

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