

Déclaration/Discours - Lundi 1 Septembre 2014

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## 22nd Amabassador's Conference

Mr. President of the Senate,

Mr. Foreign Minister, dear Laurent Fabius,

Ministers,

Parliamentarians,

Ambassadors,

Once again we meet for this Conference, which has become a major milestone, a ritual, but this year takes place in a particularly difficult context.

In the heart of the Middle East, a barbarous organization is attempting to take on the dimensions of a State in order to impose nothing less than a Caliphate in the region.

In Eastern Europe, a conflict that has already left 2,000 dead jeopardizes the principles that have underpinned our collective security since the end of the Cold War.



In West Africa, a major public health threat is added to the specter of terrorism, overwhelming countries that up to now had been regarded as some of the world's most dynamic economically.

These crises, which may seem disparate, can no longer be considered discrete or regional; they are global and international. They are not foreign, they concern us directly. Just because they are occurring far away does not mean that they do not have ramifications right here. They concern us all on an almost personal level.

When a civilian aircraft is shot out of the sky over Ukraine, when fighters of hate are being trained to carry out their criminal assignments in our own countries, and when journalists are kidnapped and horrifically murdered, we are all concerned.

France is mindful of the extreme gravity of these threats.

We cannot remain indifferent to such threats or conceive of ourselves as spectators. That would not be in keeping with our history, and even less so with France's status as a permanent member of the UN Security Council. It would not be compatible with our clear interests or with our vocation as a great country governed by values. The point of our foreign policy is to strive for peace and security in the world. That is the crux of the tireless diplomatic effort led by Laurent Fabius, whose work I once again applaud.

France is on the move. On every front.



## MIDDLE EAST

First, in the Middle East.

Right here last year I expressed my conviction that an international intervention was necessary in Syria. Following the regime's use of chemical weapons, further massacres had to be prevented. I said that inaction played into the hands of the extremists. Alas, we've now seen merciless evidence of this.

I regret the extent to which international mobilization to resolve the situation in Syria was lacking, particularly in the Security Council. Today we are seeing all the consequences: The Bashar al-Assad regime is relentlessly continuing its policy of repression; refugees, each day more numerous, are massing in neighborhood countries; and terrorist groups are gaining new footholds. Those are the results.

But the danger hasn't merely grown, which already would be dangerous. It has become enormous. The conflict spilled over into Iraq, a country that - for reasons I won't go into again - was already experiencing divisions, interreligious conflicts and instability. The Islamic State, or so it calls itself, took full advantage of the situation, because terrorism feeds on chaos.

This group has conquered large swaths of Iraqi territory, in addition to what it basically had in its possession in Syria. It is threatening both Baghdad and Iraqi Kurdistan. It is attacking minorities -



Iraqi Christians, Yazidis and others as well. France has therefore decided to shoulder its responsibilities. It provided assistance for refugee populations, notably in Iraqi Kurdistan. It also supplied weapons to forces engaged on the front lines against the Islamic State. Since then - and thank goodness - other European countries have joined us, but that's not enough. Our support must be amplified in order to preserve Iraq's unity and allow each community to live in peace.

That is why I launched an initiative aimed at improving (when I say

Because in order to defeat the Islamic State, to defeat terrorism, the first precondition is for the Iraqis themselves to come together.

In order to defeat the Islamic State, to defeat terrorism, the international community must also apprehend the danger and mobilize accordingly, while abiding by international law.

In order to defeat the Islamic State, to defeat terrorism, each country must also commit to fighting jihadist networks and international terrorist networks and to keep young jihadists from departing for combat zones. The Security Council will discuss this matter on September 25. As for France, it has not waited. We are already implementing an anti-jihadist plan. It was adopted by the Council of Ministers in May.

A broad alliance is necessary, but I want things to be clear: Bashar al-Assad cannot be a partner in the fight against terrorism. He is the objective ally of the jihadists. There is no possible choice to be made between two barbarous entities because they nurture one another.



