

years in public life I have rarely met anybody that I thought had the particular blend of strengths that Prime Minister Chretien has, a man who cares passionately about ordinary people and the problems that they face and is also terrifically engaged in the great intellectual challenges that governing in this new time presents and that has the practical sense to build the bridges between the great challenges of the time and the ordinary concerns of real citizens. He is a very, very good leader for this time, and

I am very glad to have him as our partner in trying to build our dreams for the 21st century. Prime Minister.

NOTE: The President spoke at 9:56 a.m. in the Great Hall at the National Gallery of Canada. In his remarks, he referred to Prime Minister Jean Chretien; Canadian Ambassador to the United States Raymond Chretien; U.S. Ambassador to Canada James J. Blanchard; and Shirley Thomson, director, National Gallery of Canada.

Exchange With Reporters in Ottawa February 24, 1995

Secretary of State Christopher

Q. Mr. President, how did you find Secretary Christopher?

The President. He was doing well this morning. I had a great talk with him. And he feels good, and he's going to go home with us this afternoon.

Q. Will he be able to get back to work soon?

The President. I'm encouraged.

Q. Would it affect the Mideast trip at all, sir?

Q. [*Inaudible*—that's what gave him the ulcer? [*Laughter*]

The President. Gee, I hope not. [*Laughter*]

NOTE: The exchange began at 10:30 a.m. at the Parliament. A tape was not available for verification of the content of this exchange.

The President's News Conference With Prime Minister Jean Chretien of Canada in Ottawa February 24, 1995

Prime Minister Chretien. Ladies and gentlemen, this concludes a great meeting between the President of the United States and myself, members of his Cabinet, and members of my Cabinet. As I had the occasion to say many times, the relations between our two countries is an example to the world. We have some problems, but we are able to work on them and find solutions.

I'm delighted, Mr. President, that the Canadians appreciate very much the relations between Canada and the United States at this moment. It was some years ago only 25 percent were happy with the quality of our relations. Now 53 percent are happy. So it's probably more because of you than of me, but—[*laughter*—I just want to say to you that it's been, for my wife and I, a great occasion to receive

your wife and you. And the bond between our two nations, I'm sure, are better because you came here.

[*At this point, the Prime Minister spoke in French, and his remarks were translated by an interpreter.*]

It is always for us a great pleasure to welcome our neighbors to the south. We share a continent. We share history. If there have been difficulties between the United States and Canada a century and a half ago, today we are able to sit down together and to find solutions that bring about a better understanding between two neighbors where mutual respect resides and neighbors who understand that it is in working together that we can go forward.

[*The Prime Minister resumed speaking in English.*]

The last 15 months that I have been the Prime Minister I have had many occasions to meet with the President. It's probably the ninth time that we are together, and we speak on the phone. But I can see the influence that the Americans have on the world scene at this moment. And it's extremely important to keep the leadership in the world. In my traveling in Latin America, in my traveling in Asia the last few months, I realize that we've made some fantastic progress.

For me to see that all these countries in Asia want to be part of APEC and now of a free trade arrangement by the year 2010, and they want to work in a market economy and break down barriers and specialize and take share of the market in the best way, the way that we have developed in America and Canada over the last century is fantastic. But probably, the most significant thing that I've lived was when I was in Latin America and I saw this democracy, as I said this morning, getting better now and all these leaders very anxious to develop our values in the era of dictatorships in these areas and talk and be open about trade, but mostly about democracy and about human rights was a great satisfaction.

And they all were telling me to tell you that they need America to be involved. And it's why I'm happy to say that publicly at this moment, because, Mr. President, you are respected by the leaders of the world, and they want the United States of America to remain the champion of democracy and human rights and economic and social progress.

Thank you.

The President. This morning the Prime Minister and I had a fine and wide-ranging discussion with many members of his Cabinet and members of our administration. I want to begin by thanking again Prime Minister Chretien and Mrs. Chretien and all the Canadian people for making Hillary and me and all of our group feel so welcome here in Canada. We have had a wonderful trip. Everything we've done has been immensely enjoyable and productive. And I'm very grateful for the chance that we all had to come here and have this meeting.

I thank the Prime Minister for the statement he made about the role of the United States in the world. There are many debates now going

on in our country about what we should be doing. It is clear to me that my ability as President to work with our people to open up economic opportunity and to give all Americans the chance to be rewarded for their labors and to solve their own problems and to have a good life for themselves and their children as we move into this next century requires an aggressive leadership on our part—prudent, to be sure; restrained, to be sure—but still American leadership involved in the world and working with real partners like the Canadians on a whole range of issues. And I thank him for that.

