the same extent as the countries which participated in the Iraq war?

THE PRESIDENT No one, no one can answer that question, since these terrorists have a different mindset, psychology from ours. What's certain is that no country in the world is safe from an attack of that nature. France no more than any other. And that, consequently, every effort must be made to fight this terrorism and protect ourselves against it.

03/20/2006 1/7



As far as France is concerned, you know that she is, I'd say, among the countries considered to have the most efficient means for getting information, intelligence on terrorism. We are constantly strengthening these means, liaising closely with all our partners and particularly our main ones. I appreciated the tribute the Americans paid us in this respect. We have again taken measures. Everything conceivable, everything we can do is being done in France to detect terrorism, fight it and, liaising with our main partners, do so at international level.

QUESTION What's even more worrying is the idea that these are suicide bombers, particularly people with British citizenship, people giving their lives. That's never been seen in Europe. Don't we need to adapt our measures to deal with this kind of act?

THE PRESIDENT With terrorism, you always have to keep on adapting since you don't know what new thing they're going to invent. We have to wait, as regards what you said, for the results of the British investigations which are extremely efficient I have no doubt about this we have to keep on adapting and, I repeat, this is what our services are doing, liaising closely with the others. (...)

UK SOCIAL MODEL/2012 OLYMPICS

QUESTION Are you ever a bit envious of Tony Blair whose growth rate is twice ours and unemployment rate half ours, who wins his elections and, in addition, has snaffled the Olympic Games in 2012?

THE PRESIDENT I have a great deal of respect for the British people, for very many reasons. I repeat, they have just given us, once again, a reason to express our respect and I've also got a lot of respect for Tony Blair. I know him well and have done so for a long time. But I don't believe the British model is one we should envy or copy. Admittedly, unemployment there is lower than ours, significantly so, but if you take the important things in life in society health policy, the fight against poverty you see that we are nevertheless in a far better position than the British. When you look at investment for the future, compared with national wealth, France devotes 5.6% of this growth to education.

The British devote 4 or 4.2%. When you look at research, scientific and technological research, the key to the future we shall probably come back to this the British devote 1.8% of their national wealth to it, we devote 2.2% and aim to reach 3% very soon. In all the important areas in life in society, we're better placed, far better placed than the British. Admittedly, this isn't true for unemployment. But (...) no, I don't envy him...

QUESTION On the Olympic Games, are you angry with him, do you think he won fairly?

03/20/2006 2/7



THE PRESIDENT As you know, the Olympic spirit is the sport and sport is based on a reality "may the best man win". (...)

UNEMPLOYMENT

QUESTION You were saying that the British social model isn't perfect. But we've lots of concerns about ours. (...) How many presidents have said: it's our priority, we're going to tackle unemployment? Yet the French note that they have had between 8 and 10% unemployment for nearly 19 years, that today there are a million children in France living below the poverty line. The Finance Minister says: "we're living beyond our means, we've a soaring debt". Do we have to keep the social model? Isn't it obsolete?

THE PRESIDENT No. Let me say one thing so it's crystal clear. You were talking about our social model and the British. You say there's a significant number of children below the poverty line. You're alluding, I imagine, to the official international statistics which have been published. I take the liberty of pointing out to you that while in France, admittedly, 7% of children live below the poverty line, in Britain 17% do so. I say this solely to say that you mustn't believe that we are...

QUESTION ...Isn't the French social model a bit outdated and inefficient?

THE PRESIDENT The French social model is neither inefficient nor outdated. It has a great ambition which can be expressed simply: permanently to level up. We must keep it. In a way it's our national genius. It's a necessity. That said, we see that there is a strong, tragic weakness when it comes to employment. We can ponder the reasons for this. The truth is that for 20 years France has had a system which accepts unemployment. We have created all sorts of legitimate means through social policy to make unemployment, at the end of the day, bearable.

Today this system clearly isn't working. And consequently we have to do something else. (...) So psychologically there's a right moment to carry out a reform in an acceptable way, otherwise old habits will prevail. I think that moment has now come and that the passion enthusing the present government and prime minister will help trigger the achievement of positive results.