France also offers its support for the countries of the region that welcome refugees. I am thinking of Jordan, but also of Turkey and, of course, Lebanon. Today one-third of the population living in Lebanon is by necessity from Syria, We are bound to Lebanon by a friendship pact and we intend to preserve the unity of that country - our friend - as much as possible. There too, we - in conjunction with Saudi Arabia - decided to provide its army with operational capabilities. They are essential to guaranteeing security in a region that is already in turmoil, not only because of what is happening in Syria and Iraq, but also because of the resurgence of the Israeli-Palestinian conflict, which entered a dramatic new phase in recent weeks.

## GAZA

This is the third crisis in Gaza in six years - after those of 2008 and 2012 - but it is also the most deadly (more than 2,200 dead).

A cease-fire has now been negotiated in Cairo. I want to applaud all those who contribute to it. France did its part. Commitments were taken by each party. They must be implemented strictly, precisely and rigorously, because Gaza must not remain an armed base for Hamas or an open-air prison for its inhabitants. There must be progress toward a gradual lifting of the blockade and a demilitarization of the territory.

There too, France made proposals to ensure international monitoring of the destruction of the tunnels, to secure the reopening of checkpoints between Gaza on one hand and Israel and Egypt on



the other, and to give the Palestinian Authority the means to respond to the humanitarian crisis and once again - yes, once again - undertake the rebuilding of Gaza.

That is the path of peace, and it must be embarked upon again as swiftly as possible. Everyone already knows the conditions and parameters. I will repeat them: a democratic and viable Palestinian State living side-by-side with the State of Israel in security. But clearly, the formulas are becoming exhausted. Negotiations on negotiations are no longer enough, insofar as they never end. We must still give them a chance, and that is the responsibility of the stakeholders.

But it will be up to the international community to take the initiative. The role of the United States is decisive. But so is that of Europe: it must act and utilize the full potential, for example, of the Arab peace initiative. It hasn't sufficiently been taken into account since 2002. It is Europe that is doing much to rebuild and develop Palestine. It is Europe that must apply pressure to the various parties, rather than simply being a complaint desk they turn to to salve the wounds of recurrent conflicts.

## IRAN

At the same time, we have to find a solution in our talks with Iran, because there too, everything is connected. Our objective - it is so simple that I can barely state it - is to make Iran renounce access to nuclear weapons.

France proved its firmness, and Laurent Fabius, at a decisive moment, was particularly clear in the



negotiations. France also showed that it was willing to talk, and I myself was one of the first Western heads of state to meet with President Rouhani. That was last year, during the UN General Assembly. But discussions between Iran and the 5+1 were postponed after being scuttled by who knows what conditions, and did not take place. Likewise, there are still those who think it would be a good idea to link nuclear talks with Iran to the situation in Iraq. I completely reject that, it would make no sense. Iran must simply have the courage to take measures that verifiably and unquestionably demonstrate its renunciation of a military nuclear capability.

It is true that the Iraqi crisis shows that our concerns and those of Iran sometimes overlap, and that that country could be an interlocutor, should it decide - and this is key - to abide by principles permitting a sincere and useful conversation. France is ready to consider Iran as such. But on that condition only.

So that should keep us busy working for peace and security in the Middle East.

## UKRAINE

But peace and security are also threatened in Eastern Europe. Just a few hours from here by plane.

In Ukraine, our continent is experiencing one of the most serious crises since the end of the Cold War. I want to articulate France's position on this serious issue.



On one hand, Russia must respect Ukraine's sovereignty, halt its support for the separatists and convince them to accept a bilateral cease-fire. Russia must effectively monitor its border and end the transfer of arms and materiel. If it turns out that Russian soldiers are present on Ukrainian soil, that would of course be intolerable and unacceptable.

On the other hand, the Ukrainian authorities must show restraint in their military operations, implement a program of broad decentralization in the Russian-speaking regions, and avoid any provocations.

