

## Remarks Welcoming Chile to the North American Free Trade Agreement Partnership in Miami *December 11, 1994*

Mr. Prime Minister, President Zedillo, President Frei: I would like to begin my remarks by expressing my appreciation on behalf of the United States to the leaders and the people of Mexico and Canada for being such good partners in NAFTA this last year. This has been a very, very good deal for the United States of America.

Beginning with our agreement with Canada, and with our completion of the NAFTA agreement, we have seen a substantial increase in trade and an increase in jobs, good-paying jobs, for the American people. In the last year alone, we estimate that 100,000 jobs have been added to the American economy because of increased trade opportunities flowing directly out of NAFTA. We have a 500 percent increase in exports of automobile products to Mexico alone in the last year because of NAFTA. So while I think this is good for the world and good for our region, I want to begin by saying a special thank you, because this agreement and the good faith that has been followed in adhering to it has been good for the working families of the United States.

The second thing I would like to do is to say how very proud I am that we are welcoming Chile to the NAFTA partnership. This is a country, like our three countries, that has benefited from disciplined and responsible economic leadership. Chile has high economic growth, low inflation, has virtually extinguished its foreign

debt, and has done so while manifesting the commitment to the labor and environmental standards and to the welfare of the people of Chile that are embedded in our commitments in NAFTA. So Chile is an ideal partner.

I think you could see from the comments of the Prime Minister of Canada and the President of Mexico, we are actually quite proud to be entering this partnership.

I think, furthermore, that this agreement we announce today will be further proof of our intentions, our serious intentions, to complete the free trade agreement for all the Americas by 2005. That is what we agreed to do in this summit. And this should be evidence that we intend to accelerate the process; we intend to keep working.

And let me say again, on behalf of the United States, NAFTA is a good deal for us; it will be a better deal with Chile in it. And we are honored, honored to be in partnership with a country that shares our values and that has demonstrated that it can succeed by doing the right things and doing them well in a free society.

Thank you very much.

NOTE: The President spoke at 12:50 p.m. at the James L. Knight Center. In his remarks, he referred to Prime Minister Jean Chretien of Canada, President Ernesto Zedillo of Mexico, and President Eduardo Frei of Chile.

## The President's News Conference in Miami *December 11, 1994*

*The President.* Good afternoon. Ladies and gentlemen, this Summit of the Americas we just concluded represents a watershed in the history of our hemisphere. I want to begin by thanking again the people of Miami and the people of Florida for working so hard to make this a stunning success and for treating these deliberations with such great respect. I would say a special word of appreciation to the people who dem-

onstrated in the Orange Bowl in such large numbers but in a way that spoke up for their deepest convictions for freedom and democracy for Cuba, in a way that was supportive of the other deliberations of this summit.

From my point of view, the mission of this summit was accomplished, first, in our specific commitment to a free trade agreement of the Americas by 2005, which, going with NAFTA,

with Chile's coming into the NAFTA partnership, with the recent success of the GATT world trade agreement, puts us on the right road. And for the Americans here in the audience, I would just like to ask you to consider that just in the last 2 weeks the United States has concluded agreements to push for regional free trade in the two fastest growing areas of the world, first at Bogor in Indonesia with the Asian-Pacific economies and now here with the free trade agreement at the Summit of the Americas. These things, along with the implementation of GATT and the expansion of the NAFTA arrangement, will set the agenda for world trade for years to come in ways that benefit ordinary American families, that generate more high-wage jobs in this country and more opportunity in the countries of our trading partners.

Secondly, we reaffirmed our commitment to continuing to work together to strengthen our democracies and to promote sustainable development, to promote education and health care and labor standards and the environment, to fight drugs and international crime and corruption, in other words, to push not only for economic growth, for improvements in the quality of life. This spirit of Miami was embodied in 23 very specific declarations and a specific work program that will begin immediately. That makes it quite a bit different than most summit declarations of the past.

And finally and perhaps equally important, we saw here in the interlocking networks of people that began to meet and work together both in preparation for this summit and then here—not just the world leaders but others who were here in huge numbers from these various countries—the beginning of the kind of working relationship that will be absolutely essential to bring this hemisphere together in an atmosphere of trust and a true spirit of partnership. So from my point of view, this has been a very successful summit, indeed. I am pleased. I am deeply indebted to the leaders of the other countries, as well as to the people who did all the work to make it a success on our side.

Helen [Helen Thomas, United Press International], I'm sorry about your accident last night, but you look just fine.

