

The President's News Conference With Prime Minister Stephen Harper of Canada and President Felipe de Jesus Calderon Hinojosa of Mexico in Montebello, Canada
August 21, 2007

Prime Minister Harper. Might I, first and foremost, thank all the people here and the citizens of Montebello for giving such a warm Quebec welcome. You are quite right to be proud of your beautiful Montebello manoir and the area.

As the leaders of the three countries, between—and our discussions between President Bush and myself were very cordial, constructive. Our three countries maintain peaceful, productive relations and give great contributions to our people. It is part and parcel of our commitment to democracy, free market, NAFTA, and the equality of chances to all citizens.

This is a unique moment to look at the individual aspects that we could look at and the challenges that we have to face. We agreed to discuss the protection of the consumer and looking at the nonsecure products entering the nations, in particular those going to our children.

We also recognize the fact that to find practical, pragmatic solutions to our mutual environmental challenges, our countries are working to find our own sustainable energy and to find national standards on energy efficiency.

Finally—and this is particularly important for Canada—we realize that border security must not threaten the friendly relations that we have. We undertook agreements on co-operation, standards, regulations, pandemics, intellectual property, and research in the energy field. In the framework of this summit, we met the North American Competitiveness Council. Their leaders provided us with valuable information on how we could exploit our partnership in the field of security and prosperity to strengthen our economies and to create good jobs here in North America.

Our discussions did not merely deal with North America. We also discussed a number of other international and hemispheric questions: climate change and too the next meeting of the Middle East discussions, where our countries are defending democracy and freedom and protecting the have-nots.

This summit enabled us to discuss our singular bilateral discussions. President Bush and myself met yesterday afternoon. We discussed a number of subjects, in particular our joint commitment to have a secure border that shall remain open to goods and services and to the interaction between our respective citizens.

President Calderon and myself also had a meeting yesterday evening, and I would like to thank President Calderon and his wife Margarita and their children Maria, Felipe, for having passed a wonderful time with us last weekend. We understand that you have had to shorten your stay due to the consequences of Hurricane Dean on your country. I sincerely regret the terrible aspect of this Hurricane Dean on Mexico, but I understand the concern, that the Mexican authorities have assisted in evacuating a Canadian citizen.

We have been—also been able to arrange our agenda yesterday to discuss important matters for our respective nations. We were able to discuss a number of different matters and the flourishing development of trade between our two countries, and that we shall pursue in the future.

Canada, United States, and Mexico, are good neighbors and good friends. As sovereign nations in our modern world, we

are not merely independent but also interdependent. And we are determined to cooperate for our mutual security, our continued economic growth, and the improvement of our North American relations are unique in the world.

[At this point, Prime Minister Harper continued in English.]

—the staff here and the people of Montebello for their warm Quebecois hospitality. You have every reason to be proud of this magnificent resort and this beautiful region.

As host of this year's North American leaders summit, it's my responsibility and pleasure to report that the discussions between Presidents Bush and Calderon and myself were as cordial as they were constructive. Our three countries share peaceful and productive relations that are of considerable benefit to the people of our respective nations. These relations are rooted in our common commitment to democracy, free and open markets through NAFTA, and equal opportunity for all of our citizens. This week's summit has provided an opportunity to share individual perspectives and to take stock of the challenges that we face together.

We agreed to work together on consumer protection. We have to identify and stop unsafe goods from entering our country, especially those designed for our children. We also agreed on the need for practical solutions to our mutual environmental challenges. Our countries are already working together to develop clean and sustainable energy, and we're cooperating on national fuel efficiency standards.

Finally—and this is especially important for Canada—we agreed that border security measures, critical as they are, cannot threaten the bonds of friendship or commerce between us.

Over the past year, we've achieved agreements on regulatory cooperation, pandemics, intellectual property, and research in energy. As part of our summit,

we also met with the North American Competitiveness Council. The Council's business leaders have provided us with good, practical advice on how we can build our Security and Prosperity Partnership to strengthen our economies and create good jobs right here in North America.

But our discussions were not focused exclusively on North America. We also discussed a range of international and hemispheric issues, from climate change to the upcoming APEC meetings, from the Middle East to Haiti, where all three of our countries are working to advance freedom, democracy, and development for the most impoverished people.

Moreover, the summit provided opportunities for one-on-one discussions about our unique bilateral relationships. President Bush and I met yesterday afternoon. We discussed several matters, including our joint commitment to a secure border that remains open to the exchange of goods and services and the interaction of our people.

President Calderon and I met last night. First, let me take the opportunity to thank the President, his wife Margarita, and their children Maria, Felipe, and Juan Pablo, for spending some time this past weekend with our family. I understand you're cutting your visit short, given the impact of Hurricane Dean on your country. I regret the cost of this terrible natural disaster. At the same time, we appreciate the efforts of the Mexican authorities to secure the evacuation of Canadian citizens.

I'm grateful we were able to arrange our schedules yesterday to meet and discuss matters formally before your departure. We had the opportunity to discuss many issues related to the growing relationship between Canada and Mexico that we're going to lead forward together.

Canada, the United States, and Mexico are good neighbors and good friends. As sovereign countries in the modern world, we are both independent and interdependent. And we're committed to working together on mutual security, continued

economic growth, and expanding our unique North American relationship.

President Bush.