The solution to the crisis in Ukraine is political, not military. That is why on June 6, during the D-Day Landing ceremonies, I took advantage of Presidents Putin and Poroshenko's presence to arrange a first meeting. Angela Merkel's presence was helpful at that moment. Since then, the Chancellor and I have continued our efforts to forge ties and renew contacts. Sometimes we've succeeded, but as yet we still haven't managed to resolve the situation.

The Europeans had to strengthen sanctions. They will necessarily be maintained if not increased if the escalation continues. Let me clearly say that I hope we don't get to that point. It is not in Russia's interest, it is not in Europe's interest, it is not in France's interest. Russia cannot aspire to be a recognized 21st-century power and not respect the rules. Even as we speak, it is experiencing growing isolation, and the consequences of slower growth are being seen as a result of the sanctions.

Obviously, it's up to the Russian President to resolve this contradiction. I've told Vladimir Putin several times that France and the European Union would like to continue deepening our relationship



with Russia. Because Russia is a great country, because Russia's destiny too lies within the European continent, and there are historic, cultural and economic ties between Russia and France.

But the Ukrainian crisis is an obstacle to that. One more reason to resolve it quickly! France, along with Germany, stands ready to do so. I am once again proposing to meet in the format that's now called

So the willingness is there, on our side, and we are working with the Chancellery. The response must come notably from the Russian side.

## AFRICA

Europe's peace and security do not depend on Europe alone, but on areas far from Europe. I mentioned the Middle East; I also have to talk about Africa.

It's a continent with which we have ties of friendship and to which we are also tied by history. This year's commemorations once again reminded us of what the Africans had done during World War I and World War II to ensure our victory, i.e., our freedom. So these blood ties remain. But we are also convinced that Africa is a continent of growth.



Right now, as our ambassadors can attest, Africa is covered with projects, is establishing infrastructures, exploiting mineral resources, and making considerable strides in new technologies and the energy transition. In 2013 alone, six of the world's 10 most dynamic economies were African . That illustrates why the vision that many have of Africa must change.

During the Elysée Summit last December, we tried to update the tradition of meetings between France and Africa. We took important decisions. First, France will allocate 20 billion euros over the next 10 years for development in Africa. The French Development Agency will play a key role in this strategy. We even had the idea - with businesses, because nothing can be done without businesses - of a French-African Foundation for Growth that could serve as a lever for us to be useful to Africa and that would be useful to our companies. This foundation is being set up and will undertake its first projects.

But at the same time that I speak about Africa and the historic, economic and human ties that unite us, I must also speak of Africa as a vulnerable continent. The Ebola epidemic is another tragic demonstration of that fact. This epidemic has already left more than 2,000 dead - and not all the victims have yet been counted....

France has been actively involved from the beginning of this epidemic - both the Foreign Ministry and the Social Affairs and Health Ministry. Experts from INSERM and the Pasteur Institute identified the presence of the virus at the outset. Today these same experts are actually contributing to making diagnoses and monitoring the disease. They are present, courageously present, on the ground.



I also want to applaud the nongovernmental organizations that are on the ground, providing training, support, care for the sick and alas, observing the ravages of the virus. France must show its solidarity. Its solidarity is not only financial in nature, it must also be scientific and human.

All measures have been taken to protect our citizens. Military means - and for this I thank the Defense Ministry - have been deployed to guarantee medevac capability. This capability is at the disposal of the World Health Organization.

Epidemics are rooted in poverty and are the result of vulnerable healthcare systems. That's why France, at my decision, has maintained its contribution to the Global Fund to Fight AIDS, Malaria and Tuberculosis.

Generally speaking, even in times like these when we are going through what's called

Africa, despite its strengths, is a continent threatened by insecurity. Whenever a friendly country is a victim of terrorism, we're by its side. Whenever it's also the victim of a risk of confrontation which may lead to massacres or even genocide, we're also by its side, without asking for anything in exchange, without having any idea of compensation or commercial interest.