#### *Taxes*

Q. The water was fine. [Laughter]

Mr. President, there are strong indications that you read the election results, and as a result

of them, you plan to give a middle class tax cut, and you're going to cut the programs from the poor. And my question is, are you going to promote or support a middle class tax cut, and are you going to cut programs for the people who are the most vulnerable and less able to defend themselves?

*The President.* Well, first of all, before the election, long before the election, I announced on more than one occasion, as did others who are in our administration, that we wanted to complete the work of being fairer in our Tax Code by providing a middle class tax cut that would go with what we did with the earned-income tax credit in 1993, which, I would remind you, gave 15 million American families with 40 million Americans in it—that's a significant number of people in a country of 254 million—an income tax cut. Already we have done that. I want to build on that. I want to fulfill the commitment of our campaign and my commitment to tax fairness and to give the working people of this country, many of whom have had declining incomes or stagnant incomes for a long time, some benefit from the end of the cold war and the downsizing of the Federal Government, which is well underway. So I am working to do that. I am working to do that, however, in the context of not a lot of irresponsible promises but the real discipline of the real world. That is, I do not want to see this deficit start going up again.

That is my objective. I think we can achieve that objective without hurting—not only without hurting poor people who are poor through no fault of their own but while creating an environment in which the poor will be encouraged and empowered to work their way into the middle class.

Keep in mind—I think sometimes we lose sight of this—I believe—you know, people read the elections any way they want; I think the important thing is to do what we think is right. But there are two components to restoring the American dream today. One is rooted in the fact that working Americans without college degrees have stagnant wages or declining wages for a long period of time. We want them to have more security in their jobs. We want them to be rewarded for their work. We want them to stop losing their health benefits. The second is that the percentage of people living in poverty, including working people in poverty, is going up. A big part of the American dream

has always been the opportunity that poor people had to work their way into the middle class.

So I don't believe that we should be pitting the middle class against the poor who themselves are willing to embrace the values of work and family and community. And I don't think that we have to do that.

So I think when you see our budget, our proposals, our cuts, they will be perceived by the American people as fair, fair to both the middle class and to the poor in this country who are willing to work hard to make themselves independent or who through no fault of their own are poor.

Q. So the answer is yes on a middle class tax cut?

*The President.* No, the answer is—the answer is what we have said for months and months and months: I intend to propose one as long as I can pay for it, without—that's the answer. But I do not believe that what we need in this country is a war of the middle class against the poor, because most poor people believe in family, work, and community. Most poor people would gladly work themselves into the middle class. And a lot of people living in poverty today live in families where people work.

What I think—if you want to know what I think the people believe on this, it's what I believe, what I think most Americans believe, which is that no one should get a check for irresponsible conduct, that Government funds should not be used to reward irresponsibility. But if people are temporarily poor through no fault of their own, if they're doing their best to improve their lot in life, if they are responsible parents and trying to do the best they can, I don't think the American people want us to put a lot of folks in the street or take a lot of kids away from loving parents and put them in state-run orphanages or do any of that stuff.

I think that we can show discipline in welfare reform and discipline in a lot of these other programs and still not be anti-poor. What we ought to want is for the middle class to be rewarded and for the poor to be empowered to work their way into the middle class and rewarded for that.

#### *Federal Government Downsizing*

Q. Mr. President, also on an economic issue, back in Washington your deputies are working on budget proposals that might include the

elimination of a Cabinet department such as Energy or HUD. Do you concur with the idea that a Cabinet agency might have to be abolished? And if so, what are your thoughts on where their functions would go and why they should be eliminated?

*The President.* Well, I don't think we should—I think that's starting at the end rather than at the beginning. So let me try to answer the question.

It has been apparent for more than a year that the exploding cost of health care, which I was unable to persuade the Congress to act on, will cause the deficit to start to go up again next year, unless we take further steps.

The American people should know something I don't think they do know now, which is that this budget the Congress just adopted—the first budget adopted with all agencies on time in, like, 17 years—reduced both domestic and defense spending for the first time since 1969; domestic spending was reduced. What did not go down was interest on the debt, Medicare, and Medicaid.

So what we have to do is to continue to reduce spending. If we want to have a middle class tax cut, if we want to invest more in the education and training of our work force, if we want to train people to move from welfare to work, we have to find the money to do that. So we're going to have to continue to cut back on Government.

Our people have been looking for, well, 6 months or more now, at what our options are. And what I instructed them to do was to basically ask a certain set of questions: Does this program, or would the elimination of this program, advance the interest of working people's jobs and incomes, of the desire to have poor people work their way into the middle class, of our desire to have safer streets and stronger families and stronger communities, of our need to be strong in the world, promoting peace and prosperity? Those are the criteria.

