

come back into Canada now.

One of the reasons I want to try to generate more jobs here is I think that would create more jobs in Canada. The more people we have with incomes and the more consumers we will have, the more economic impact we'll be able to have in Canada to bring that unemployment down there.

Q. What are the problems, if any, in the relationship?

The President. Well, let me say, this is our first conversation face to face. I don't want to dwell on the problems. The opportunities overwhelm the problems. And I'm sure we'll work through the problems.

Prime Minister Mulroney. Maybe I could just say, Mr. President, in regard to that, that our total trade, all in, is in Canadian dollars about \$275 billion a year. It dwarfs anything that the United States has anywhere in the world. But more importantly, at the end of the year when

you factor everything in, from interest payments to dividends, our trade is in rough balance. It is extraordinary that the largest trading relationship between two nations in history is in rough balance at the end of the year, which means that with the imperfections that we have, that we've got a pretty good system that is self-governing. And from time to time, the President and the Prime Minister of Canada have to intervene to make sure that this really remarkably productive relationship with both countries is preserved and strengthened.

That's what President Clinton did. He was selling the free trade agreement when he was Governor of Arkansas throughout the United States. So I'm very encouraged by his attitudes and his record in regard to developing world trade.

NOTE: The exchange began at 11:38 a.m. in the Oval Office at the White House.

The President's News Conference With Prime Minister Brian Mulroney of Canada

February 5, 1993

Canada-U.S. Relations

The President. Good afternoon. I'm delighted that my first meeting as President with a foreign leader is with the Prime Minister of Canada, Brian Mulroney. On the day after I was elected, I spoke of the essential continuity of our country's foreign policy. Our steadfast relationship with Canada is an indispensable element of that continuity. Prime Minister Mulroney and the people of Canada should know that the United States is still their friend and their partner.

It is worth noting that the United States and Canada share the world's longest undefended border and that we haven't had a battle between us since the War of 1812. Now having said that, Mr. Prime Minister, I will tell you that I look forward to winning back the World Series. *[Laughter]*

Canada has long stood as our partner in promoting democracy and human rights around the world. Today Canada is demonstrating her international leadership for peace and freedom through her commitment of troops in peace-keeping efforts around the world, in Somalia,

in Bosnia, and elsewhere. Canada is our largest trading partner. Both our nations benefit enormously from the immense river of goods and services flowing across our border, with an increase of \$30 billion just since the free trade agreement went into effect.

It is remarkable how relatively few disputes have attended the vigorous trading between us. Yet it is inevitable that there will be some disagreements even among close partners. And we agreed today to maintain high-level attention to that trading relationship, to ensure that the problems are addressed before they become crises.

The Prime Minister and I discussed the North American Free Trade Agreement. I assured him that my administration intends to move forward with NAFTA while establishing a process to provide adequate protection to workers, to farmers, and to the environment. Canada was our partner in working with Mexico to negotiate NAFTA, and Canada will be our partner as we move forward to put it and its related agreements into effect. We've made a good start here today

in setting the stage for working together.

We also discussed the GATT agreement, and I reassured the Prime Minister that the United States will do what it can to secure an agreement at GATT that all the world can be proud of and can be a prosperous part of.

We reviewed a broad range of global issues, including the developments in Russia and elsewhere in the former Soviet Union, the crisis in the Balkans, the situation in Somalia and Haiti. We also discussed our participation in the Group of Seven and what the United States and Canada might hope to achieve this year, and especially this summer when the G-7 meets in Tokyo, to help move the global economy out of recession and into a strong recovery.

This was a very good beginning. I want to thank Prime Minister Mulroney for coming down from Canada and tell him that he'll always be welcome here. And I look forward to visiting you on your home turf soon.

Prime Minister Mulroney. Thank you, Mr. President. I'll simply say that, as the President indicated, we had a very full review of quite a large number of items in the few hours we spent together and a very productive working lunch. I thought it was a very good meeting and a very good beginning of the relationship of Canada with the new administration.

The President has indicated the complex issues that we've touched on, tried to deal with, principally, of course, and I think you'll understand, the relationship between Canada and the United States itself. The relationship is by far the most important one the United States has in the world. This is the biggest trading relationship ever between two nations. And at the end of the year the important thing is it tends to be in rough balance, which indicates that you can have free trade and prosper.