Last December, we intervened in the Central African Republic; we prevented the worst, and I mean the worst. We were the first; I'll come back to that. But today, the European Union is doing an excellent job with EUFOR. In a few months' time the blue helmets are going to take over; that was our wish, moreover. We're also concerned that the Central African state should be rebuilt and that we can, at the same time, have a democratic transition. That means elections.



In Mali, the decision was taken at the beginning of 2013. Some doom-mongers had told us we'd be there forever... We did our job. I pay tribute to the action taken by Defense Minister Jean-Yves Le Drian and the armed forces. The results speak for themselves: democracy has been restored and development projects are restarting. Reconciliation is under way. It took a long time, it's true. And France unreservedly supports Algeria's action to support this process.

As for our armed forces, they'll contribute, in other forms, to our military presence. We've adapted it and it will take other forms in order to prevent the resurgence of terrorism. Operation Barkhane means we're less present in Mali and more so in places where we were already established. We're ensuring that, with 3,000 troops, we can ensure West Africa's security.

But as soon as one risk disappears and one threat is dispelled, another peril emerges. We saw this in Nigeria: Boko Haram, with its intention of building a caliphate. What did we do? We created an international reaction, brought together here the countries of the region (the so-called Lake Chad Basin countries) and enabled intelligence, information exchange and possible actions to be coordinated. Nigeria - the world's 20th economic power, Africa's most dynamic and no doubt its leading economy - is living under threat from Boko Haram. Nigeria trusts in France, and France will do everything to protect Nigeria's ability to be a great economy and a great democratic country.

But I'm going to share with you my major concern, right now, even at a time when there are so many issues arousing concern and vigilance: Libya.

It's total chaos; jihadist groups have taken control of important sites and not just oil sites. There are two parliaments, two governments - even though, for us, there's only one that's legitimate.



Today there are militias and, in southern Libya, a band of terrorist groups waiting to intervene.

If we do nothing - I mean nothing serious, nothing political, nothing international - terrorism will spread throughout the region. So France is asking the United Nations - because it's the UN which has to shoulder its responsibilities - to organize exceptional support for the Libyan authorities to restore their state. We must also pay close attention to Libya's neighbors: Egypt and also Tunisia, because Tunisia may be the success story of the Arab Spring. It began there and it is to be feared that it's the sole [positive] result. It must still be protected.

## DEFENSE

To respond to all these requests, all our duties, all the risks, France has an effective military tool.

That's why I've decided to maintain the funding in the military estimates act. Everyone sees this as an obvious choice. When we're having to reduce deficits, when we're experiencing weak growth, it's taken us not only the Defense Minister's insistence but all the conviction we and you must have to fully establish that having a defense tool isn't simply about power, it's a condition of our own security itself.

But we can't just make do with funding levels, which I see experts holding forth about down to the last euro cent. What matters is the use of that funding: is it best adapted to the threats?



Hence the challenge of cyber defense, for example, but also intelligence. That's why I've ensured that the capabilities of the DGSE [Directorate- General for External Security] can also be strengthened.

I was saying we sometimes run the risk - exceptionally, we're not criticized for it abroad, but in France - of acting alone. I reply that we're not alone, we're first. It's quite different. We're sometimes even pioneers in international solidarity. My intention is always to act with our European partners, because I'm more convinced than ever that Europe must be present as such in a world where neutrality is no longer permitted.

The ambition for a real Defense Europe - above all, on the part of those who do nothing - must now become a reality. The European Union can't expect one or two member states - I'd say essentially one, namely France - to do everything to cover the bulk of the budgetary and human commitment to the security of all. This realization and this sharing of the effort are conditions for the strengthening of Europe on the international stage.

In a few days' time I'll be going to the NATO summit, which must define its mission and find out what it's for. There's one idea we're going to promote, namely that of giving the Alliance a rapid reaction capability to confront crises, and each member country must play its part in this.