President Bush. Thank you, Prime Minister. Thanks for having us here. I too want to thank the good folks of Montebello for their wonderful hospitality. The food was good; the hospitality was warm. You picked a great place to come.

I express my country's concerns for the citizens whose lives will be affected by Hurricane Dean. I respect the fact that President Calderon has decided to get back to Mexico as quickly as possible in a safe way. I want you to know that U.S. Agencies are in close touch with the proper Mexican authorities, and if you so desire help, we stand ready to help. The American people care a lot about the human condition in our neighborhood, and when we see human suffering, we want to do what we can to help alleviate that. So we wish you all good luck.

These meetings are—I'm not going to try to reiterate what Stephen said. He went through the list of the meetings. And he's a—he's right, that we talked about a lot of issues. I just want to give you the spirit of the discussions and why I think they're important.

It's in our people's interests that Canada and Mexico work closely together. In other words, there's a good reason why our leaders should come together on a regular basis. First reason why is to figure out ways to continue to enhance prosperity. It's in our interests that the Canadian lifestyle be as strong as it is, and it's in our interests that prosperity spread to Mexico. If you're a U.S. citizen, you want people that live close to you to be prosperous. The more prosperity there is in your neighborhood, the more hopeful your neighborhood is.

NAFTA, which has created a lot of political controversy in our respective countries, has yielded prosperity. Since NAFTA came to be, trade between our respective countries has grown from \$293 billion a year to \$883 billion a year. Now, for some, those

are just numbers, but for many, it's improved wages and a better lifestyle and more hope. And the question that we're faced with is, how do we continue to enhance prosperity so the average citizen understands the benefits of three countries working together? And I think we made some good progress toward eliminating barriers and toward harmonizing regulations to a point where more prosperity will come to be.

And we discussed a lot of other issues. We discussed bilateral issues. Stephen and I talked about border issues. Of course, Felipe Calderon and I talked about border issues and migration. These are complicated issues, but they're issues that we can work out in good spirit as friends.

One reason one meets is to reconfirm friendships, is to make sure that not only at the leaders' level is there conversations taking place that are friendly but that that spirit translates throughout our governments. And I think we've accomplished that objective today.

We also talked, as Stephen mentioned, about international issues, issues of—concerning South America or the Middle East. These are meaningful discussions. I'm glad I came, and I'm looking forward to hosting them next year. Matter of fact, it's in the interests of our countries that we have these meetings on an annual basis and then have working groups follow through on the discussion items that—during our meetings with the business leaders or our own Cabinet Secretaries.

And so thanks for having me. It's been worthwhile. I appreciate it.

Prime Minister Harper. Senor Calderon.

President Calderon. Gracias. Thank you, Prime Minister Harper and President Bush. In the first place, I would like to thank very specifically—I would like to thank you for the solidarity, the understanding, and the support that I have received from you in order to, well, adjust my schedule to exhaust pending matters and allow me to return in good time in order to personally

tend to the emergency situation that we have to face in the Yucatan Peninsula.

Your understanding and support is also accompanied by the offers of health—help and solidarity to the victims of this national disaster. So far—well, it would be too early to assess the scope of the damages. So far there have been no fatal victims. We can't be sure yet, but we are monitoring the situation every minute, monitoring the hurricane. And as a matter of fact, I'm returning to Yucatan right away, as soon as my aircraft can land, and supervise the rescue missions.

I would also like to thank very sincerely—thank you for the hospitality and for the human warmth, for the very welcoming attitude of Mr. Harper's family. And I do value this. It was a marvelous weekend for my family, such a typically Canadian place—typically, Canadian places are amongst the most beautiful in the world. And I would like to thank your wife Laureen and your children for your offer to spend this time with my family, with my wife and with my children. And I hope I'll be able to return your very nice present in Mexico.

Now, this meeting allows me to reinforce the conviction that North America as a region still has not developed the enormous potential it has. And I'm more convinced about this today than ever before, that it has to be developed. There's no doubt that the globalization process that we are currently experiencing is definitely pressuring throughout competitiveness of our countries—and not only countries but the competitiveness of the countries that have joined into regions.

Now, Canada, U.S., and Mexico have to act together in order not only to improve the quality of life of our people but also to prevent the vast integration process that we've seen in other parts of the world: Asia, Europe, very specifically. We don't want this to displace our producers and displace opportunities for our consumers.

Now, through working groups that we've established through the opinions of the businessmen of all three countries and their recommendations to our respective governments, it's clear to me that there's an enormous agenda that has to be developed, carried out. So I believe that we must relaunch in a more stronger way the strength of the relationship between the three countries of North America. That is to say that each country, each government is facing within their own public opinion—now particularly in Mexico, maybe in the U.S.—they're encountering resistance in relation to one or another aspect—investments, immigration, border crossings, and regulatory aspects.

And all these matters, which most of them are covered by the recommendations of the businessmen that we met, they've come to stand still. And this is a result of the concerns in each country, obstacles that—to the economic integration of our region. I believe we should reassess, or we should have our people reassess what all this means to the common citizen, the region; what it means to the consumers to have better prices and better quality in the products they consume; also, in what it represents for companies to have access to commodities that are more efficient, more productive, better quality, and better priced; also, what it represents to our workers to have available work, thanks to the fact that North America can be a fully integrated region.

