



## **Press conference given by M. Jacques CHIRAC, President of the Republic, following the december, 2005 European Council.**

(EXCERPTS)

(Brussels, 17 December 2005)

### **EU BUDGET**

THE PRESIDENT (•••) So, after a long day of discussions and negotiations, we've got an agreement on the Financial Perspective. I believe it can be said to be a good agreement for Europe, which is being given the necessary resources to finance its ambitions, its common policies. This agreement also allows us to finance the enlargement properly. Everyone has seen with the previous enlargements that, on the whole, cohesion and solidarity benefit everyone, those who gain from it, of course, and the others, through the economic development of the whole group.

This agreement satisfies, I believe, the imperatives we thought essential. On the one hand, those of solidarity vis-à-vis all the new members and, on the other, of fairness since, as you know, we were arguing for every country to make its fair, equitable contribution to the cost of the enlargement. And it satisfies the imperative of stability, since we couldn't contemplate any calling into question of agreements on certain economic activities, particularly the Common Agricultural Policy, which couldn't be undermined during their running period.

With this in mind, it's right to highlight the importance of the British presidency and Tony Blair's gesture in my view legitimate, but difficult politically in agreeing to the radical permanent transformation of the British rebate mechanisms. This allows Britain to pay her normal share of the cost of the enlargement with the exception, of course, this was agreed from the start of the discussions of agricultural market expenditure, Common Agricultural Policy market expenditure.

The system being implemented, which our British friends have accepted, will come in progressively, i.e. the change to the mechanisms will be progressive, starting in 2007, and, in all likelihood, completed in 2013. This was, as you know, the goal we had set ourselves.

I'd like to highlight the normal and legitimate confirmation, during these negotiations, of the guarantee of the funding until 2013 of the common policies, including in particular the Common Agricultural Policy the



## PRESIDENCE DE LA REPUBLIQUE

agreement will apply until 2013.

I'd like to add, on this last point, that the negotiations showed the constant, continuous, perfect cooperation between Germany and France. This is, I believe, important not just for us, but also for Europe, not that we're particularly destined, in any way, to set the tone of European policy, but simply because experience proves that when France and Germany are totally in agreement, then European policy and the task of building Europe proceed normally. When there's a difference of views between Germany and France, the system grinds to a standstill.

So I'm happy to note that with Mrs Merkel, with the new Chancellor, this Franco-German agreement has unquestionably been in evidence, to the satisfaction I think I can say of all our colleagues. We also cooperated with a number of our partners, foremost among whom Spain, Italy, Poland, the Benelux countries and some others.

So Europe is resuming its forward progress. It had experienced a period of uncertainty, crisis. There's excessive use of the word "crisis", Europe's history is one of constant resolved crises. Once again, the crisis has been resolved.

(...)

### UK EU PRESIDENCY

Q. At the end of the day, whatever may have been said or heard, the conduct of this British presidency has been outstanding, since it has resulted in an agreement which seems satisfactory for France and for Europe?

THE PRESIDENT Yes, I think one can say both that the result is satisfactory for Europe there's no doubt about this since it has enabled an agreement and, I'd say more egoistically, for France, since the objectives France had set herself have been achieved. And I have to acknowledge the outstanding way the British Prime Minister has conducted the presidency, doing so with great skill and courage, because as everyone understands he needed these to accept what was nevertheless the revision of an unquestionable advantage, in an inevitably none-too-easy political situation. I made a point of paying tribute to him, it was really what I felt.

(...)

### 2008/9 COMPREHENSIVE BUDGET REVIEW/CAP

Q. Could you explain what's going to happen at the comprehensive review meeting which the Council has scheduled for 2008/9? What decisions might we expect and which ones will wait, whatever happens, for 2014?



## PRESIDENCE DE LA REPUBLIQUE

THE PRESIDENT (•••) The British presidency was very keen, and this was legitimate, for us to be able, in due course, to discuss the structure of the budget, and particularly of the common policies, and especially the CAP. And this in due time so as to be able, where necessary, to make any reforms the Council might deem necessary.

Hence the idea of a discussion in 2008/2009, of opening this debate in the Council, which is wholly legitimate and normal. A debate which, as is customary in our institutions, will be opened on the basis of a Commission report submitted to the Council. As you know, from that point, the Council will be free to take its own decisions which have to be unanimous. It's normal for us to have this review, we can't stay for ever with the same systems.

(•••) [Here] Britain seemed keen for us to be able, in the wake of the debate and so very swiftly, i.e. before 2013, to make modifications which the Council would, of course, have to decide on unanimously.

France had a different view, she wasn't defending a particular interest since, in any case, unanimity guaranteed her not being railroaded into a reform she hadn't wanted. But on a question of principle France was of the view that we had commitments and that the commitments made had to be honoured, regardless, because we can't ask economic agents, farmers or others, to change the ground rules every three or four years. That isn't possible. We had made commitments for a given period which ended on 31 December 2013. These commitments had to be honoured. It was a matter of propriety, or even honour, vis-à-vis those for whom we had made these commitments, in the specific case of the CAP, farmers, but it applies in the same way to the other commitments.

So for us, it was a matter of principle, it wasn't one of interest, since the fact that the decisions have to be unanimous guarantees that, whatever happened, we wouldn't see something we didn't want being imposed on us. But it was a matter of principle, commitments have to be honoured and that's what's been done.

### BRITISH REBATE/ABOLITION

Q. Member States were apparently expecting a lot: at the end of the day after this agreement are they satisfied with what they've obtained? And a tiny clarification on the British rebate: is its total abolition being considered?

THE PRESIDENT On the second question, no one here asked for the abolition of the rebate. The rebate is based on a number of technical realities which justify it. We were asking for modification, permanent modification of the "excesses", i.e. what we would consider the excesses of the rebate which meant that the United Kingdom wouldn't contribute fairly to the cost of the enlargement. This is what's been obtained and no one has ever asked for the rebate mechanism itself, which exists, for technical reasons, to be abolished.

### EU BUDGET/MEMBER STATES' SATISFACTION



## PRESIDENCE DE LA REPUBLIQUE

You also ask me if everyone is satisfied. If I believe what everyone round the table said and the unanimity both of the satisfaction voiced and the tribute paid to the presidency, I can say that everyone is satisfied. The truth is that in this kind of discussion, no one is, or few people are, completely satisfied, because you say to yourself, every time, that you could perhaps have got a bit more or that it would be still better if you had got this or that.

There's indisputably general satisfaction which was clearly expressed through the support for the presidency's text and conclusions. There is, I imagine, some frustration for many people who'd have liked to have had a bit more.

Q. For you, precisely, ideally what more would you have liked to get, at the end of the day, than you got this evening?

THE PRESIDENT We got what we sought: the acceptance of principles and satisfaction of specific requests. We obtained satisfaction regarding the principles, which for us were the essential thing and we got what we wanted on some specific problems, the type of aid to Corsica, Hainaut and rural development.

That wasn't what was most important; for us, what was, of course, essential was a certain idea of solidarity, fairness and the stability of the European agreement.

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