## ECONOMY/FOREIGN TRADE



France is a country that matters on the international stage, thanks to its diplomacy, thanks to its defense tool. But France's future is also its economy. The attributes of power, the attributes of influence, aren't linked only to foreign policy. It's also about what we're capable of doing at the level of the economy, industry and our competitiveness. I'm told that I'm straying far from the subject. No, I'm right on the subject, because France must harness all its strengths, all its energy to remain at the level it's at. Today, it's the world's fifth-largest economic power.

That's why I've launched the Responsibility and Solidarity Pact and also defined a competitiveness strategy to make companies more modern and stronger and ensure our foreign trade can be rebalanced.

Moreover, I believe putting foreign trade back on a sound footing is part of foreign policy.

That's the reason why we've brought together, around the Foreign Minister, the services and resources of foreign trade. That's also your role today, ladies and gentlemen ambassadors.

To help our companies export, we must review a number of our provisions. Simplification, too, has its role, with a pilot unit. What's often charming about France is the multiplicity of people involved, including in administration. It's better to concentrate things, in order to make decisions better and act more swiftly.

I know it's a new mission for you. You know what's at stake, and I ask you to carry it out with all the ministries, all the operators and in particular the Public Investment Bank and all the French regions, which also do a lot to develop exports. Our targets are SMEs, which must have a greater



international presence. And we must also concentrate on certain geographical regions.

## ASIA

First of all Asia, where growth is strongest.

2014 was the year of the 50th anniversary of France's recognition of the People's Republic of China.

The Chinese were very committed to it. We welcomed President Xi Jinping. He himself welcomed me to China. We signed important agreements worth

Rebalancing foreign trade isn't an administrative decision, but it means our having a dialogue with China and the ability to offer technology, investment, competitiveness...

We also have a relationship of trust with India. The handover of power has changed nothing.

We've established a program of work with the new Prime Minister, Narendra Modi. We're confident of a number of contracts. I invited him to come to Paris between now and the end of the year.

With Japan, too, we've ensured trust exists. I paid a state visit in June 2013 and I welcomed Prime Minister Abe in May 2014. We consolidated partnerships in the political field - particularly on



defence and democracy - and on civilian nuclear energy, a highly sensitive issue. We ensured high-level cooperation regarding the consequences of Fukushima.

But I want to go further; we must work with all the countries in the region. I'm going to mention them all, because they're all important: South Korea, Vietnam, Indonesia, Singapore, Malaysia, Burma, Mongolia, the Philippines, Australia and New Zealand. I don't want to sideline any country, and I'm going to ask all the members of the government to pay a number of visits. I'm asking the ambassadors to organize them.

As you know, I myself will be going to Australia in the framework of the G20. I'll be paying a visit to that country, where no French President has been. Why do I say that? Not because I'm surrendering to a fashion for the Asia-Pacific region, where tomorrow's growth will be, but because there's a population there, a dynamism and also a challenge. Moreover, France's image in those countries is good, not to say excellent. There's a demand for French culture and products.

## LATIN AMERICA

There's another region of the world where we have to be even more active: Latin America. It's a major hub. Our businesses have understood this perfectly well. They are investing there more. We must also cooperate on technology. I went to Brazil on a state visit at the end of last year. I went to Mexico at the start of 2014. I must say that what we established, with the Franco-Mexican Strategic Council, is an example to be followed for all major countries, particularly in Latin America: [it is



about] involving not just diplomats and politicians - we can easily manage this - but also businesses, cultural players, key figures, those with a mutual friendship... This is the case between France and Mexico, in spite of or because of history.

We have transposed this model and I'll be going to Argentina, Chile and Peru in 2015.

## FRANCE/ATTRACTIVENESS/TOURISM

More generally, I wanted to attach great importance - despite the serious circumstances we're experiencing (I'm talking about the international political situation) - to the issue of attractiveness. We must increase the number of decisions for job-creating investment in France. This, too, is a task you have to fulfill: not just attracting companies so they go to countries who are friends, to develop a flow of trade, but also to spark an interest in France, in investing in France, in the countries where you are.