And so we're very concerned about the GATT, and we're very concerned about trading currents generally and very reassured by the President's strong commitments and strong positions in respect of the manner in which you bring back and reenergize prosperity around the world.

So we covered our bilateral arrangements, and we covered a lot of the hot spots around the world. And I'm sure that the President and I would be happy to take a few questions.

[At this point, the Prime Minister repeated his statement in French.]

Thank you very much, Mr. President.

NAFTA

Q. Mr. Prime Minister, what do you think of the changes the President wants to make in the NAFTA agreement?

Prime Minister Mulroney. Well, Helen [Helen Thomas, United Press International], the changes that the—the President doesn't—he indicated—he will, himself, I'm sure, but the President has indicated many times that he is going to sign the NAFTA agreement as it is but that he proposes to bring in supplemental agreements with Mexico, particularly in regard to some of the points that he has mentioned, that do not impact on the NAFTA agreement as concluded. That may change. If it does, I'm sure we'll hear from the President. But our information is that, by and large, that the NAFTA agreement with those supplemental accords is something that he could promote and defend very vigorously.

I think, Mr. President, that's the position.

The President. That's right. And I might add that the Prime Minister's administration in Canada has had a strong record on the environment, something that we want to try to beef up in a supplemental agreement, and that Canada would be, I think, more or less in line with the United States in terms of its impact on any supplemental labor accord we might reach.

So we certainly intend to work with them. After all, this is a three-way agreement, not a two-way agreement. But I still believe, as I said many weeks ago, that we can negotiate these agreements without reopening the NAFTA itself.

Bosnia

Q. [Inaudible]—the best way to proceed is to attempt to modify the U.N. plan? And how long do you think that negotiations can be relied on before stronger action is taken?

The President. Perhaps the best way to answer your question would be to let the Prime Minister communicate his views, which he communicated to me, and then let me tell you what my response is. Shall we do that?

Prime Minister Mulroney. In regard to the Bosnian situation, we think, Susan [Susan Spencer, CBS News], that the elements of an agreement—there's been a lot of constructive work done, but that there are inadequacies in it that can be corrected at the Security Council by

the involvement, a greater degree of involvement by the United States in terms of the accord itself and also the involvement of President Yeltsin.

We believe that the elements of an agreement, impacted by the concern of the United States and Canada in the area of human rights, in the area of war crimes, for example, can be—these amendments can be of significant substance without altering a lot of the hard and constructive work that has taken place so far by Cy Vance and David Owen.

But it would be important that in this process at the Security Council there be greater involvement by Russia and by President Yeltsin. And I took the liberty of making some recommendations along those lines to the President, and he'll reflect upon them and probably have something to say.

The President. Let me answer now to just reaffirm what our present posture is. We have given the Bosnian situation urgent consideration. We have reviewed a wide range of options. We certainly will take into account what the Prime Minister has said. Our reluctance on the Vance-Owen proposals, while I applaud the effort both personally and as President, is that the United States at the present time is reluctant to impose an agreement on the parties to which they do not agree, especially when the Bosnian Muslims might be left at a severe disadvantage if the agreement is not undertaken in good faith by the other parties and cannot be enforced externally.

So we are looking at that. I think one of the things the Prime Minister said is absolutely right: If there is to be a diplomatic political solution to this over the long run, we very much need President Yeltsin involved and the support of Russia. He reaffirmed to me just a few days ago in our telephone conversation his general support for the policy that we have outlined. But I'm sure you can understand why with a problem this difficult, we would like a few days longer just to seriously review this to come up with what our policy is going to be. Then we'll announce it as clearly and forcefully and follow it as strongly as we possibly can.

Haiti

Q. [*Inaudible*]*—is it time to strengthen pressure on Haiti? Do think we should have stronger action—*

[*At this point, a question was asked and answered in French, and a translation was not provided.*]

Q. Mr. President, the same question, please.

The President. As the Prime Minister has said, our Secretary of State met today with President Aristide and discussed a wide range of issues with him as well as what our efforts have been, the progress and the lack of progress of Mr. Caputo's efforts. We talked about where we're going with this relationship in the future.