Now, at the same time, there are complementary characteristics between the three countries. And this has got to be very specifically addressed in order to leverage the situation in this new century of globalization.

And we agreed also to prioritize certain issues that have been followed up on. For example, when it comes to regional competitiveness, it's quite clear that this is a very important priority. Also, the border area issue—we all want secure and also efficient borders, borders that will allow the

border crossing of those who build, who contribute, and of course, prevent border crossings to those that damage our societies: organized crime, drug trafficking, all the trade in illegal goods.

Also, we talked about sustainable development and the challenges faced by countries, by our region, and by humanity as a whole. And so we talked about our common purpose to find reliable alternatives that will allow us, on the one hand, to preserve the environment, and at the same time, they will not force us to detain or stop our development and thereby have an impact on the prosperity of our people.

We also talked about security. This is a topic that concerns us all, but as President Bush said, we talked about prosperity. And I believe that this meeting—in my case, it's my first meeting, the first meeting I'm participating in—I think this meeting could be the beginning of a new age in the framework of the relationship of the three countries, and—particularly if we relaunch the trade exchange and also if we are able to take advantage of our potential.

I also thank President Bush for his invitation to come to Texas next year in order to continue with these talks. And also, Mexico is interested in hosting the meeting in 2009 in my beloved, dear, beautiful country.

Therefore, the issues were multifarious, and we took advantage of the time we had, although it was reduced because of this emergency situation that we're facing. I'm very happy that the environment within which we worked was very positive, very constructive on the part of everyone in attendance. And we hope that we'll be able to follow up on all the commitments, on the priorities that we've established, and on the recommendations that we've received from the business sector.

Thank you very much, Prime Minister Harper, for your hospitality. Thank you to the Canadian people and the people of Quebec for your hospitality and to the staff of this wonderful place in Montebello that

treated us so generously. And well, we will be at your disposal when you come to us.

Moderator. *Conférence de presse*, good afternoon. We'll begin with the press conference. And just a reminder, it's one question per reporter. We will start with Ben Feller, Associated Press.

Progress in Iraq/Hurricane Dean

Q. Thank you all. Mr. President, yesterday Senator Levin, chairman of the Armed Services Committee, said that the Iraqi parliament ought to oust Prime Minister Maliki and his Government for being politically unable to deliver political unity there, for utterly failing on that point. I'm wondering what your reaction is to Senator Levin's comment and whether you think Maliki has lost credibility.

And if I may, President Calderon—

Moderator. I just ask that you limit yourself to one question, please.

Q. I'm just wondering the assessment of the damage in your country, the hurricane damage.

President Bush. The way I view Iraq is from the security perspective and a political perspective. I made a decision to send more troops into Iraq to provide enough security for reconciliation to have a time to take place. It appears to me—and I simply don't—I certainly don't want to prejudge General David Petraeus's report back home, but there is some progress being made. In other words, one aspect of my decision is working.

There are two types of political reconciliation that can take place in a new democracy. One is from the top down, and one is from the bottom up. Clearly, the Iraqi Government has got to do more through its parliament to help heal the wounds of years of—having lived years under a tyrant, see. It's not easy to go from a tyrannical society where the tyrant brutalized his people and created deep suspicions into one in which people are willing to work more closely together.

The Iraqi people made a great step toward reconciliation when they passed the most modern Constitution in the Middle East, and now their Government has got to perform. And I think there's a certain level of frustration with the leadership in general, inability to work—to come together to get, for example, an oil revenue law passed or Provincial elections.

On the other hand, I do want to point out that the Iraqi parliament has met and passed 60 different pieces of legislation. They do have a budgeting process that is in the process of distributing a significant amount of money from the central Government to the Provincial governments, and the money they're distributing is oil revenues. So there may not be an oil revenue distribution law, but there's oil revenues being distributed.

There's a bottom-up reconciliation taking place. It's noticeable and tangible and real, where people at the grassroots level are sick and tired of the violence, sick and tired of the radicalism, and they want a better life. And they're beginning to reject the extremists that have the desire to have a safe haven, for example, from which to launch further attacks on America. In other words, there's a process taking place. And the fundamental question is, will the Government respond to the demands of the people? And if the Government doesn't demand—respond to the demands of the people, they will replace the Government. That's up to the Iraqis to make that decision, not American politicians. The Iraqis will decide. They have decided they want a constitution, they have elected members to their parliament, and they will make the decisions, just like democracies do.

And the question that we have to face in America is, is it worth it? Does it matter whether or not this young democracy survive? Is it in our national interests that this difficult experiment with democracy in the Middle East work? And I've come to the conclusion that it is. It's in our interests because a failed Iraq could easily yield a

safe haven from which the extremists and radicals who once attacked us could attack us again. A failed Iraq would become a recruiting tool for the very same people that still want to attack America. And so it's in our interests.

I told you the other day at a press conference—I don't know if you were there or not—but if you don't believe it's in American interests to be there, you won't find any political reconciliation that is worth defending. If you do think it's in our interests, our security interests, then you'll be able to see political reconciliation taking place, some at the top and some at the bottom.

Now, Ambassador Crocker and General Petraeus will be coming back to brief the Congress in about a month's time, and I'm looking forward to hearing their briefing. And I would hope that Members of Congress from both political parties listen very carefully to the report they bring back, as we all make decisions about what's best for our national security in regards to this one theater in the war against the extremists and radicals.

