



"STRENGTH AND SOLIDARITY: LIVING UP TO EUROPEAN EXPECTATIONS"

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The outcome of the French referendum on 29 May exposed an acute crisis of confidence in the European project that affects our continent as a whole. To overcome this, we must revive the European spirit and find the strength to give it new impetus. If Europe is not to abdicate control over its destiny, it cannot stand still while the rest of the world forges ahead.

I am convinced that in rejecting the Constitutional Treaty the French were not turning their backs on a commitment to Europe, which goes back half a century. Rather, they were expressing their displeasure and disquiet at Europe's inability to reassure them as to the present and give them confidence in their future.

To meet their expectations we must resolutely reassert our belief in a powerful Europe that can make the most of its assets and enhance them, that can offer its young people new horizons, a Europe of growth and jobs that strengthens and protects us.

Remaining true to the humanist heritage at the heart of Europe's identity

Europe carries in its genes the history of our wars and reconciliations and the memory of our struggles for liberty and social progress. Its model is the social market economy. Its social contract is an alliance of liberty and solidarity, with the public authority safeguarding the public interest. The society Europe strives for is centred on the dignity of the human being. Were we to give up this ideal we would betray our heritage. France will therefore never let Europe become a mere free-trade area. We must rekindle the commitment to a political and social Europe rooted in the principle of solidarity.

Strengthening European projects for growth, jobs and security



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Our countries face enormous economic and social challenges: slower growth; harsher international competition; demographics; climate change and high oil prices; increasing migratory pressure. A united and unified Europe is the only means to face these challenges, rather than retreating into an illusory shell or blowing with the heady winds of globalisation. Europe affords us the critical mass to stand alongside the world's giants. Our fellow citizens expect Europe to come up with answers commensurate with these challenges, which affect them directly. We must seize the opportunities of the three forthcoming European meetings to rekindle the European initiative.

Tomorrow, the Union's heads of State and government will meet in Hampton Court. Our aim is simple: to restore the momentum and commitment from which Europe draws its strength. It has the wherewithal to be a leader in the world economic arena. But it must move fast in order to keep up with international competition. It must boost innovation and research to support tomorrow's competitiveness and jobs. Germany and France have launched major programmes in the economy's most promising sectors, such as biotechnology, information technology and nanotechnology. I propose that we extend this approach to Europe as a whole.

Such efforts will require funding: from Member States and community budgets, first and foremost; but we must go further. France proposes that we mobilise the European Investment Bank in order to double community research capabilities. Let us work with the Bank to set up an instrument endowed with 10 billion euros which, by leveraging public and private sector co-funding, would enable us to invest an additional 30 billion euros in research and innovation projects to 2013.

We must come to grips with the social consequences of globalisation. When major corporations, tailoring their global strategies to short term profit considerations, take decisions that affect employment in the Union, such as relocation, our strength lies in numbers. This is why France has called for the Commission to initiate European consultations in such circumstances and has supported the "globalisation shock-absorber fund" mooted by President Barroso.

We are now moving into the era of costly oil, to be followed by the post-oil period, which is also the era of global warming. Beyond implementing the Kyoto Protocol, the Union must come together to devise a revolution in our way of life and our production methods. It will require us to diversify, secure and modernise our energy supplies. It will entail major changes in our transport systems, manufacturing industry, housing and urban planning. This is a major undertaking, a priority that can bring Europe together through enhanced attention on research, public infrastructure and tax systems. France will submit a memorandum on these issues to its partners early next year.

Our economies can benefit from expansion of properly organised world trade. Europe must defend its interests at the WTO. The Union, which is already the world's leading importer of agricultural products from developing countries,



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has shown its commitment to success by reforming the CAP. It is now time for our partners to make equivalent proposals in a spirit of give and take, in agriculture as well as in manufacturing and services.

The world faces increasing migratory pressure. Europe is in the front line, as evidenced in Ceuta and Melilla, Lampedusa and Mayotte. It must devise a response based on an overall vision combining security, development and human dignity.

The Union's border controls must be strengthened and effective readmission agreements reached to ensure the return of illegal immigrants. But this response is not enough. What is now happening is a reflection of the more and more shocking gap between the rich and poor countries. People would not leave their home country if it afforded them access to a decent living. This is why, at France's initiative, Europe is substantially increasing its development assistance. It must now work with Sub-Saharan and North African countries to devise a concerted approach based on shared responsibility. We must endow co-development projects with the resources needed to succeed, for example by providing innovative funding at European level.

Giving Europe the needed resources

The second meeting is that of the European Council in December. To restore confidence in the workings of the Union, we must agree on the 2007/2013 European budget. The success of European reunification is at stake. If we all act in a spirit of solidarity and responsibility, we can achieve this in December. France has participated very actively in the effort to devise a final compromise one that must comply with commitments already made.

The institutional issue

The Treaty of Nice is not a powerful enough engine to drive a 25 member state Europe. It is clear to all that we need more democratic, more efficient and more transparent institutions.

The Constitutional Treaty ratification process will be reviewed throughout the Union under the Austrian Presidency. France fully intends to work with all its partners, in particular the new German government, to prepare this review.

Meanwhile we could think of ways of improving the workings of the institutions within the framework of the existing treaties, especially in areas of economic governance, domestic security and foreign and defence policy.

Likewise, France rejects the idea of a "directoire". The Union needs and must respect each and every one of its members. However I believe that States wishing to act together in addition to the common policies should be allowed to do so. Countries that are willing and able must be given the opportunity to form such pioneering groups, for which I presented proposals in 2000; and such



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groups must be open to those wishing to join them. This is the way we proceeded with the common currency, free movement within the Schengen area and a number of defence initiatives. The members of the Eurozone would, in this context, deepen their political, economic and social integration.

The history of Europe is marked with crises overcome so that we could move ahead. Europe will again demonstrate its ability to do this by remaining true to its values and social model. It must marshal its forces while respecting the diversity of its nations, peoples and cultures. France is eager to work with its partners in this endeavour.

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