Laurent Fabius, along with the Interior Minister, has ensured that it's easier for us to issue visas to investors, entrepreneurs, students and researchers etc., because it was, after all, paradoxical: we wanted people to come, but we didn't allow them to - which is complicated for investing, except if it's done online, but this hasn't always produced the results anticipated...

In the same way, tourism has become a source of attractiveness for us. It's the very principle, the very symbol of the attractiveness which makes people want to come to us. We are the world's



leading tourist destination. It flatters our pride... But we aren't the country with the greatest surplus on its tourism balance. This goes against what we're used to... We must ensure we can offer products and amenities, and be as welcoming as possible, because if people are made to feel unwelcome, there's no reason for coming to see us. This begins - and Laurent Fabius has experience of this himself - at the airport.

We're not going to make ambassadors go to stations to act as meeters and greeters... although we'll do this if necessary! What we must ensure is that all the economic players actively pursue that ambition. I gave a figure: tourism accounts for 7% of GDP, that's two million jobs; [but] since we are the world's most beautiful country, we see that we have a lot of progress to make. We'll do this with culture.

## CULTURE

Culture isn't a form of French excellence that we're obsequiously proposing to the world with the objective of ensuring that our language can be spoken without making an effort to ensure that this will be the case. Culture isn't just a vehicle for exerting influence, or for sharing, it's also a vehicle for economic development. As everyone can see, the battle of the cultural industry is about to take place and operators will start offering their products this fall. We can put up barriers, erect a *cordon sanitaire* in the cultural field, but it's a losing battle. What we need to do is be the best, while



defending the cultural exception. That's what we're going to do in all international negotiations.

We must make the cultural industry a key priority in the same way that the international development of our universities, our *grandes écoles*, is. Because we have to enable more young French people to discover the world. We have nothing to fear when some of our young graduates go abroad - it's the opposite that would be harmful - provided of course that they return and share their talent with their own country that trained them. We should never forget who trains us, because we are nothing without the Republic!

And then there's the hosting of foreign students in France. Here too, we have to ensure that more foreign students are accepted, since this is key to exerting our own influence. La Francophonie is how we exert our influence. Jacques Attali has just given me a report that highlights what a huge economic strength La Francophonie could represent. I want the economic dimension of La Francophonie to feature in the next OIF (Organisation Internationale de la Francophonie - International Francophone Organization) summit in Dakar in November.

## INTERNATIONAL BODIES/FINANCIAL REGULATION

Lastly, defending France's place in the world also involves advocating in the major decision-making bodies, notably the G20, for higher and more balanced growth. That's what we will do in Australia, in Brisbane. We will continue to put financial regulation and international tax cooperation on the agenda; some progress has been made.



Don't think that we are alone in this struggle. The United States and even a country like the United Kingdom have provided support. Because it's in everyone's interest to ensure that black or gray financial activities are eradicated and that the tax conditions for competition are specified.

## THE ENVIRONMENT

Lastly, we will host a major event at the end of 2015: the Climate Conference. Every day, every minute even, the effects of climate change are having an increasingly devastating impact. They trigger disasters, population displacement, political instability and deadly conflict.

The entire government, and I mean the entire government, is mobilized. This is the challenge of the century. I also want to pay tribute to the action of Nicolas Hulot, who, alongside me, is bringing together civil society initiatives, i.e. businesses, researchers, citizens on all continents to focus on this issue.

In September, I will attend the Summit of the Heads of State and Government devoted to climate change convened by Ban Ki-moon at the United Nations. At the summit, I will announce France's action plan to prepare for the 2015 Conference, COP21. I have already lent my support to the World Bank's carbon pricing measures. Because if we want to redirect investment toward energy efficiency and clean energy, then there must be a cost for pollution. France will also participate in the long-awaited capitalization of the Green Climate Fund by the end of this year.