I'd like to say a special word of appreciation, too, about the agreement we have just signed to open the skies between our two countries. It will strengthen our partnership. It will create thousands of new jobs and billions of dollars of economic activity. As I said this morning, the only losers in this will be the people who have been piling up frequent flier miles; they'll be a little short because now it will be a lot easier to get back and forth between Canada and the United States. Nearly as I can figure, everybody else involved in this agreement comes out way ahead. And nonstop flights from many major cities in the United States to places like Montreal and Toronto and Vancouver are now going to be more available. And I am very encouraged because today we've agreed to throw out the 30-year-old rules that have suffocated business and wasted time and money for millions of travelers. The travel time on many major routes will now be cut in half because of this agreement. Passengers on both sides of the borders can look towards dramatically expanded services at more competitive prices. Canadian and American airlines will now be able to actually advertise and be telling the truth when they say you can get there from here. [*Laughter*]

Letting market demand, not Government regulation, determine the number and destination of flights between our two nations is a big step forward. It's consistent with what we've been doing in NAFTA, which has led to a big increase in bilateral trade in just the last year alone. And I believe it's consistent with the larger vision that Prime Minister Chretien and I have shared and worked for with NAFTA, with the GATT agreement, with the agreement with the Asian-Pacific nations, with the agreement at the Summit of the Americas to open those markets.

I want to say a special word of thanks to the Transportation Minister of Canada, Doug Young, and our Transportation Secretary, Federico Pena, for what they have done here.

Finally, let me say, Mr. Prime Minister, I'm looking forward to coming back to Halifax this summer. We have a lot of work to do to examine the questions that you and I put forcefully on the table in Italy last year. Are the institutions which were established at the end of the Second World War to promote growth and developing trade, are they adequate to meet the challenges of this new age? When so many people in the world are struggling for democracy and are struggling to support enterprise, are they going to be rewarded for those efforts? And if they're going to be rewarded for those efforts, what do we have to do to make sure that the movement to democracy and the movement to enterprise, that that is not derailed with the inevitable kinds of crises that will arise from time to time, such as the recent one in Mexico?

I am confident that we can meet that challenge, and I'm glad we're coming back to Halifax because you've been such a leader in that regard. And I thank you, sir.

Thank you all very much, and we'd be glad to answer questions. Thank you.

Q. Mr. President, you've said some admirable things about Canada, Mr. President. Can I ask you—

Prime Minister Chretien. No, no. You don't ask—[inaudible]—in Canada, French and English. So I will use my privilege to—[laughter]

[The Prime Minister concluded his remarks in French, and a translation was not provided. The next question was then asked in French, and a translation was provided by an interpreter.]

Canadian Unity

Q. Mr. Chretien, I would like to ask you if you're satisfied with the winks in favor of Canadian unity from the President?

Prime Minister Chretien. Is it to me or to him?

Q. To both.

Q. First, Mr. Clinton, you said yesterday that Canada's future was for Canadians to decide. After having met with Lucien Bouchard, can you tell us if you consider, if the Quebecers were to vote yes in the upcoming referendum, in favor of pulling out from Canada, would you consider this from an American perspective as

a minor or a major disturbance or no disturbance at all?

The President. You already said I winked yesterday. I was never consciously aware of having winked at Prime Minister Chretien. That will, doubtless, be a story at home. [Laughter] Look, I came here to celebrate, not to speculate. I'm celebrating the relationship we now have. I said everything I had to say yesterday, and I think that most reasonable people reading or hearing my words knew what I said and processed it accordingly. And I don't think that I have anything to add to what I said yesterday about this.

Q. Can you just help us with this interpretation? Since you said so many admirable things about Canada, can one assume that you would like to see it stay united, that would be your preference?

The President. You can assume that I meant what I said yesterday. [Laughter]

Affirmative Action

Q. Mr. President, is it true that you have ordered a review of affirmative action programs? And does it mean that you are backing off from giving a leg up to disadvantaged from past eras?

The President. No, it's not true that I'm backing off—it's not true that I'm backing off from giving a leg up. It is true, as I have said publicly now for some time, that I believe that we should not permit this affirmative action issue to degenerate into exactly what is happening, just another political wedge issue to divide the American people.

I believe that every American would acknowledge that there are affirmative action programs which have made a great deal of difference to the lives of Americans who have been disadvantaged and who in turn have made our country stronger. The best examples of all, I believe, are the people who have served in the United States military, who, because of the efforts that have been made to deal with disadvantaged minorities who had not been given a chance to rise as high as their abilities could take them. In education, training, leadership, development, the military today is a model; it looks like America, and it works.