And I said, "Let's measure all this, everything the Federal Government's doing, and let's take a fresh look at it. And don't rule anything out, but don't make a lot of decisions until you analyze these things rigorously, because it's obvious that we're going to have to continue to reduce the size of the Federal Government, to give more authority back to States and localities, to consider whether we need to be doing some things at all."

But I think it's important to see this as a continuous process. In the last 2 years we de-regulated banking, intrastate trucking; we de-regulated much of what the Federal Government was doing with the States in education, in welfare and health. So I think we have to keep doing it. And I wouldn't rule anything out.

But the questions you asked me about any particular department are all the questions that would have to be asked and answered. If you ask me a purely political question, do I think it's necessary to do that for show, the answer is no, I don't think it's necessary to do that for show. Do I think it is terribly important that we continue the work of reinventing Government, which the Vice President has spear-headed, that we continue to downsize the Government? Yes, I do.

Keep in mind, among other things, we are already obligated to reduce the size of the Federal Government by 272,000, and we have already reduced it by 70,000, but not more.

Now, what I would like to do is to alternate from here on in between journalists from other countries and American journalists. So, the gentleman over here. I'll do my best.

#### *Customs Inspections*

Q. It is really not easy for us to interview the President of the United States, so I beg you a followup, please. My first question is when we can really expect a change from the approach of the United States? You have told me in the past that you would like to be the best President since John Kennedy, and certainly many changes have been done to Latin America. But for all of us Colombian citizens, it's very difficult to pass through an airport in the United States. When will we see and expect a change?

*The President.* What I said was I wanted the people in Latin America to perceive the United States as a good friend of Latin America, as they did when Kennedy was President. I do believe that. And I don't know what you're referring to. I mean, we—you mean because they question you at the airports?

Q. [*Inaudible*].—Colombians that are honest people. Not all Colombians are—[*inaudible*].

*The President.* I agree with that. But we also—when people come into our borders, many honest people are tested and questioned, and their effects are examined. That's the nature of our system here. If you think that it's disproportionately prejudicial to Colombians, I will

look into that. No one has ever raised that question with me before. But that's what border inspections are all about. You have to inspect the honest and the dishonest; otherwise you would never—no one knows who is or isn't in the beginning. That's why you have inspections.

#### *Russia*

Q. Mr. President, while you've been here, the Russians have moved into Chechnya. And I'm wondering if you have any comment on that and if you have had a chance to discuss that with President Yeltsin, or if you plan to.

*The President.* Well, we haven't had direct discussions; President Yeltsin and I have not. But we have had some discussions with our contacts in Russia, and they with us. The first thing I want to say is, obviously, it's something we're monitoring closely; we're concerned about it. It is an internal Russian affair, and we hope that order can be restored with a minimum amount of bloodshed and violence. And that's what we have counseled and encouraged.

#### *Cuba*

Q. [*Inaudible*].—Cuban-American. You have said in the past that you feel our pain. Do the other 33 heads of state feel that pain? And if so, why wasn't it mentioned here today? Why does it seem to be so difficult to present a united front against the last remaining tyranny in this hemisphere?

*The President.* In our private meetings yesterday, a substantial number of the heads of state spoke up on behalf of democracy in Cuba and the need for changes, political changes there. And as you know, President Menem and one or two others did publicly when they were here, as well.

I think the differences, frankly, are over what the best way to achieve that objective is. Most of these countries don't agree with the United States policy—not because they don't agree with our objective; I didn't find much sympathy with the political structure in Cuba among these leaders. There was a great deal of feeling that it is urgent to restore democracy to Cuba, and it was very widespread. The differences were over whether or not the approach we have taken is the correct one. And I think because they couldn't agree on what to do about it, they decided not to say what they feel about it. But I don't think you should underestimate the

depth of feeling throughout Latin America that every country should be free.

*Russia*

Q. In the past couple of weeks, Russia has taken a number of actions that raise questions about its reliability as a strategic partner, specifically the failure to sign on to the Partnership For Peace, the U.N. veto on Bosnia, and then blocking a statement on Bosnia at the CSCE summit. Do these things cause you to question or have second thoughts about your policy of trying to work for a close relationship with Moscow?

