Joint press conference held by Jacques Chirac and Lionel Jospin (Petersberg, 26 February 1999)

Caption: On 26 February 1999, following the informal meeting of the Heads of State or Government of the European Union in Petersberg, the French President, Jacques Chirac, and his Prime Minister, Lionel Jospin, outline the negotiations on Agenda 2000 and, more specifically, on the reform of the common agricultural policy (CAP).

Source: Conférence de presse conjointe du Président de la République et de M. Lionel JOSPIN Premier ministre à l'issue de la réunion informelle des chefs d'Etat et de gouvernement de l'Union européenne (Petersberg, Allemagne, 26 février 1999). [EN LIGNE]. [Paris]: Présidence de la République, [15.10.2004]. Disponible sur http://www.elysee.fr/documents/discours/1999/ALLE9901.html.

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URL:
http://www.cvce.eu/obj/joint_press_conference_held_by_jacques_chirac_and_lionel_jospin_petersberg_26_february_1999-en-bbf59837-987a-4d70-b52f-498218440937.html

Last updated: 05/07/2016

Joint press conference held by Jacques Chirac, President of the French Republic, and Lionel Jospin, Prime Minister, after the informal meeting of Heads of State or Government of the European Union (Petersberg, Friday 26 February 1999)

President: Ladies and gentlemen, we have come to the end of our day's work. You will all appreciate that, on behalf of our entire delegation, I should like to start by expressing our thanks and gratitude to the German Chancellor and his colleagues for the warm welcome and the efficient organisation of our meeting. As you know, the purpose of the meeting was not to arrive at any conclusions but to identify more clearly the points on which we agree or disagree, so that we can better understand each other's positions, which is standard practice at these informal meetings.

We have, of course, restated our unanimous intention to reach a conclusion on Agenda 2000 issues on 24 and 25 March. I think — we think — that we shall succeed. Obviously it is not easy, but I believe that the atmosphere is conducive to finding ways to attain that objective. Furthermore, yesterday evening the German Presidency forwarded a document, a copy of which you have, no doubt, and I shall not go into the details again. But from our perspective and from that of most of the delegations it was on the right lines, especially since it emphasised the need to stabilise Community expenditure, and you know that France has always supported that view.

We have underlined the principles on which the French position is based. First of all, the principle of fairness. We can achieve a result, if we so wish, but only on condition that everyone, each country, contributes and that the burden is equitably shared. Secondly, the principle of globality; in other words, the negotiations should not be fragmented. There is a single overall package, which I — we — hope will be adopted on 25 March. That means, to put it plainly, that there cannot be a separate agricultural agreement or one preceding the overall package. The third principle is the rejection of arrangements that are contrary to the principles of the Union and to the Community *acquis*. That rules out practices such as co-financing or the capping of balances. And finally, as I have already said, but the situation has moved on since then, the fourth principle on which the French position is based is the stabilisation of expenditure. It is obvious that expenditure has to be stabilised, especially with a view to enlargement.

I note, incidentally, that the agricultural negotiations over the past few days do not conform to any of those four principles. We have stressed that, and the Heads of State or Government have decided, virtually unanimously, to send a very strong signal to the Ministers for Agriculture that they should reframe the negotiations, which, incidentally, justified France's position at the Agriculture Council. So those negotiations will be starting again this week. Obviously, they will not be easy, but they have been reframed, and they should make it possible for a solution to be found that is acceptable for French agriculture and French farmers in the overall package that we determine. That is, more or less, the situation so far, but I am going to ask the Prime Minister to add his comments.

Prime Minister: Mr President, ladies and gentlemen, I have very little to add. This morning the President defined the French position, which is, of course, based on a legitimate defence of our national interests as well as on an approach designed to facilitate a compromise. He showed that there was a close link between the debates on Community expenditure and on own resources. And that is demonstrated in particular by the issue of co-financing. I might perhaps return to that later.

At today's summit, which, to our way of thinking, represents a positive step forward, what struck me, as I listened to each speaker, was that one could appreciate the complexity of reconciling national interests and the need to find a solution that was not just a simple formula by taking account of everyone's concerns. And this idea of sharing the burden, which we have supported right from the outset, was at the centre of the discussion, just as, it seemed to me, the French delegation was at the centre of this informal summit. From that point of view, there was no bilateral polarisation, as we have been reading in the press in the last few days. Everyone was involved in the discussion.