I, furthermore, think that it is time to look at all these programs which have developed over the last 20 to 25 years and ask ourselves: Do they work? Are they fair? Do they achieve the desired objectives? That is very different from

trying to use this issue as a political wedge one way or the other. I think it would be a great mistake.

So we have been talking for, oh, months now with people about this issue, people who have participated in these programs, people who are knowledgeable about them, people who have both philosophical and practical convictions about them. I think we need to have a national conversation not only about affirmative action but about what our obligations are to make sure every American has a chance to make it. And I'm going to do my dead-level best—and some of you may try to get in the way of it, but I'm going to try to stop this from becoming another cheap, political, emotional wedge issue. This country—our country has been divided too often by issues that, substantively, were not as important as the political benefit that the dividers got. And that—

Q. You don't think that we have equality in our country, do you?

The President. I absolutely do not, and I think we—we don't have equality. We may never have total equality. But we need—and we don't have—we don't even guarantee equality of results. What we need to guarantee is genuine equality of opportunity. That's what the affirmative action concept is designed to do. And I'm convinced that most Americans want us to continue to do that in the appropriate way. But we shouldn't be defending things that we can't defend. So it's time to review it, discuss it, and be straightforward about it.

Relationship With Prime Minister Chretien

Q. Mr. Prime Minister, during the election you talked about not wanting to go fishing with the President of the United States in case you looked like the fish and things like that. [Laughter] Can I ask you—your relationship has been pretty close during this visit—are you referring to the President by his first name, or is it still Mr. President? How would you describe your relationship?

Prime Minister Chretien. You know, he is Mr. President when there is another person in the room. And when we're alone, I don't call him William J., I call him Bill. [Laughter]

The President. Thank you.

Q. Mr. President—

The President. I'd be honored to put the bait on his pole if he wanted to go fishing. [Laughter]

Balanced Budget Amendment

Q. Mr. President, back home the balanced budget drive is picking up steam. Two more Democratic Senators came out in favor of it. Is this an idea whose time has come, or are you going to try to stop this or get on the bandwagon? What's your position on it now?

The President. Well, my position on it is the same thing it was last year. I don't think it is a good idea. And I don't think it's a good idea in part because of the judicial review provisions which means that, basically, we're allowing—it's ironic to me that the Republicans, who have lambasted the Federal courts and lambasted the courts running our lives for years, are now willing to let the Federal budget be determined in Federal court. I find that astonishing, first of all. Secondly, we don't need this balanced budget amendment to reduce the deficit. And what it really does is give the minority the power to decide what's in the budget and maybe to increase the deficit. Thirdly, the Republicans still don't want to give us the right to know. They dance around Social Security; they dance around the other details. I think they have given us a little right to know with the rescission package they've presented, which is basically making war on the kids of the country. So I hope that it will be—that the Congress will not go along.

And I have talked to some Senators; I intend to talk to some more. But this is a decision most of them will make based on their own convictions, I think. We do need to keep bringing this deficit down; I am committed to doing that. I don't think this is the right way to do it. That's my position.

[The following question was asked and answered in French, and a translation was provided by an interpreter.]

Q. Prime Minister, are you sensitive to President Clinton's budgetary intent, that is, to give the middle class a break? I'd also like to hear the President. Has he tried to convince you that a fiscal break for the middle class of Canada is a good thing?

Prime Minister Chretien. Obviously, everyone wants a taxation system that is beneficial to the middle class. But we haven't really discussed this problem between us. We had other questions to deal with, the President and I. So we did not deal with our respective budgets. But

both of us, no doubt, want to provide very good administration to our respective countries and balance the books at some point.

Spending Cuts

Q. Yesterday, a number of House subcommittees proposed cuts in housing and rental assistance and EPA water projects and your own national service program. With all of this coming at once, what's your strategy to oppose these cuts? And isn't there something to what was said by one of the local newspapers, that, in a way, because of what's going on in Congress, you come here almost more as a titular head of government than as a real chief of state?

The President. Well, near as I can tell, ma'am, we've been here 50 days under this new regime, and they've only sent me one bill and I was proud to sign it. I mean, congressional committees can vote whatever they want; the House can pass whatever it wants. Unless I missed my guess, a bill doesn't become law unless I sign it or it passes over my veto. [Laughter] Now, last time I checked the Constitution, that was the rule.