*The President.* No. And I'd like to say why. They don't, because Russia is still a democracy. Russia is still pursuing economic reform, which is critical to the kind of political stability that will lead to responsible partnership. Russia followed through in its efforts on the Non-Proliferation Treaty, and we now can see START I entering into force. There are no Russian missiles pointed at the United States for the first time since the dawn of the nuclear age. And maybe more to the point here, Russia also kept its commitment to withdraw its troops from the Baltic States that, as you know, I worked very hard on with President Yeltsin.

When we first met, President Yeltsin and I did, back in the spring of 1993, I said then, and I will reiterate now, there will always be some areas of difference between us; there will be some times of greater or lesser difficulty. But I think that our continuing engagement with the Russians, our involvement with them, our working with them is quite important. We have some differences about Bosnia, as you know. But we have some differences with our close allies in Western Europe over Bosnia, as well.

I was disappointed, frankly, that the agreement about Russia's relationship with NATO and the Partnership For Peace was not signed, because Russia has participated in the Partnership For Peace. We have done military exercises in Russia as well as in Poland, and we had done our best to prepare the groundwork in cooperation. So I am disappointed about that. And obviously, I felt that the exchange of statements that we had in Budapest reflected some modification of what the United States thought the Russian position was.

But these things are to be expected in the relationships of great nations that have a lot of irons in the fire. And we'll have to—I'll watch

them; I'll work on them; I'll do whatever is necessary to protect our interests. But I think, on balance, our policy has been the right one, and I think there have been far more pluses than minuses to it. Consider what the alternative might have produced. I don't think it would have produced nearly as much as has been produced in the last 2 years.

*Cuba*

Q. [*Inaudible*—in order to bring democracy to Haiti. Will you be doing the same on Cuba?

*The President.* But what we did—we had a lot of support from other countries. And we have a lot of support from other countries to bring democracy to Cuba, but no agreement on what the policy should be. Our policy toward Cuba is embodied in the Cuba Democracy Act, which calls for an embargo and then permits calibrated steps toward normalizing economic and other activities in response to things which might happen in Cuba.

Most other countries believe that time is on our side, that if you look at what has happened in Russia and the former Soviet Union and Eastern Europe, that a more aggressive engagement would produce democracy more quickly. So that is the difficulty. We have a policy difference. You could see it in the recent U.N. vote.

I think what we need to do—and that goes back to the question that the lady in front of you asked—what we need to do is to try to persuade our friends, to say, "Look, even if you disagree with the specifics of American policy, you ought to keep speaking out publicly about this because you will change the environment." And changing the environment is an important thing. I think President Menem made an important contribution to that when he was here.

*Surgeon General Joycelyn Elders*

Q. Your Surgeon General, Joycelyn Elders, was forced to resign this past week over remarks she had made last weekend at an AIDS conference in which she appeared to be suggesting alternatives to dangerous forms of out-of-wedlock sex. She apparently was forced to resign because you didn't agree with those comments. I was wondering, what exactly is it that you didn't agree with, or what do you think was wrong about the way she made the statement? And how do you answer those critics who say that her firing was essentially bowing to pressures from Republicans who just last week,

Newt Gingrich, for example, asked for her resignation?

*The President.* Well, first of all, if I wanted to do it for political reasons, it would have been done before the election, not afterward.

Secondly, I think you ought to go back and read my statement. My statement makes it clear that I held her in the highest esteem. She is a person of great energy and conviction, and she's devoted her life to child health and reducing teen pregnancy and fighting AIDS. But there have been a number of things where we just have different positions, and I think that at some point the President is entitled to have people in certain positions who agree with him and who don't depart from the policy positions and the personal convictions that a President has. I think that that is a legitimate thing. It's not political; it's what is necessary for a government to have coherence and integrity and direction.

But I still admire her; I still like her. But we just have a whole series of differences which I thought made this an appropriate decision.

#### *Argentina*

Q. Did Argentina ask the United States to mediate between England and Argentina for the Malvinas Islands? And if that happened, what would be the U.S. position?

*The President.* Well, I'm in enough trouble already without answering that. [Laughter] No, let me answer. No one—President Menem has never asked me to do that, and I have found it quite useful in life not to answer hypothetical questions.

Q. A summit question?

*The President.* A summit question, one summit question? Sure.

#### *Cooperation of Summit Participants*

Q. Your aides are speaking now of—discussing your influence, your leadership in the summit, and it appears that the American positions did prevail across the board. I wonder, given the new partnership in this hemisphere, what you can tell us other countries brought to this summit and why we were not swayed in issues like Cuba and others?

*The President.* Well, first, there was a difference of opinion among them over Cuba, too, so it wasn't as if it was 34 to 1. The question of whether our embargo is the right policy was one of only many questions there. We had some

good discussions about Cuba individually and in our smaller groups.

