



## **Interview given by Mr Jacques CHIRAC, President of the French Republic, to the Chilean daily EL MERCURIO**

Wednesday, 24 May 2006

**QUESTION** - You met Ms BACHELET for the first time in Vienna, what were your first impressions? Did you speak French together?

**THE PRESIDENT** - I had the joy of meeting President BACHELET in Vienna, which was a pleasure. She has an extremely good reputation in France. My first impressions were excellent. She is someone with a strong personality, with convictions. And I was particularly happy to have a quick exchange of views with her. Just a few days from my trip to Chile, I am looking forward to meeting her again.

**QUESTION** - What is France's main interest with regard to this visit to Chile?

**THE PRESIDENT** - I am greatly looking forward to this visit. We have many interests in common. Political relations between France and Chile are excellent. We share views concerning the humanisation of globalization and also the need for multilateralism.

We also have a common concern, regarding both social problems and economic development. This leads us to constantly seek to strengthen our economic, technical, scientific and cultural relations.

**QUESTION** - What topics are on your agenda for your meetings with Ms BACHELET?

**THE PRESIDENT** - Like the entire French people, I would like to extend friendly and sincere greetings to President BACHELET at the start of her term of office. She embodies the exemplary success of democracy in Chile. As her father did in the past, she has shown the example of courage and determination. Her political career bears witness to her talent and her exceptional energy, serving her country and her fellow citizens. Her election confirms that increasingly in Latin America, women are occupying the place they deserve in public affairs.

I have no doubt that Ms BACHELET will take up and revitalise the legacy of Ricardo LAGOS, whose presidency enabled democracy to take solid root, and growth to be stimulated in a spirit of social cohesion, re-establishing Chile's influence in the Americas and on the international stage. I am convinced that I will be able to pursue the friendly and trusting dialogue engaged with Mr LAGOS with Ms BACHELET.



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It is in this spirit of friendship and shared trust that I am travelling to Santiago de Chile, accompanied by several ministers, members of parliament, company directors, and scientific and cultural figures.

We shall evoke all of the topics that are in our common interest, and I am sure we will open up new prospects to increase our exchanges, intensify our partnerships, particularly in the realm of science, and promote our joint initiatives. We will thus discuss new development financing mechanisms, and the International Drug Purchase Facility.

QUESTION - You were an important ally to Chile concerning the signing of a free-trade agreement with the European Union. What is your assessment, four years after the agreement was signed? Is Chile a secure country for French capital?

THE PRESIDENT - We have observed extremely positive developments! This does not surprise me. I knew when I argued in favour of the agreement that Chile's economy was ready for it. The initial results are promising: trade between Chile and the European Union is showing strong growth. This is encouraging for French companies wanting to invest in Chile to benefit from its strong growth and the business-friendly environment that the country's leaders have been able to create.

QUESTION - The Chilean authorities have said Europe must eliminate agricultural subsidies and adopt a more supportive policy towards South-American producers. How is this idea received?

THE PRESIDENT - We must do away with the misconception that Europe is closed to agricultural imports. Did you know that, every year, France buys almost 2.5 billion dollars worth of agricultural and food products from Latin America, whereas it sells only 400 million dollars worth to the region?

Concerning the WTO trade negotiations, the European Union has already actively and ambitiously contributed to the success of the Doha round, in particular by accepting an in-depth reform of its agricultural policy. One of the main breakthroughs of the Hong Kong agreement is the elimination, by the end of 2013, of subsidies that destabilise exports.

Our partners have not contributed equivalent responses, and are even demanding further concessions! It is time for them to adopt a positive attitude to industrial and services issues.

I would add that the European Union offers, even outside of any regional or bilateral agreements, privileged access to its market for products from South America. The granting of reductions or the waiver of customs duties make the European Union's general system of preferences the most generous arrangement of this type in the world. Chile benefits fully from these preferences.



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QUESTION - In the last few years, Europeans have experienced an economic crisis, which is primarily reflected in the need to reform the Welfare State. Some countries such as Germany have adopted structural reforms to render their economies more competitive. France seems to be steering clear of this process. What solution do you see to this crisis? What measures has the French government taken to integrate marginalized groups and avoid social unrest?

THE PRESIDENT - All European countries have undertaken reforms to encourage both economic growth and social cohesion. We believe that sustainable economic progress cannot be achieved without social cohesion.

France has undertaken major reforms to adapt its health insurance system, ensure the long-term viability of its pensions system, improve vocational training and facilitate access to employment for all.

