

Remarks Prior to Discussions With Prime Minister Jean Chretien of
Canada and an Exchange With Reporters in Kananaskis, Canada
June 25, 2002

Prime Minister Chretien. I am delighted to have the President in Kananaskis. It's a beautiful part of Canada, and it's where we produce oil and natural gas that you guys need a lot.

President Bush. That's right. [Laughter]

Prime Minister Chretien. And so I wanted to show this beautiful province, and it's just north of Texas. [Laughter] And so—and they play baseball here too.

President Bush. That's right. [Laughter]

Prime Minister Chretien. So, welcome, Mr. President.

President Bush. Well, thank you, Mr. Prime Minister. The Prime Minister said I was going to be stunned by the beauty of this place. And you're right. It is spectacular. I really want to thank you for your hospitality and working hard to put on this important conference. We appreciate it.

Middle East Peace Proposal

Q. Mr. President, will you be asking the Prime Minister for support on your recent peace plan?

President Bush. Sure.

Q. Mr. President, can I follow up on that?

President Bush. Sure.

Q. Today the—

President Bush. So this is two of the four questions. [Laughter]

Q. Do you expect—today Israel captured the seventh of eight major cities and today announced—

[At this point, cell phones rang.]

President Bush. Everybody settled down? All right, go ahead.

Q. In the incursions today by Israel, we now have 700,000 Palestinians confined to their homes. Do you condone those actions? And do you think it will make it harder gaining the support of G-7 leaders

with that kind of activity going on Israel right now?

And quickly to the Prime Minister, do you support President Bush's position that the Palestinians won't, can't, will not get statehood unless Arafat is ousted?

President Bush. If I might say what I said yesterday, I said the Palestinians need new leadership, elected leadership. They need a constitution. They need the international donor community to participate so long as there's transparency and the financial institutions are sound enough to reject corruption. In order for there to be hope, there needs to be the emergence of the institutions necessary for a peaceful Palestinian state to emerge.

And I will continue to remind all parties they have responsibilities, that if there's a true desire for peace, they ought to work for that peace. And listen, everybody has got a right to defend themselves. But there also had to be a vision toward a way forward. And that's what I talked about yesterday.

Israeli Incursions Into Palestinian Territory

Q. Do you condone the action?

President Bush. Everybody has a right to defend themselves. But all parties must work toward peace. If they're interested in peace, they've got to work toward peace. And I laid out the conditions necessary, that I thought were necessary. I called upon all parties in the region to assume the proper responsibilities.

Prime Minister Chretien. And then for me, I think that it's important that the statement to the effect that we need in this part of the world an Israel that is secure and well-protected and, eventually, a state for Israel. And the situation of Jerusalem will always be complicated, but it

will take—we have to secure two countries there that can live in peace.

And as the President said, on both sides we have to work towards peace. And of course, there will be elections; I'm told that there will be an election before the end of the year. And I hope that it will be a real election that will produce somebody that will be democratically elected. I'm not—the President talked about perhaps it will be better to replace Mr. Arafat. I don't have the specific point of view on that. I will—I think it might be a good thing. I don't want to comment on that. But I just say that we need quick election there and to produce the best leadership, because—and it's very important to have a constitution and a real state, alongside Israel that has to be secure and well-protected.

Canada-U.S. Relations

Q. Prime Minister, there are several thorny issues that continue to divide Canada and the United States, and you appear to be making no headway on them. Everyone knows softwood lumber is another one. And I also wanted to ask you about the border pact, how far along are you on that?

Prime Minister Chretien. Oh, we're doing very well on that. We were supposed to have a meeting—we'll have a meeting very soon. I think that Governor Ridge and Deputy Prime Minister Manley have done a fabulous job. And I think that we've made a lot of progress on that, and we're supposed, eventually, to have an occasion to celebrate the good work between Governor Ridge and Deputy Prime Minister Manley.

President Bush. Let me comment on this.