What they're doing is showing what I tried to tell the American people last October and in September. What they should—look at their rescission package. What they want to do is to make war on the kids of this country to pay for a capital gains tax cut. That's what's going on. And the people will figure that out, and I think the Senate will figure it out. And I still believe we can make some real progress here. And meanwhile, I'm going to pursue my agenda and get done as much as I can.

I still believe we can make some real progress. But I do not think the American people expect nor support these radical right-wing measures that are coming out of these House committees. And we'll just see whether they do or not. We've got a constitutional system, and we've got a chance to see it work. I hope they can send me some more bills that in good conscience I can sign. I'm still waiting for the unfunded mandates, the line-item veto, all these things that will help us control unnecessary spending. But their definition of unnecessary spending apparently is the Women, Infant and Children program and Head Start and all these programs. I disagree with that, but we knew that to start with.

We've got to go through the Senate and go through conference. So I don't consider myself

a titular head of state, and until there is some evidence to the contrary, you shouldn't either. [Laughter]

Currency Fluctuations

Q. Thank you, Prime Minister. President Clinton, in terms of North American free trade—and as usual on visits like this, a lot was said about trade—are you concerned about the value of the Canadian dollar being about 71 cents, the decline of the peso—who knows what it is today—and at what point does your administration lose patience with this and at what point do you have concerns that your many friends in Congress will say, we're at the losing end of this because of the value of the dollar?

The President. You mean because when the value of your currency goes down it changes the trade relationship? Well, the truth is that all of us have not—something less than 100 percent control over the value of our currency. And the Prime Minister and I are dealing in part with the accumulated problems that we found when we took office. That is, I was stunned last year when the value of the American dollar went down. When we were having 4 percent growth, the best economic year in 10 years, we had the lowest combined inflation and unemployment rate in almost 30 years, the value of the dollar is dropping. Why? Because we had to borrow a lot of money to finance the accumulated debt of the years before I took office.

So these are problems that we have to work through. But I am not concerned about it. I did what I thought was right in Mexico. I knew it wasn't popular, but I thought it was right because I think, long term, Mexico's on the right path. They are committed to democracy and enterprise. And I don't see how anybody could look at Canada today and believe that it was not—that this country is not a country of massive potential, moving in the right direction, one of the most successful countries in the world by any measure.

And you're going to have these fluctuations in the currency. They're going to happen, and often they're happening because of market forces that were rooted in developments before we showed up. So I'm not impatient. We're just going to work together and work through these things and make the best of the situation and seize the opportunities that are out there.

Administration Accomplishments

Q. Speaker Gingrich gave a speech in Washington this morning. He said on ethics, he's a victim of a systematic smear campaign. He said, Democrats are the guys who smear mud, Republicans are the guys who pass legislation. [Laughter] Your reaction, please.

The President. I think the laughs in the audience are a better reaction than anything I can say about that. I don't have any comment about that. We had—the record was largely lost, I think, on the public, but the fact is that in the previous 2 years, more constructive bills were passed in more areas to get more done than in any time in the previous 30 years.

After 2 years of talking about what wasn't happening, I noticed in one of the news magazines a tiny chart after the elections were over that said, "Oh, by the way, we neglected to say this before, but this was the third Congress since World War II that passed more than 80 percent of a President's proposals in both years." So I think our record for passing laws is pretty good.

And secondly—I mean, on the other deal, I hardly know what to say. I think that it would be better, since I hope we can work together to pass some laws that are good for the American people, it would be better if I didn't say too much about that.

Canadian Unity

Q. Prime Minister, could you tell us, please, if you think that anything that President Clinton has said during this trip has helped your cause of promoting national unity in Canada? And if I might also ask the President, when Lucien Bouchard said that he wanted to meet with you, he said that one of the things he hoped to achieve was to let you meet a separatist in flesh and blood. So what were your impressions of him, and do you feel he was a good ambassador of separatism?

Prime Minister Chretien. I will reply first. You know, the President has stated the obvious, that Canada is a great example to the world. So there it is—it was a statement of fact. And I was very disappointed when you talk about the values of moderation and sharing and compassion and the ability to live together with our differences, that it could not be applied to the Bloc Quebecois because I know that the

Quebecers share these values and they want—that it's very dear to them. That is my comment about what the President said. I was not present at the meeting between Mr. Bouchard and the President; that was another Chretien there. [Laughter]

The President. My answer to you, sir, is that, as you know, I'm sure, whenever I go abroad as President, I meet with opposition leaders. I do that quite frequently in democratic parliamentary countries. I have very often done that.