I think that, at this summit, at least that was my impression, the idea of co-financing has receded, and it is true that that is not a satisfactory solution. This is not just because, as a representative of one of the Member States

said, it has no legal basis and there is no reference to it in the treaties, but it is not a measure that enables expenditure to be restricted or controlled. On the contrary, as we have seen elsewhere in the agricultural debate so far, even if we have now reframed it, the illusion, which no one should have, of co-financing allows expenditure to drift out of control. We say that expenditure, including agricultural expenditure, needs to be controlled, but within the Community *acquis* and the principles of the common agricultural policy. I therefore think that, in view of the absence of a legal basis, its non-Community character and its ineffectiveness in controlling expenditure, that idea seems to me to have receded, and I welcome that.

I also think that the idea of trying to move towards more proportionate resources in order to make allowance for each country's capacity, and in particular the idea of changing gradually from the VAT resource to a resource based on GNP, has gained ground in this debate. I therefore agree with the President that it should be possible to achieve a result in March. In any event, the French delegation is ready to help the German Presidency to reach a positive conclusion in Berlin in a month's time, even if there is still a great deal of work to be done.

President: Further to what the Prime Minister has said, I should like to emphasise that, contrary to what some observers might have inferred from certain facts, there is no Franco-German problem in these negotiations. German and French representatives are both defending their interests, but there is not a problem. What has given rise to that idea is the difficulties in the Agriculture Council. But you know from experience that, when the Agriculture Ministers meet, the atmosphere is always somewhat tense. That is one of the rules of the game, it is the way these things work, it has always been that way and always will be. But I ask you to make it very clear that there is not a problem between the French and the Germans in this area. There is a general problem with the adjustment of positions, which it is not easy to resolve, and a general determination to resolve it.

Question: Would it be true to say that virtually all the Heads of Government agreed that the Agriculture Ministers should be given a framework?

President: They sent a strong signal to urge the Agriculture Ministers to reframe their debate, which was shifting slightly towards excessive expenditure and a general sharing out of the benefits. So that, if I may say so, was the message that the Petersberg summit sent to the Agriculture Ministers.

Question: There was possibly a framework or a strong message based on the proposal in the note from the Presidency, 40.5 billion for seven years. When you say virtually all the Heads of State, is there still a possibility that some Agriculture Ministers will refuse because their Head of State or Government has expressed reservations today about entering into negotiations as you have just indicated?

President: I did not hear any reservations as such, and I cannot predict what action the Agriculture Ministers will take. They will defend their interests as they see fit.

Prime Minister: The President made it very clear in his speech at the informal summit, I think, and he referred to it more indirectly just now, that, as far as we are concerned, the only agreement will be a general one. Therefore, there is no question of an agreement being reached in a single area or a single negotiation. The bases of the agreement might be outlined, but as far as a formal agreement is concerned, definitely not.

A specific element of this firm message to which the President referred is the idea that 40.5 billion euros was a figure that most of the delegations supported. Opinions sometimes differed as to when the period should start or end, but that this was per year on average was supported by most. I should like to add a personal comment on that point, because there has been a legitimate debate going on in the French press and media. Apart from the question of co-financing, which is very important and which we are firmly rejecting and I said that it seemed to me that it had now receded completely, apart from the overall budget, the overall amount for the common agricultural policy, the agricultural policy options are also important.

I was struck by the comment today that 'we talk about the environment, we talk about public health, and, at the same time, we sometimes forget when we are talking about agriculture.' So I would like to point out that the French objective is an agricultural sector with high standards; certainly it must be competitive and able to

export, but standards must be high. We want an agricultural sector that safeguards health, and that is something that involves the whole issue of oilseeds. It is perhaps because not enough effort has been made in that area that we have had to resort as much as we have in the past to certain animal feed products that have had the drastic effects on health of which we are all aware. So it seems to me that high standards, an agricultural sector that safeguards health, planned use of the land and conservation of soil and water and, especially, more extensive farming are French choices that need to be taken into account in the agriculture debate over the next few days.