We are still confronted with overly high unemployment, which engenders serious social problems. But, in the last few months, growth has picked up, more and more jobs have been created, and unemployment is dropping. These issues require long-term efforts, and are a priority for the government. We are beginning to see the results.

QUESTION - Is it not disappointing for Latin America, which has traditionally seen Europe as a cultural centre, to see European influence losing ground to American culture ?

THE PRESIDENT - The Vienna summit showed how much Latin American countries would like to see a greater European presence alongside them. We need to respond to this demand. It is with this in mind that this visit to Chile was organised. It will enable us to cultivate and strengthen the very specific relationship between Chile and France. With President BACHELET, we intend to adopt some important measures, in particular to promote academic, scientific and technical co-operation.

QUESTION - You are one of the rare European political leaders to have had a long career, you have remained in power. The image of the major political parties has changed, and opinion polls launch leaders into the political arena. How do you see the future of European parties confronted with this situation? Is there a danger of populist or opportunist leaders emerging?

THE PRESIDENT - Much of European public opinion is worried about the future. Globalization is often seen as a phenomenon that weakens the situation of salaried employees and threatens national identities. This may provoke reactions, including political reactions, which we must address.

This is the aim of the initiatives I have taken in favour of cultural diversity and the dialogue between cultures. This is also the motivation behind European initiatives to re-launch European projects in the scientific and technical fields, in which Europe is particularly strong. For they are the key to the future.



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In political terms, the various parties must focus on confronting these transformations in order to provide citizens with modern answers that are both realistic and provide hope for the future.

I am optimistic for France. Today, as in the past, France is showing its capacity to adapt, and its economic and cultural vitality.

**QUESTION** - In Europe, how do you view the emergence of populist leaders in Latin America? Is Hugo CHAVEZ seen as a destabilising factor in the region, for example?.

**THE PRESIDENT** - Of all the developments that have occurred in South America in recent years, none is more important than the irresistible rise of democracy. In this respect, Chile has provided one of the most remarkable examples, with respect for memory, and making no concessions to forgetting the past. By doing this, Chile has gained the admiration of the world.

When peoples have regained their rights, and in particular the right to freely chose their leaders, we must respect their choices. All aspire to greater justice and increased development. They also ask that their dignity be respected. To satisfy these expectations, many of these new democratic governments have undertaken, or intend to carry out, far-reaching reforms of society. Both in terms of its traditions and its present actions, France is called upon to understand their aspirations.

I heard the call of Latin America's leaders in Vienna. All wish to make social progress a priority to give democracy a solid foundation and overcome the risk of populism.

France is open to co-operation with any South American country that wishes to work with us. This is, for example, the spirit of the Eurosocial programme that we launched together.

I believe that these reforms will succeed better if they stimulate economic growth and attract foreign investors, who require legal safeguards. I also think that Latin America will make greater progress if it accomplishes further steps in terms of integration, which implies a common foundation of policies and values.

**QUESTION** - Bolivia has nationalised the hydrocarbons sector. There is also talk of nationalising water. France has invested in these sectors. Is France concerned about Bolivia's nationalisation policy?

**THE PRESIDENT** - Bolivia must make its own political choices, it is a sovereign state. That is the case for the decision you mention concerning hydrocarbons.

I have no doubt that the Bolivian government, which wants to develop its country and attract investments that create employment and wealth, will implement this policy in a spirit of openness and dialogue, in particular with



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regard to foreign companies, who must be dealt with in view of legal safeguards and fairness.

From my recent meeting with President Morales on May 12th at the European Union - Latin America summit in Vienna, I took away the

QUESTION - What do you think of France's influence in Europe and worldwide? Do you believe that the influence France had in the past continues today?

THE PRESIDENT - That is not for me to say. It is rather for foreign observers, such as you, to testify to that!

I see that, in Europe, the proposals made by France to promote Europe's recovery have been broadly taken up by the President of the European Commission, Mr BARROSO. I was pleased to see that, and it proves that France still has a few ideas.

From an international standpoint, if we just look at the last meeting in Vienna, I found that our ideas, particularly in terms of multilateralism and the humanisation of globalization, were widely taken up by the Latin American and Caribbean Heads of State and Government I met.

QUESTION - After the no vote at the referendum, can France continue to be a driving force for the future of Europe?

THE PRESIDENT - France must play its full part, a dynamic and proactive role. There is no doubt about that. And, France fulfils its role hand in hand with Germany. Experience proves that if we really want to move forward in Europe, we need an agreement between France and Germany. That is the way things are.

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