President Calderon. What I can tell you, as you are well aware, Hurricane Dean touched down in Mexico north of Chetumal, which is the State of Quintana Roo, which is on the borders with Belize, with winds of 250 and gusts of winds beyond 350 k. It was a category 5 hurricane; that is the most dangerous. And the initial reports I have, the most important is, until today, but I've not discarded it, but there has been no loss of human life. We still have to know what happened in the more isolated communities in that area.

Our authorities are all over that area, the civil protection area. People are there who are experts in dealing with hurricane matters. There was a power outage to Chetumal, but we have checked with the energy authorities of the Federal level, that power outage will be repaired in the coming hours, and possibly it is.

The hurricane, fortunately, did not go through the main tourist areas—Cancun, Riviera Maya. And more—the daily routine activities in those cities are being reestablished. And they had major flooding or incoming tidal waves, shall we say. But everything has recovered.

I went over the more poor Mayan areas, and I have a great deal of concern for the housing and the lack of services in that general area for the indigenous people there. And that will be the main area of concern for us and activities.

It is now going to Campeche, and we have other concerns, insofar as that is concerned. We have logistical support of the resistance or the maintenance of electrical lines that provide energy throughout the Yucatan Peninsula. We have—in Merida, we have hydroelectric plants that can come in on an emergency.

The layout of the Campeche State, which is a very low level—it is almost at sea level. And there could be a wave increase in height in the tide that may bring about some flooding and might create more difficulties that will be more difficult to resolve.

We are then awaiting that Hurricane Dean will enter the Campeche area, where the main oil production occurs in Mexico. We have ordered the suspension of oil production. Almost 20,000 workers have been taken away from the platforms, and there's about two and a half million oil barrels have been lost until now. But we have been able to save lives. And later again, the Hurricane Dean will go into Veracruz, and this will create different problems to that—to those of the Yucatan Peninsula, that is, the increase of the tidal bore up the rivers and other aspects to the north of Veracruz. Fortunately, Hurricane Dean was a category 5 but is now a category 3 and is about to drop into category 2. Our fear is that it will regain strength once it enters the Gulf of Mexico after Campeche.

But we are ready. The equipment, the teams are ready. The hydroelectric power

is being restored. And there has not been major material damage in the major touristic areas that have been hit by other hurricanes. That is what I know today.

Moderator. I'd like to remind you one more time that it's one question per reporter.

Northwest Passage

Q. President Bush and Mr. Harper, we know the differences between the two countries insofar as the Northwest Passage is concerned. We heard the former Ambassador, Paul Cellucci, that it would be in the best interests of security for the United States to recognize this passage as a Canadian waterway. So I would like to hear your comments, from both of you. Failing which, there is if not a way—could we consider to hear to what extent you would be willing to consider the Northwest Passage to become an international waterway?

Prime Minister Harper. I shall reply, to start off with. I did hear the comments of the former Ambassador Paul Cellucci. We also know that there are certain differences of opinion vis-a-vis this passage between our two nations. But quite honestly, Canada's position is that we intend to strengthen our sovereignty in the Arctic area, not only military but economic, social, environmental, and others.

The former agreements of President Reagan and Prime Minister Mulroney in the eighties—Canada and the United States did resolve their differences in this area.

[Prime Minister Harper continued in English.]

—the statement by former Ambassador Cellucci. Canada, as you know, is fully committed to strengthening its Arctic sovereignty on every level, not just military but economic, social, environmental, any other method, any other means.

Canada and the U.S. do have differences on certain aspects of the Northwest Passage. At the same time, since the agreements of Prime Minister Mulroney and

former President Reagan in the late 1980s, Canada and the United States have been able to manage these differences, and we think we'll be able to continue to do that.

President Bush. Yes, we'll manage the differences—because there are differences on the Northwest Passage. We believe it's an international passageway. Having said that, the United States does not question Canadian sovereignty over its Arctic islands, and the United States supports Canadian investments that have been made to exercise its sovereignty.

Moderator. We will continue with Roberto Gonzalez, *diario Uno Mas Uno*.

Stock Markets/National Economies

Q. Good afternoon. This question is to the three leaders. The stock exchange markets—the stock markets have gone through a severe crisis in recent weeks. How close are we to a stock exchange crash, and what measures have you taken so that it does not affect the real economy?

So when you will be presenting your first report, there's an opposition party that wants to prevent this—what is the outlook in your view? What's the outlook? And do you trust—do you believe that the opposition will accept your invitation for a dialog?

President Calderon. Well, to answer the first question, there's the financial problem, which is quite delicate in several markets. What I can tell you in relation to the case of Mexico, fortunately, our financial system has been solid enough to resist these critical times. I know that many central banks in several parts of the world, the European Union, the Federal Reserve in the U.S., and other central banks, have applied considerable resources in order to bring liquidity to their financial and banking systems.

Now, fortunately, in the case of Mexico, this has not been necessary. The financial system and the banking system is very solid. It took us a lot of work, a lot of money to have such a solid system that would resist situations like this, but fortunately, it

has not required the support of liquidity from the Central Bank of Mexico.

