

## UNITED STATES

Official Name: United States of America

Capital: Washington D.C.

Government: Federal republic

Division: **KEY BILATERAL AND MULTILATERAL RELATIONS**

Cabinet: Executive Branch (President including

the Judicial Branch

President: Bill Clinton

Secretary of State: Warren Christopher

Trade Representative: Mickey Kantor

**UNITED STATES**

### DOMESTIC SITUATION

After a rocky start, President Clinton recovered significant political ground with a narrow passage in September of his economic package, which aims to reduce the United States (U.S.) budget deficit by US\$496 billion over the next five years, providing modest economic stimulus. It is expected to act as a drag on the economy over the short term, but lead to lower long-term interest rates and improved economic performance.

The focus of his presidency is on domestic economic renewal, with a strong demand to improve the U.S.'s international trade balance. For the Administration, the American Free Trade Agreement (NAFTA) and a new system of health care are high priorities with strong economic implications.

In foreign policy, President Clinton is not isolationist, but is expected to exercise caution when considering international involvement. On environmental, political and security issues, he is more inclined to multilateral approaches than his predecessors, but by the standards of other countries it is a modest and gradual shift. On trade matters, the U.S. approach appears to give somewhat greater weight, on balance, to bilateral arrangements that may foreshadow "management" trade that could entail special "fixes" favouring U.S. interests. Nonetheless, the Administration has made the successful conclusion of the Multilateral Trade Negotiations a high priority.

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### G-7 STATISTICAL CHARTS