If we want to convince people - it isn't easy, we shouldn't forget the stinging defeats in Copenhagen; no doubt as a result of the method, but also because of the reticence and resistance of certain countries - we have to set an example in France and set an example in Europe.

We are doing so in France, because this fall, Ms. Royal, Minister of Ecology, will present the energy transition and green growth bill. Both phrases are important. The energy transition can play a key role in mitigating climate change. But green growth must also be achieved since these strengths are key to our own development.

Europe should soon - by the end of the year - outline its energy and climate policy goals for 2030.

Ambassadors, I ask you to make COP21 a key priority. The minister of foreign affairs will explain to you, throughout the day, how to achieve that.

## EUROPE

I would like to conclude by emphasizing the vital importance of Europe for our country. During the European elections, not just in France, but especially in France, citizens expressed their mistrust, as well as their demands.



The answer is that Europe must change. It must call into question a number of policies, clarify its organization, regain people's support and above all win the growth and employment battle. Why?

Because one out of every four young people in Europe is unemployed. Because the recovery is too weak. Because inflation is too low. Because the euro is too expensive. Because Europe is facing a long and perhaps lengthy period of stagnation, if we do nothing.

We must first take action at the national level. That's what France is doing. It didn't wait for Europe's reorientation, even though it's working on it, before carrying out its reforms. These reforms are under way. They are taking place in many areas, with due regard for competitiveness and justice.

But these so-called structural reforms must be aimed at improving the economic and social performance of our countries. These reforms can only work if Europe also mobilizes its efforts and creates the right environment. The two are linked. We shouldn't expect everything from Europe, but we shouldn't believe that structural reforms (necessary and essential) and the reduction of the public deficit (which we must continue) will be enough. There must be a willingness, as well as coordination and choices.

The ECB has started to take action. But a lot will depend on the way the banks take advantage of ECB liquidity and make it available to the economy. We're faced with a paradox however, since interest rates have never been so low. I'm not talking about French interest rates which are at a record low. The interest rate in the market is currently 1.3% with a gap of 0.3% between the French and German rates. The rate has never been so low.



It seems like everything is going well. Capital is being invested, interest rates are low, but investment is slow, why? Because the transmission channel isn't automatic. There's a problem with the transmission of the monetary policy - which is nevertheless very favorable for credit - to businesses, which are not accessing this credit enough. That's why I will convene the investment financing conferences in September so that we can increase mobilization in support of investment.

The ECB is assuming its responsibilities. Mario Draghi has issued statements. I'm not going to interpret the statements since that would not necessarily help him or us. But at the same time, it may, as it has indicated, go further if necessary. The countries experiencing the strongest recovery - I'm thinking of the United States - have a monetary policy that has lent considerable support to economic activity.

Along with monetary policy, we need a budgetary policy that must play an important role and take the economic situation - or what are known as exceptional circumstances - into account. Are these exceptional circumstances? Yes: of stagnation (while there's been a recovery, it is too weak) and low inflation. There are those who speak of deflation, but that's not where we are.

This too is a rather odd situation: we're complaining about weak inflation while at the same time, the French have a high cost of living. Both of these things are true. Prices are barely rising yet there's the feeling that they are too high, particularly for the most vulnerable members of society. We must make sure that these situations can be taken into account in determining each country's budgetary policy. The pace of deficit reduction must be compatible with growth objectives and low inflation.

Europe must also do more. It must increase investment in priority areas: infrastructure, research,



innovation, training, the environment. Jean-Claude Juncker announced that 300 billion euros would be allocated, with public and private investments. In this area too, we must make certain that this plan is not only approved but implemented. And it must happen in a timely fashion.

That is the position I will defend at the upcoming European Councils: a new growth initiative and complete flexibility in the pace of deficit reduction, in respect of European rules, but doing everything that's allowed.

I will propose a euro area summit to be held as soon as possible in order to take the necessary decisions.