Currently, the Mexican Stock Exchange has adjusted fixed income values. This is the case throughout the world. However, the Mexican Stock Exchange was one of the five that actually had an increase in its value throughout the world last year, over 50 percent. And obviously, the reduction that we're seeing is somehow or another a form of a correction, which will actually improve the health of the financial markets in Mexico.

Could it have an impact in the real economy? Well, that depends on the scope of the situation, how it affects the markets, particularly the North American markets, which affects us most. My belief is that the situation is beginning to stabilize. And it will depend on the impact that it might have on the growth of the U.S., which, as you know, Mexico depends on this growth, on the U.S. growth.

Now, in relation to the second subject, the second issue, I have invited legislators. I'm a democrat that believes in the basic ideas and that believes in constructing dialog, and this is what I'm seeking in Congress, constructive dialog. Unfortunately, I still haven't received a positive answer from this—in relation to this invitation, but I believe, I trust that in the future, there will be greater willingness to talk about issues of concern for all Mexicans.

I know it's another system, Canada is, but Prime Minister Harper has to talk to his Parliament just about every day, every week. And I think—I would say that we would—I would very much like to have an institutional way in Mexico so that we're able to work and to talk about what we agree with and what we don't agree with in our country. I'll be willing to talk to anybody that wants to talk to me, particularly within Congress.

Now, in relation to the attitude of the PRD or other members of that party, I respect them, and of course, I appeal to the sense of responsibility towards the

country. And I hope that maturity will prevail and common sense too. So the only thing that will be lost with this is that anybody that breaks the basic laws of our institutional life—let's say that citizens know very well and recognize the maturity and the responsibility of political parties, and the people of our country are able to punish these attitudes too.

Prime Minister Harper. Our monetary and financial systems that monitor it are following it closely. But naturally, there are certain differences in their assets and liabilities, and some of the major corporations will have drops in their stocks. That is the normal course. But I can assure you that the capital situation of our major corporations, our financial institutions, of our individual persons are very strong.

[Prime Minister Harper continued in English.]

Our economic and financial institutions that are responsible for watching these markets are monitoring them closely. At the same time, just to remind people, it's normal for the price of assets of various securities or companies or whatever to go up and down in the marketplace. It's not unusual. I can assure you that the position of Canadian financial sector, in particular our banks, Canadian companies in general, and the household sector, our capital positions are very strong.

President Bush. The fundamentals of the U.S. economy are strong. Inflation is down; interest rates are low; the employment picture is strong; exports are up. We grew at over 3 percent in the second quarter. The fundamental question is, is there enough liquidity in our system as people readjust risk? And the answer is, yes, there is.

Moderator. Bret Baier, FOX News.

Canada-Mexico-U.S. Trade Relations

Q. Thank you. As you three leaders meet here, there are a growing number of people in each of your countries who have ex-

pressed concern about the Security and Prosperity Partnership. This is addressed to all three of you. Can you say today that this is not a prelude to a North American union, similar to a European Union? Are there plans to build some kind of super-highway connecting all three countries? And do you believe all of these theories about a possible erosion of national identity stem from a lack of transparency from this partnership?

Prime Minister Harper. Thank you for—well, let me begin. And I guess I've read some things from my opposition in Canada. I'm not sure these are generally expressed concerns, but a couple of my opposition leaders have speculated on massive water diversions and superhighways to the continent, maybe interplanetary, I'm not sure, as well. *[Laughter]* I even—there were reports of a former Prime Minister lurking in the hallways. I have yet to see him.

Look, we have an enormous trading commercial relationship. It's important that the leaders of that trading relationship get together periodically, have discussions, just as it's important at every level—ministerial level, official level—that they're getting together and talking and making sure they're working out problems.

You know, we had some business leaders in front of us today. One in particular said, you know, the rules for jelly beans—he manufactures jelly beans—the rules for jelly bean contents are different in Canada and the United States. They have to maintain two separate inventories. Is the sovereignty of Canada going to fall apart if we standardize the jelly bean? I don't think so. Maybe Mr. Dion thinks so, but I don't think so.

So these are pragmatic, practical discussions. In fact, it was my predecessor in the Liberal Party who initiated them. And ultimately, of course, for the decisions, we're responsible to our respective populations. We're a democratic system, and as President Calderon mentioned, I have to

listen to that practical input every single day in Parliament.

President Calderon. Well, in fact, I'll be happy with one step in Mexicali and one in Tijuana. In actual fact, there are several myths about this meeting; some are more jovial, funnier than others. But what we are trying to do is simply to meet, talk about our common problems, and see what we can do in practical terms in order to improve the lives of our people. Whether it's to standardize the parameters for chocolates or medicines, I think these are commonsense things. And moreover, I think—and I'll tell you this very clearly—I think that as a region, we are losing competitiveness in comparison with other regions in the world.

And it's not a question of customs unions, let alone having an integration that would actually be—encroach on the sovereignty and culture and resources of each country. We simply have to take advantage of this opportunity of being neighbors and allies in order to generate prosperity and security for our people. And that is the purpose of these meetings.

Now let me tell you that, at times, I would even like to work faster, review more issues, but we have to be very patient. And something that we did talk about also, which is part of my responsibility or our responsibilities as leaders, is to talk to the people and tell them why it's important to have better trading rules; why it's important not to have so many barriers between ourselves; why is it important to resolve issues such as immigration, investment, because that could actually improve the quality of life for our people. It could mean the Mexican consumers could have better products, Canadian products, U.S. products and—well, Mexican products also—because there would be more investment in our country, which requires thousands and thousands of jobs in order to resolve the problems of the people. And that happens when there's investment, and there's only

investment when there is competitiveness. And we do have a way to go in that regard.