I met with Mr. Bouchard because he was the leader of the opposition. He happens to be a separatist, and he stated his case clearly and articulately. I think the people who agree with him would have been pleased with the clarity with which he expressed his position.

Spending Cuts

Q. Some of the Republicans on Capitol Hill who are involved in legislation about which you spoke say that, contrary to being cut, the child nutrition programs, about which you and members of your administration have spoken so strongly in recent days, that funding for those programs will actually be increased, though not at as great a rate as had previously been anticipated. In light of that, sir, I wonder if you might think that "war on children," and some of the other phrases have been perhaps a bit extreme?

The President. Well, it's my understanding, Brit [Brit Hume, ABC News], that they wanted to block-grant the School Lunch Program and therefore flat-fund it for 5 years. If that's not what they want to do then I'll—then I need to know what the facts are. My understanding is that they wanted to flat-fund it. And my understanding is that in their rescission package, they have proposed to reduce funding already approved for WIC. They proposed, it's my understanding, to eliminate the summer jobs for children, which will make our streets a little steamier in the summer for the next 2 years, and to do a number of other things that are cuts from the budget that is already approved. If I'm wrong about that, then I'm wrong. But I don't believe I am wrong; I believe that's what they want to do.

Prime Minister Chretien. *Merci beaucoup.* Thank you very much.

NOTE: The President's 86th news conference began at 12 p.m. in the Reading Room at the Parliament. In his remarks, he referred to Lucien

Bouchard, leader of the separatist Bloc Quebecois in the Canadian Parliament.

The President's Radio Address *February 25, 1995*

Since I became President, I have worked hard to fulfill our responsibility, in this time of dramatic change, to preserve the American dream for all of our citizens and to make sure this country enters the next century still the strongest nation on Earth.

Much of what we have to do, creating jobs, raising incomes, educating all of our citizens, promoting work over welfare, much of this work is harder because in the 12 years before I became President, Government made the problem worse, promoting inequality by overtaxing the middle class and not asking the wealthiest of our citizens to pay their fair share; reducing investments in our future, things that would grow jobs and incomes; and unbelievably, quadrupling the national debt.

We have to be responsible with our tax dollars. If we don't have a responsible budget, nothing else can get done. That's why with each budget I've submitted to Congress, we've cut Government, cut the deficit, and still invested more in the American people so that they can make the most of their own lives.

Two years ago when I submitted my first budget, some argued that it was impossible to dramatically reduce the deficit, increase investment in education and training and jobs, and create economic opportunities. Well, 2 years later, the facts have silenced the naysayers. We cut the deficit by over \$600 billion; our new budget cuts it another \$80 billion. Our 1993 economic plan cut over 300 domestic programs; this new budget eliminates or consolidates 400 more. And still we invested more in education, training, and jobs. Since I took office, the economy has created almost 6 million new jobs.

I remain committed to cutting the deficit further and to moving toward a balanced budget. The question is, what's the best way to do it? The United States Senate is about to vote on the so-called balanced budget amendment. The amendment doesn't really balance the budget,

it simply requires Congress to come up with a drastic combination of cuts and tax hikes and to cram them in by a date certain, no matter what the other economic impacts might be, unless 60 percent of both Houses vote to continue to deficit spend. Now, there are some serious problems with this approach, and I'd like to mention three of them.

First, we're fortunate that today our economy is strong. But it won't always be, and when the economy is weak, many people need a little extra help to get back on their feet. Now, when more people are out of work, Government spending on things like job training goes up, and tax revenues go down because there aren't as many taxpayers. At a time like this, the last thing the American people need is a tax hike or a cut in job training or an arbitrary cut in our national defense. But the balanced budget amendment will force us to make just those decisions every time the economy is weak. That kind of extreme fiscal policy makes a small recession worse. In its most exaggerated form, it's what helped to turn the economic slowdown of the 1920's into the Great Depression of the 1930's. According to the Treasury Department, if a balanced budget amendment had been in effect in 1992 during the height of the last recession, another one and a half million Americans would have been out of work.

The second problem is this: The Constitution clearly establishes that budgetary choices should be made by elected representatives. But under this balanced budget amendment, budget decisions could end up being made by Federal judges, who certainly aren't elected. That's why an army of constitutional scholars from every part of the political spectrum, from conservative Robert Bork to liberal Laurence Tribe, have advised the United States Senate to defeat this amendment. We do not want budget decisions affecting tens of millions of Americans being made by unelected Federal judges.