This is in Europe's interest, because it is its place in the world economy that's at stake. We cannot be seen as the continent with the world's lowest growth rate, and the only one that isn't experiencing economic recovery.

Change in Europe also means policies for the future: an energy policy that enables us to make a successful transition, a digital policy to make up for the delay in that area, to establish leaders at the global level and to respect and ensure the respect of personal data.

Change in Europe also means the need for transparency and reciprocity in international negotiations, particularly the transatlantic treaty. It is this need for transparency and reciprocity that I brought before the European Commission with our Italian friends.

Finally, change in Europe means improved monitoring of the external borders of the Schengen area,



particularly in the Mediterranean. At my request and in conjunction with Italy, the interior minister took a decision to ensure that we can avoid the tragedies occurring in the Mediterranean. We must make sure that

The European institutions will have to organize themselves according to these priorities. Jean-Claude Juncker, the new Commission president, will soon present his College of Commissioners. I appointed Pierre Moscovici as the French commissioner. And I asked the President, who is free to form his team, to give him economic responsibility in the Commission. But it's up to him to make his choices.

France will continue to play a major role in Europe. For Europe and not merely for

France, although France cannot be regarded as just one country in Europe. We are Europe's second-largest economy; we are the nation that makes the greatest defense effort in Europe. We are the country whose foreign policy is in accordance with European deliberations but which takes initiatives. We must therefore have a place in Europe that is in keeping with our status.

But we are also clear-sighted: a Europe with 28 members, and perhaps even more in the future, must change the way it makes decisions and organizes itself. I have advocated - and will continue to do so - talks will take place because some countries want to disengage from the European Union - a differentiated union. So that those who want to go faster, farther, notably in relation to the Euro area, can have an organization suited to their needs. It is that model that will give European construction its meaning and perhaps its legitimacy in the eyes of many.



## CONCLUSION

Ambassadors, ladies and gentlemen, I stressed the gravity of threats. I don't want to further darken the picture, worry our compatriots, but at the same time, nothing would be worse than making them believe that the world isn't dangerous. It is. And it is not dangerous, brutal and sometimes cruel only for people in conflict zones.

One hundred eighty thousand deaths in Syria, that's no doubt one of the largest postwar tragedies. What has been going on in Gaza for too many years now. What might happen in Iraq, with the extermination of a certain number of minorities. What might degenerate in Africa. What might prosper everywhere - terrorism - with its networks and ramifications. We must deplore all this, we must act.

We must say to public opinion, and I'm thinking of the French, that the best way to ensure our protection, the best form of security, is dealing with problems, not ignoring them. I know the temptation exists to say that none of this is our business, that it's all too far away. Why should we mobilize our efforts in Africa or elsewhere? Is that really our place? Do we really have the means, the resources? Should we be spending money while others do nothing? I know full well that many families are having these discussions, and not only political families. But acting as though all this doesn't exist would be the worst possible attitude, the worst possible behavior.

One hundred years ago, Europe plunged the world into a century of horrors. 100 years ago ... The



work of an Australian historian, which received wide coverage, describes the chain of events that led up to that catastrophe. It's called *The Sleepwalkers*. If you are sleepwalking, you are walking without seeing anything; you seem to be awake but you are in a deep sleep. It's a risk that may not concern us individually, but can sometimes affect us collectively. Let's not be sleepwalkers who are walking as though the world didn't exist. Let's stay awake, vigilant - that is what history has taught us.

Our foreign policy goes well beyond our interests. It is designed to be useful to the whole world. That is why, Ambassadors, you play a very important role. When it comes to our policy, you are the decisive actors. I want to applaud both what you are doing as well as all French civil servants abroad who are working to expand France's influence and prestige.

So together, with courage, let us wage the necessary battles. Those of security, development, the environment, growth, and especially the fight for peace. That is the battle that France has always waged. And that is what is collectively our source of honor and pride.

*Vive la République et vive la France!*