President Bush. We represent three great nations. We each respect each other's sovereignty. You know, there are some who would like to frighten our fellow citizens into believing that relations between us are harmful for our respective peoples. I just believe they're wrong. I believe it's in our interest to trade; I believe it's in our interest to dialog; I believe it's in our interest to work out common problems for the good of our people.

And I'm amused by some of the speculation, some of the old—you can call them political scare tactics. If you've been in politics as long as I have, you get used to that kind of technique, where you lay out a conspiracy and then force people to try to prove it doesn't exist. And that's just the way some people operate. I'm here representing my nation. I feel strongly that the United States is a force for good, and that I feel strongly that by working with our neighbors, we can be a stronger force for good.

And so I appreciate that question. I'm amused by the difference between what actually takes place in the meetings and what some are trying to say takes place. It's quite comical, actually, when you realize the difference between reality and what some people are talking on TV about.

Prime Minister Harper. Might I add, in French, I did not know that there were these major plots that were mentioned by the head of the opposition, Mr. Martin, a Liberal Prime Minister, who initiated these discussions, I believe, for Mr. Dion. It is a rather regressive step backwards to this whole question of our NAFTA discussions and SPP.

Canada's Role in Afghanistan

Q. My question is for President Bush. Mr. President, it's become increasingly likely that Canada will withdraw from its current combat role in southern Afghanistan

in February of 2009. Many Canadians, including politicians of different political stripes, have suggested that Canada's military has done its job in the country, that it's played its part, and it would be time to go home then. I'd like to ask you if you believe that Canada has done its job and has fulfilled its duties.

President Bush. I believe Canada has done a fabulous job in Afghanistan. And I thank the people of Canada, but more importantly, the people of Afghanistan thank the people of Canada.

Canadian—the Canadian people sent some of your finest into harm's way to enable a young democracy to not only survive but thrive. And it's been an important contribution in this global struggle against extremists. We're in an ideological struggle against people who use murder and death to achieve political objectives, and the fundamental question is, will free nations help young democracies survive in the face of this threat? And Canada has performed brilliantly. And I thank the mothers and fathers or sons and daughters of those who lost their life in this, for the sake of freedom and peace for the ultimate sacrifice they paid.

Secondly, the Canadian contribution is more than just combat. The Canadian contribution is to help build institutions for a democracy to survive. So the contribution has been vast, and it's been robust. And this Government, along with its parliament, will make decisions what's best for the Canadian people and the people of Afghanistan.

The United States is firmly committed to Afghanistan. We view this as a part of the war against the extremists and radicals. We view this as a significant portion of the ideological struggle, and we believe that when democracy prevails in Afghanistan, it will be a major blow toward those who want to impose a totalitarian view on others.

We believe, for example, it's important for Afghan girls to get a good education.

I know the Canadian people feel the same way. We believe that it's important for women to have rights and to serve in the Parliament. We believe peace is achieved when forms of government give people an opportunity to express themselves in a peaceful way in society. That's what we believe. And one reason we have that strong belief is, we believe in the universality of liberty. We don't believe freedom is just confined to our neighborhood, we believe freedom is universal in its application. That's what we believe. We believe people want to be free, and if given a chance, they will exercise what is necessary to be free, and that freedom yields peace.

I'm giving a speech tomorrow where I'm going to talk about our engagement in Asia and how Asia has been transformed because of liberty. A place where Canadians and U.S. soldiers died in large numbers is now a place of peace and prosperity, where governments evolved in their own—representing their own traditions and history, but nevertheless evolved in a way with liberty as its basis.

And the question we're all confronted with—who live in comfortable societies—is it worth it for our own security to help others realize the blessings of freedom? And my decision is, absolutely, it is. I think it's the calling of the 21st century. I think it's the calling of history. And I appreciate the strong commitment that this Government and the Canadian people have made toward writing the first chapter of what will be laying the foundation of peace throughout the 21st century.

Prime Minister Harper. Might I say that our troops are there. Parliament will make its own decision on the extension of this mission. But at the same time, you the Canadians can be extremely proud of the work done by our troops, our soldiers, our diplomats, our agents that are there working to develop the country, working for one of the peoples that are the poorest in the world. In Kandahar, we have given the possibility to men, women, and children to

have some freedom and some safety and security that we have here in Canada.

I note the passing away—the dying of the soldier Longtin. And his brethren, his comrades are there to uphold those same values and carry on the dead's life to help their brothers and sisters in countries abroad.

[Prime Minister Harper continued in English.]

To repeat that, I think we can all be very proud of the work that Canadian troops are doing in Afghanistan. Parliament will make its decision in due course whether it wants to prolong the mission. But I think our difference there—our position there, our presence there has made a real difference in giving just a tiny bit of the freedom, the opportunity, and the security that we have as Canadians, that we take for granted as Canadians.

I note the death of obviously—of a Canadian soldier—Longtin, I think, was the name. We are very fortunate we have a volunteer army, very fortunate to have men and women who put on the uniform willing to defend our values and also improve the lives of their fellow human beings and do so at tremendous personal risk for themselves. And I think we should all appreciate that.