Let me say that I am committed to restoring democracy to Haiti. I am doing my best to work through the U.N. and the OAS with Mr. Caputo. I am, frankly, disappointed that the Prime Minister in Haiti has apparently backed off a little bit of his original willingness to let us send in some third-party observers, not just to protect the petitions for refugee status but also to try to stabilize conditions leading toward a restoration of democracy there. And we're going to talk to Mr. Caputo, see where he thinks things are, and then reassess our position.

But I share the Prime Minister's determination. The United States and Canada should be and are one in our commitment to restoring democracy to Haiti. And we will continue to push ahead either on the course we're now on, or if that fails, on a more vigorous course toward that end.

Israel

Q. What did you tell the President on the deportees in Israel?

Prime Minister Mulroney. We touched peripherally on the Middle East because the Secretary of State is going to, I gather, to the Middle East at an early moment. The position of Canada, my own view is that we tend not to try and give Israel lessons in regard to the determinations it has to make about its own national security. Israel's entitled to make some important value judgments about itself.

That being said, I congratulated the President and the Secretary of State for their leadership in bringing about the first step of the return of the hundred deportees, which I think was an excellent example of diplomacy and international leadership by the President.

It's the first step. It's not the whole answer. And it's a complicated matter which I think will be resolved—where the resolution of which will be clearer after Secretary of State Chris-

topher has had an opportunity to visit the region. But I think that we're supportive of the U.N. resolutions, but I'm always very concerned when people start to lecture Israel on the manner in which it has to look after its own internal security, because for very important historical reasons, Israel, of course, is better qualified than most to make determinations about its own well-being.

Bosnia

Q. Mr. President, on Bosnia, do you expect that there would be an American diplomatic initiative to replace what you see as the flaws in the Vance-Owen initiative?

The President. I can't say that at this time. As I say, I applaud the efforts that have been made by Lord Owen and by Secretary Vance. I think that they have done the very best they could. And I don't criticize the details so much as—it's not a criticism so much as a reluctance on the part of the United States to impose on parties an agreement which they do not freely accept themselves, particularly one that might work to the immediate and to the long-term further disadvantage of the Bosnian Muslims.

But I would not rule out any option at this time. We have a wide range of options under consideration. We are working very hard on this. We will settle on a course and then do our best to consult with our allies and win broad support for it. You heard the Prime Minister say that over the long run we need President Yeltsin's involvement in this, and I agree. You heard me say that we hardly ever do anything in foreign policy that we don't have Canada's support in, and we'll need that.

So we've got a lot of work to do on this. We've been working very hard and we'll try to bring it to a quick closure.

Q. There seems to be disagreement, though, in that the Prime Minister seems to think that that can be built upon—

Q. —come up with some agreement.

The President. I hope we can revive them. Our biggest problem in this country is the expiration of fast track authority. But we have begun a lot of talks in earnest within the administration about that. I've done my best to send a signal to our trading partners and to the parties to

GATT that we very much want a successful agreement. And I'll have more to say about that in the days ahead.

Thank you.

Haiti

[At this point, a question was asked and answered in French, and a translation was not provided.]

The President. Let me answer that also. I take it by what I believe was your French, of what then was a good translation I got, that you mean by complexity of the situation in Haiti the fact that Father Aristide was plainly elected by an overwhelming majority and is plainly still—has the support of an overwhelming majority of the people; but while, in the brief period when he was in authority, made some statements which caused people in the military and others to have fear for their security, their personal security, in ways that are inconsistent with running a democracy, which has to recognize human rights—does that present the complexity? Yes, that is the nub of the issue.

We have to be able to restore democracy in a way that convinces everybody that their human rights will be respected and, for an interim period, protected. And obviously, that's what the Caputo mission is designed to do.

But the complexity of the issue cannot deter us from the fundamental mission, which is to restore a democratically elected government that will not abuse the human rights of ordinary Haitians. And I agree with the Prime Minister, we certainly ought to be able to do that here in our backyard, and we're going to work hard on it.

Thank you very much.

Prime Minister Mulroney. Thank you very much.

NOTE: The President's second news conference began at 1:44 p.m. on the South Lawn of the White House. In his remarks, he referred to Lord David Owen and Cyrus Vance, Cochairmen of the International Conference on the former Yugoslavia, and Dante Caputo, U.N./OAS Special Envoy to Haiti.