Q. Sure.

President Bush. We've got a significant relationship together. It's a vibrant, positive friendship. We've got enormous trade between our two countries. The trade is in the interests of all of us. There are some problems on occasion, but we've got the kind of relationship where we can be very frank about it and try to work them out. And the opportunities and the benefits from our relationship far exceed—far exceed—the few problems that face us.

Adam [Adam Entous, Reuters], last question. There you are, Adam. Emerge.

Strength of the Dollar

Q. Thank you, Mr. President. Are you concerned about the weakening dollar? And should the United States do something about it?

President Bush. Adam, as you know, my position is, is that the dollar will seek its level based upon—based upon market forces and based upon whether or not our country can rein in spending, can recover, can revitalize our manufacturing base. And so the dollar will seek its appropriate level based upon market forces.

Prime Minister Chretien. And I say the same thing about the Canadian dollar. [Laughter]

President Bush. Good fastball.

NOTE: The President spoke at 7:09 p.m. in the Delta Lodge at the Kananaskis Village resort. Prime Minister Chretien referred to Chairman Yasser Arafat of the Palestinian Authority and Deputy Prime Minister John Manley of Canada. A tape was not available for verification of the content of these remarks.

Remarks Prior to Discussions With Prime Minister Tony Blair of the United Kingdom and an Exchange With Reporters in Kananaskis
June 26, 2002

President Bush. I'm going to make a comment; the Prime Minister will make one. We'll call in an orderly fashion, answer a couple of questions, if you don't mind.

First, I'm—it's great to be with my friend the Prime Minister. This is our second bilateral of the day. The first was in the gym. I went down after a run, and there was the Prime Minister working out—an impressive regime, I might add. [Laughter] So we had a good visit there, and we'll have a good visit here. America has got no better friend than the Government of Great Britain. And I really appreciate his advice and friendship. It's good to see him.

I am deeply concerned about some of the accounting practices that take place in America. Today the revelations that WorldCom has misaccounted \$3.4 billion is outrageous. We will fully investigate and hold people accountable for misleading not only shareholders but employees as well.

There is a need for a renewed corporate responsibility in America. Those entrusted with shareholders' money must—must—strive for the highest of high standards. The good news is, most corporate leaders in America are good, honest, open people who care deeply about shareholders and employees, and our economy is strong. But when we find egregious practices, such as the one revealed today, we'll go after them—and need to.

Mr. Prime Minister.

Prime Minister Blair. Well, Mr. President, first of all, thank you for your kind words. And I thought you looked in pretty good shape yourself this morning.

And once again let me pay tribute to your leadership at this time, particularly post-September the 11th, but actually on all the range of issues in the world today. Our relationship is strong, partly because you and your colleagues are so easy and

open and transparent to deal with it, and I thank you for that.

And obviously, we have discussed and will discuss all the key issues that are to do with the summit and the issues to do with the Middle East and so forth. And I'm sure our discussions will be good and fruitful, as they always are.

President Bush. Finlay [Finlay Lewis, Copley News Service].

Middle East Peace Proposal/Palestinian Authority

Q. Mr. President, in your speech you made it very clear that the current leadership in Palestine is not acceptable. If the outcome of the election in January were to result in the reelection of Yasser Arafat, what would be the policy of your Government?

President Bush. I meant what I said, that there needs to be change. If people are interested in peace, something else has got to happen. We're mired in the situation now where there is terror on the one hand and hopelessness on the other, and that's unacceptable.

And therefore I laid out a way forward for Palestinians, the Israelis, the Arab world, and all the rest of us worried about it. And it said basically the new institutions—there needs to be a new constitution; there needs to be elections; there needs to be balance of power; there needs to be new security forces; there needs to be transparency amongst financial institutions.

I also made it plenty clear that if their leadership compromised by terror, we won't be on the path to peace. I've got confidence in the Palestinians, when they understand fully what we're saying, that they'll make right decisions as to how we get down the road for peace. The status