Moderator. We have time for one last question—*[inaudible]*.

Narcotics and Drug Trafficking

Q. Good afternoon, President Bush and Prime Minister. And I thought that this summit would be the—would—actually Plan Mexico would come out of this, the combination of three governments to combat the effects of drug trafficking. What is the obstacle? What is it causing the delay? Why don't the societies of each country know what this plan is about? And can you actually confirm the support of the United States to Mexico? Apparently, it will increase tenfold, and the levels will be similar to Colombia. We hear very often that

the United States wants to take part in this situation against drugs, this war on drugs, and we see it very clearly in Mexico. Now, what is it all about? Could you tell us?

President Bush. Man! *[Laughter]* *Hom-bre!* *[Laughter]* We discussed a common strategy to deal with a common problem, and that is narcotrafficking and violence on our border. First, let me say that in order to develop an effective, common strategy requires—there needs to be serious consultations between our respective governments. It's one thing to say, we're interested in working together, it's another thing to develop a package on both sides of the border that will be effective in dealing with the problem. That's what our people expect us to do. They expect us to see a problem and to develop an effective strategy to deal with that problem.

President Calderon and I met in Mexico, and we had a serious discussion to get this initiative on the table. This is an interim meeting, a meeting for us to make sure that the strategy that's being developed is—will be effective. And so we reviewed where we are in the process.

The United States is committed to this joint strategy to deal with a joint problem. I would not be committed to dealing with this if I wasn't convinced that President Calderon had the will and the desire to protect his people from narcotraffickers. He has shown great leadership and great strength of character, which gives me good confidence that the plan we'll develop will be effective. And the fundamental question is, what can we do together to make sure that the common strategy works? And that's where we are in the discussions right now.

There's all kinds of speculation about the size of the package, this, that, and the other. All I can tell you is, the package, when it's developed, will be robust enough to achieve a common objective, which is less violence on both sides of the border and to deal with narcotrafficking. And we both have responsibilities. And that's what

the package is entailed to develop. It's to develop how do we share our joint responsibilities.

It's in our interests that this program go forward. You mentioned Plan Colombia; this is not like Plan Colombia. This is different from Plan Colombia. This is a plan that says, we've got an issue on our own border. We share a border, and therefore, it's a joint program that will mean—that won't mean U.S. armed presence in your country. Mexico is plenty capable of handling the problem. And the question is, is there any way for us to help strengthen the effort? And so that's what we're studying.

And I can't give you a definitive moment when the plan will be ready, but we're working hard to get a plan ready. And it's a plan that, once it's proposed and out there, I strongly urge the United States Congress to support. It's in our interests, it's in the U.S. interests that we get this issue solved.

President Calderon. Thank you, President Bush, for your comments and also for the question, because this allows us to emphasize the fact that—well, the President has already said, it's a common strategy to combat, in a coordinated way, a common problem. Drug trafficking and violence that's associated to drug trafficking, which is particularly evident on the border between the U.S. and Mexico, cannot be dealt with in an isolated way. It has to be confronted by, dealt with by the people and by the governments that are directly affected by this scourge. And it requires a variety, a multiplicity of actions carried out by society, by governments, in other words, enforcement activities against criminals, preventive activities, protective activities, prevention and treatment of addictions with the young.

Now, I agree with President Bush; it's very important to reduce—well, to have clear policies to reduce the consumption patterns in terms of drugs, including Mex-

ico, because this is a main cause of the problem that we're facing.

Now, last week, for example, last week, three Federal policemen were murdered in Mexico—Mexican policemen, that is—and they were tortured in a very cowardly way. And those Mexican policemen are fully committed towards the Government to free the young Mexicans from drugs and to free Mexican society from slavery on the part of organized crime based on money and technology. And I don't want any—not one single Mexican policeman to have a logistical disadvantage when facing these criminals. I don't want my Government to be responsible for any omission, any legal omission within a legal framework that would have been directed towards defeating these criminals.

So this is a common strategy because it means that the U.S. will do its part and Mexico will do its part. Now, what do we want the U.S. to do—to carry out—have greater surveillance along the border. We are seeing high-powered weapons into Mexico, and we know that we can do much more than we're doing at this point in time. I know that drugs go from Mexico to the U.S. Both of us have to agree so that there is surveillance, efficient surveillance, that is, on both sides of the border. We are facing mafias that are working on both sides of the border. That is quite clear to us. And I think that we will not be acting in an efficient way as long as they have a coordinated strategy and we don't. In other words, they're coordinated on both sides of the border; we are not.

So I would like to introduce into the—well, we have to be respectful of our legislation, our respective legislations. I would want to create a strategy in order to defeat this scourge. And that requires a variety of instruments, strategies, exchange of intelligence, exchange of technology. It also means that we have to keep in mind issues of sovereignty. I told President Bush,

though, we did not want to have U.S. soldiers working in our country, as has happened in other countries. I know that that's typical, of course. But we've said this very clearly, we put forth this very clearly, and in the framework of our own legislations, we will find a way out.