Question: Mr Blair said recently that Mrs Thatcher's famous money will not be renegotiated. Do you think that this British money, this issue of British compensation, will be renegotiated in Berlin?

President: I shall certainly not predict what we do in Berlin. I noticed that a large majority, the vast majority of those attending the meeting today, thought that every country should contribute something, share in the sacrifice and that, in the case of our British friends, that sacrifice should at least involve reviewing the British advantage, the financial advantage. We shall see what happens.

It has to be understood that each country must contribute if we all want an agreement. As the Prime Minister has just said, France attaches great importance to supporting its agricultural sector and is the first to agree to making a contribution in that area, which is the area in which it sees most advantage. That is why we have suggested that we consider a graduated scale of aid, with details to be decided, which would be one of our contributions to the overall effort. That assumes that everyone will make an effort, including Britain. I have no doubt that it will.

Question: Mr President, Prime Minister, the Germans are seeking a reduction in their contribution to the European budget. To date, we have had very little information on what action they are asking their partners to take. The only figures quoted have been those from the German Opposition or what we French, in particular, had in mind. Have you been able to find out any more at today's meeting about the scope of the measures required?

Prime Minister: As often happens, the delegation that holds the Presidency, which is the case with Chancellor Schröder today, focuses mainly on its Presidency duties. There was only one point, and then really only for a few minutes, when Chancellor Schröder found it necessary to say that he was taking off his presidential hat to speak as German Chancellor. He mooted the idea of a 'safety net'. We shall adopt that term, which is a broader concept, somewhat vague if you like. More specific words have been used. Everyone is aware that the concerns of all the delegations have to be taken into account, particularly those of Germany. The question is how that is to be done. France shares this view. It can understand why Germany is concerned. It believes that this cannot be done with methods that are not consistent with the Community spirit, *acquis* and mechanisms. The President said that just now. In particular, it shows that it is paradoxical to try and reduce the net balance whilst letting expenditure mount up, whether it is agricultural or structural fund expenditure, and the best solution is to keep expenditure under control. Today's discussion has addressed that issue, not intensively or on a huge scale, but it is one of the problems that we are facing, and we have to negotiate in a spirit of compromise if we want to achieve the right outcome in Berlin in a month's time.

Question: Mr President, Prime Minister, Mr Schröder has just reiterated that the failure of Agenda 2000 would have an adverse effect on the financial markets and, therefore, on the euro. Do you think that that fear is justified?

President: You always have to be very cautious. If the Chancellor said that, perhaps he had his reasons. I shall be very careful about making any connection between economic negotiations and the situation on the financial markets.

Question: You have denied that there is any conflict between France and Germany. In Potsdam, the feeling was that the two countries would work together to reach the current deadlines with joint positions or initial steps towards an agreement. That has not happened. Why has the spirit of Potsdam not been present these last few days or weeks?

President: Sir, let me say to you that there was no connection with the spirit of Potsdam, which entailed updating the whole Franco-German relationship to make it more effective, more cordial, more in line with current needs, since the method on which the procedures had been based up to now had grown old, as we all do. We never said in Potsdam that we would reach a common position on Agenda 2000. That would have been absurd, it was not the aim of our decisions and would not have been reasonable. So let me say that there is some confusion between the Franco-German relationship, which is being brought up to date and extended and will be increasingly so, and the negotiations. Negotiations need to move slowly.

Prime Minister: Might I add that, according to what I have heard from the President, the spirit of Potsdam was in evidence at his dinner with Chancellor Schröder in Strasbourg. It was in evidence during the evening that I spent with him and our wives in Germany a few weeks earlier. I shall find it again in Milan on Monday. Our telephone conversation was in the same spirit. To put it simply, as the President has said, it was mainly the bilateral aspect of the Franco-German relationship but also what Germany and France can contribute in terms of employment, growth and the coordination of economic policies. The ties that have been established between governments and ministers in that area are extremely encouraging. Possibly the fact of starting this Agenda 2000 debate, first on agriculture and around the concept, I think, of co-financing, which are not actually operative concepts, might have created a slightly different impression. The reframing to which the President referred just now, the message that has been sent, should, in my view, help ensure that the situation is somewhat different from the impression that you might have had, although that was not totally unjustified.