But (...) we mustn't only manage and markedly improve the things we're doing today which is an imperative and possible , but must also think to the future (...) of tomorrow's jobs. And here, France must imperatively reconnect with a great tradition (...) in the area of research, innovation and industrialization. For tomorrow's technologies, it's an absolute necessity. France is a great country.

We are now the world's fourth-largest exporter and second largest for agricultural products. We have considerable resources, but we have to anticipate for tomorrow. When we strive to work together with our European friends, we build Ariane, Airbuses, ITER, Galileo, we do things which are

03/20/2006 3/7

future-oriented and create jobs, and jobs which won't be relocated. Starting tomorrow we must give a strong new boost to these efforts. This is why I have decided on a number of measures and initiatives in this sphere. (...)

GROWTH

QUESTION If growth is a bit sluggish, and effectively handicapped by the dollar and oil, is there a way of giving a bit of a new boost to it in France? (...)

THE PRESIDENT Let me point out to you that for the past three years, growth in France has been clearly above the average for the Euro Area, i.e. the European countries in the Euro Area. We are roughly 0.5 points above the others, which proves that we aren't that bad. I want to stress this. That said, growth depends on a number of international, internal and also European economic factors. Hence the necessity (...) of a Europe focusing on the need for growth, in particular, as the Luxembourg Prime Minister has said he is, as you know, the Eurogroup President for two years through a greater boost for European growth. This of course presupposes a better dialogue, without of course undermining its independence, with the European Central Bank. There is here, undoubtedly, a weakness in our European system. (...)

FRANCE/EUROPEAN CONSTITUTION REFERENDUM/EU BUDGET/CAP

QUESTION How can we move forward? Visibly we're on the defensive at the moment on almost every subject, including the CAP and European budget. How can we move forward? For example, should the French be asked to vote again? (..)

THE PRESIDENT Of course, that poses a problem. But there has been a French vote, so in this situation now is not the time to beat our breasts but to react. What do we need in Europe today? In the first place we need to resolve the immediate problems, the two (...) most important ones: [firstly] the European budget. We're going to have to find a solution. I told you straightaway that I'm not prepared to make the slightest concession on the Common Agricultural Policy. We'll come back to this if you wish, because I think it's a future-oriented policy in line with France's interests, not just those of French farmers, but of France and the world.

QUESTION If you don't make concessions and if Tony Blair doesn't make any...?

THE PRESIDENT Well, we'll have to find solutions. That's a first problem.

SERVICES/WORKING TIME DIRECTIVES

The second is that we'll have to be careful, in this time of uncertainty, that we don't see the return of initiatives which would worry us. I'm thinking of the services and working time directives. These mustn't come back because of the present uncertainty. I'll of course keep a close eye out for this. That's the first point, for the immediate future.

03/20/2006 4/7



EU INSTITUTIONS

Secondly, we'll have to end the institutional crisis. It's not for us of course to impose a solution, but we can make proposals. At the last Council, as you will remember, I proposed that we meet, all together, to look at the reasons why the Europeans, not just the French, had expressed fears, disagreements on Europe and I welcome the fact that after we had talked about it, the British Prime Minister, who currently holds the EU presidency, decided to convene a meeting of 25 heads of State and government to analyse together the conclusions which have to be drawn, particularly for the institutions. And it will take place in the autumn. (...)

INDUSTRIAL INNOVATION

And then it's especially important to take Europe forward, especially in the area of joint projects, they're very important. In regard to the future, France has been the first to act with the Industrial Innovation Agency. (...) The Franco-German agreement and the first projects to be decided on in very high technology areas concern health and information technology. We are naturally open to doing this at European level. It's a tremendously important area where there has to be rapid progress, especially rapid as we have the institutional problem I was talking about.

TERRORISM/SECURITY/IMMIGRATION/JUSTICE

There is the fight against terrorism and, more generally, the fight for the security of property and people and against illegal and excessive immigration, and there's judicial cooperation. In all these areas, we must take forward the projects we've already got, speed them up and devise others.