And I would also wonder what the men and women are thinking now, those who are suffering from crime, how scared are they, what's the degree of their fear that has led these groups to be so powerful, to grow so much. And they've essentially taken power in their area of operation. We have developed an aggressive policy to combat organized crime, and I haven't hesitated to use our forces to recover the areas. We've taken about 10,000 drug traffickers to jail, many weapons, 50-millimeter cannons, grenades capable of bringing down aircraft.

And I think—so I cannot send the Mexican policemen to combat this situation with their hands tied. So I have to answer to the Mexican people in order to preserve their security, and I will do so without abusing human rights and without distorting Mexican legislation. I will respect Mexican legislation fully. But I am calling upon my neighbor in order to act in a coordinated way, because it's a situation we both have to face. It's a problem that affects two countries, and only together will we be able to solve it.

There are several causes. It involves several joint responsibilities. And the action, therefore, has to be shared, within the legal framework. What's the scope of this strategy? I cannot tell you now; we cannot tell you now. We're just exchanging assessments, needs, assessing the situation and making it clear what the rules are for each country.

We will have a strategy—I think it's possible—but we will not be able to come up with it until we finish our discussions and negotiations, which, by nature, are very complex. But in the end, that is what we're trying to combat. And it's a problem that's

affecting Mexican citizens as well as U.S. nationals.

Prime Minister Harper. This is an example. We are all sovereign nations, that is quite true, but we are not isolated problems according to our own sovereignty. We have shared problems—for example, drug trafficking. This is a good example. It begins in a country in the Americas or in the Caribbean, but the consequences are seen in the streets in Canada. And we have to discuss these problems. We have to compare our strategies, and sometimes we have to work hand in hand.

[Prime Minister Harper continued in English.]

Once again, this is a perfect example of why we meet. We're sovereign countries, but problems are not—problems don't limit themselves to the boundaries of our countries. Drug trafficking is a perfect example. These problems may originate in some of the countries of Latin America or the Caribbean, but the problems are felt on the streets and the communities of Canada. And that's why we meet to discuss; that's why we meet to compare strategies; that's why we, from time to time, have to engage in shared action.

Let me just say one other thing, if I can, about the drug trade, because indirect reference was made to Colombia. Canada has undertaken negotiations of a trade agreement with Colombia. We have a Government in Colombia that wants to share in the benefits of free and open markets. We don't need to have a trade agreement to have a drug trade with Colombia. The drug traffickers aren't going to wait for our parliaments or our congresses to pass a trade agreement in order to have a drug trade. But if we want to have other opportunities for the people of Colombia and mutual development and shared prosperity, we've got to move forward on these kinds of initiatives. And that's why the Government of Canada is committed to working with Colombia and getting a trade deal.

Moderator. Thank you very much. This brings an end to the press conference.

NOTE: The President's news conference began at 11:57 a.m. at the Fairmont Le Chateau Montebello. In his remarks, he referred to Gen. David H. Petraeus, USA, commanding general, Multi-National Force—Iraq; and U.S. Ambassador to Iraq Ryan C. Crocker. Prime Minister Harper referred to former U.S. Ambassador to Canada Argeo Paul Cellucci; former Prime Ministers M. Brian Mulroney and Paul Martin of Canada;

Stephane Dion, leader, Liberal Party of Canada; and Pvt. Simon Longtin, Canadian Forces, who was killed in Afghanistan on August 19. A reporter referred to Prime Minister Nuri al-Maliki of Iraq. Portions of Prime Minister Harper's remarks were in French, and an English translation was provided. President Calderon spoke in Spanish, and his remarks were translated by an interpreter. Some reporters spoke in French and Spanish, and their remarks were translated by interpreters.

Joint Statement by President George W. Bush, Prime Minister Stephen Harper of Canada, and President Felipe de Jesus Calderon Hinojosa of Mexico: The Security and Prosperity Partnership of North America
August 21, 2007

Montebello, Quebec, Canada

We, the leaders of Canada, Mexico and the United States, have met in Montebello to discuss the opportunities and challenges facing North America and to establish priorities for our further collaboration. As neighbours, we share a commitment to ensure North America remains a safe, secure and economically dynamic region, and a competitive player in global markets. We also discussed opportunities to cooperate globally and within our own hemisphere. The values and principles we share, in particular democracy, the rule of law and respect for individual rights and freedoms, underpin our efforts in building a more prosperous and secure region.

The Security and Prosperity Partnership of North America (SPP), launched in 2005, is aimed at jointly achieving tangible results across a spectrum of areas, while respecting each nation's sovereignty. On February 23, 2007, our ministers responsible for the SPP met in Ottawa to review progress and discuss our further cooperation. Our ministers of industry and commerce, foreign affairs, security, environment, energy, health, trans-

portation and trade have also met in recent months, reflecting our deepening dialogue within North America. They have made progress in advancing the priorities we identified at our 2006 meeting in Cancun. In particular, our three countries have completed:

- a *North American Plan for Avian and Pandemic Influenza*;
- a *Regulatory Cooperation Framework*;
- an *Intellectual Property Action Strategy*; and
- a *Trilateral Agreement for Cooperation in Energy Science and Technology*.

In Montebello, we have discussed how we can build on our progress to date to further improve North America's position in the world. The North American Competitiveness Council (NACC), announced last year in Cancun, has provided us with thoughtful recommendations on how we could strengthen the competitive platform for businesses. We welcome the NACC's recommendations, including its readiness to be part of the solution, and we look forward to continuing our dialogue with the