But let me also say that when we say the American positions essentially prevailed in critical areas, like in the free trade area, I think it's important to note that Mr. McLarty and Mr. Altman and a lot of others did an enormous amount of background work. I don't know how many times Mack McLarty went to various countries involved in this, and our trade people, Mickey Kantor and others. There was a lot of background work done to try to get a feel for what these other countries' concerns were, what their legitimate concerns were, so that there was really a shaping of the ultimate position coming up to the summit which reflected many of their concerns.

And I think you could hear some of their concerns, for example, in the statement of the representative of the Caribbean today. You know, if you listen to what he said, they have some very fixed views there, and they wanted to know that we were going to try to push for legislation in the Congress to make sure they wouldn't be disadvantaged by NAFTA. We said we would. That's an important thing they got out of the summit. Although I intended to do that all along, the fact that they made that case here at the summit, were able to do it when there was a very strong bipartisan delegation of Congress here, I thought was quite important.

To give you another example, a lot of the countries in South America are willing to, I think, work very hard to try to stamp out drug trafficking. But they wanted to know that we were willing to renew our efforts to reduce consumption in America, to reduce the demand for drugs in America, and to help them to consider alternative ways to move the farmers away from coca production. And a lot of that is implicit in the summit. They liked that. They wanted to know that it wasn't just the American position that they had to do more but that we would listen, that we would be willing to do more. And those are just two examples.

So there were many areas when—I mean, I appreciate the fact that people who work for me want me to—want to give us credit for things; that's their job. But you have to give these people an enormous amount of credit, these other leaders, because they gave huge amounts of time to this process before we ever showed up here. And they would say things

like, "Okay, this is what you want to do in this area, and we will go along with that, but this is our concern." So we would work along to get their concerns worked out.

So I think that if the United States deserves any credit here, it is in the process by which we found common ground, by moving into the future in ways that took account of the legitimate concerns of all these other countries.

And if I could just give you one example in closing—I haven't seen it much noted in the last couple of days, but this summit represented a remarkable partnership between the United States and Brazil, two countries that have in the past been at odds over trade and other issues and at least have not had the kind of closeness of relationship that the two largest

countries in this hemisphere ought to have had. And I am especially grateful to President Franco and to the Brazilians generally for the work they did to help us keep this together.

So I would give a lot of credit to the other guys. I think they deserve it, and I hope they get it.

Thank you very much.

NOTE: The President's 83d news conference began at 1:15 p.m. at the James L. Knight Center. In his remarks, he referred to President Carlos Menem of Argentina; Summit of the Americas Coordinator Thomas F. (Mack) McLarty; Summit of the Americas Deputy Coordinator Roger Altman; Prime Minister Owen Arthur of Barbados; and President Itamar Franco of Brazil.

## Statement Congratulating the Nobel Peace Prize Recipients *December 11, 1994*

On behalf of the American people I wish to extend congratulations to Prime Minister Yitzhak Rabin, Chairman Yasser Arafat, and Foreign Minister Shimon Peres on being selected as the Nobel Peace Prize laureates for 1994.

It was with great pride that we welcomed these leaders to the White House on September 13 last year to sign the historic Israel-Palestinian Declaration of Principles. It is fitting that this achievement be recognized by award of the Nobel Peace Prize and that the presentation

take place in Norway, the country which contributed so much to making it possible.

There is still much work to be done by all who support and share with this year's Nobel laureates the goal of a just, comprehensive, and lasting peace in the Middle East. The ceremony in the Oslo City Hall not only marks a great achievement, it encourages all of us to redouble our efforts to realize the promise of peace for all the people of the Middle East.

## Message on the Observance of Christmas *December 15, 1994*

Warm greetings to Americans everywhere during this joyous Christmas season.

The timeless story of a baby born in a manger amid humble surroundings is the fulfillment of a promise, an affirmation of faith. Jesus' birth demonstrates the infinite love of God. We celebrate the gift of His life, and Christmas softens our hearts and rekindles in us a sincere desire to reach out to others in peace and friendship.

As we rejoice in the miracle of Christmas, we reflect on the Holy Family and draw

strength from their example of faith. We are reminded that the bonds between parent and child, between husband and wife, and between neighbor and stranger are opportunities to answer Jesus' call to love one another, and we are reminded that one day we will be asked whether we lived out His love in ways that treated all of our brothers and sisters—even the least of them—as we would have treated Him.

In holy Bethlehem and throughout the Middle East, ancient enemies are putting aside their