DEFENCE EUROPE/GOOGLE DIGITAL LIBRARY

We have the problem of defence. Defence is working well. France was instrumental in establishing Defence Europe in St Malo. It's working, working well. We're starting to be able to acquire autonomous capabilities so we can intervene in the world whenever necessary to defend our values and interests. There's also our European Defence Agency which has very important technological and industrial implications. We must of course go on building Defence Europe at a faster pace.

DIGITAL LIBRARIES

You probably saw that the Americans have launched a huge, very important initiative with Google to set up a digital library which is going to disseminate the whole range of American culture.

QUESTION And which is worrying the French, the BibliothŁque national de France [France's national library] ...

03/20/2006 5/7



THE PRESIDENT ...Not just them. I have proposed that we immediately start developing a digital library. And we ourselves have begun, here too we're at the cutting edge, if I may make so bold, setting the example, and we've got the agreement in principle of all our partners to develop a great European digital library which will allow us to disseminate European culture all over the world. This is also very important for cultural diversity. So there are a lot of projects. (...)

AGRICULTURE/CAP

QUESTION (...) You've said yourself that France has doubts. Today you are concentrating on the positive things, rejecting the idea of France losing, particularly compared with a Britain who looks dynamic, happy, whilst here we are morose and have doubts about everything. (...) France isn't losing, she has doubts but she isn't losing?

THE PRESIDENT Listen, France is today the world's fourth-largest exporter. We have world champions in almost all the major industrial and commercial areas. We're involved directly, or have even initiated major projects, as I was saying just now, such as Ariane and the Airbus.

We're the second-largest agricultural power and number-one exporter of processed farm products in the world, a world which increasingly needs agriculture because the population is increasing, and we'll no longer be able to feed people. It is in particular the Common Agricultural Policy which has made this result possible, and so will contribute to tomorrow's world, and to human progress, that's why it has to be maintained. It's one of the reasons I support it, it isn't solely to defend the interests of French farmers. That matters to me, as you know, but it's not just that; it's because it's in the world's interest. And food safety?

Everyone is worried, to some degree or other, about food safety. Where is food safety best guaranteed? In Europe because the rules are very strict, because we set the example and we're pulling the world towards quality and food safety through our policy. Moreover, it's not by chance that our birth rate is the best in Europe, along with Ireland's. Much better naturally than that of our British friends. Nor is it by chance that France ranks among the best countries in terms of life span: it's where people live the longest. (...)

BRITISH COOKING

QUESTION Did you say that British cooking is the worst in the world? Did you really say it?

THE PRESIDENT No, I didn't say that.

03/20/2006 6/7



UNEMPLOYMENT

Well, we do have some extremely strong points in our favour, things giving us momentum. But we also have two weaknesses, and that's why we need to concentrate our efforts on them. One is unemployment, and this presupposes a different mindset, accepting change so that we can give priority to jobs, over purely and simply helping the unemployed. And secondly, if we're not careful, we won't invest enough in technology.

QUESTION Innovation and research?

THE PRESIDENT There's a lot of talk about relocations rightly so, it's troubling. We have to react and we can do so only if we're united at European level. But look at the countries which are changing; take the example of Japan who, for some years now, has been making considerable efforts in industrial innovation and research because, one way or another, industrial innovation is the result of research. Japan is beginning to repatriate jobs because the advantages in terms of investments and technical skills largely offset the handicaps in terms of wages and costs. So there is here a great policy which absolutely must be implemented. I'm going to do it, and I'll tell you how after you've asked your question.

QUESTION No, go ahead because we've got to stop.

THE PRESIDENT I'll end on this because it's perhaps what's most important: research in France is traditionally very strong but now needs encouragement. Research isn't the same as industrial innovation. (...) But the research and industry efforts do need to be made more coherent than they are. So the question is how? I've decided on a great plan which I'm beginning to set in train. First of all, it establishes, with the legislation on research, a high scientific committee which will report to the Head of State, as is done in all the major countries, and define the major areas of research. Secondly, a National Research Agency (...) has just been established and given the means to implement these great future-oriented projects. (•••)./.

03/20/2006 7/7