



Working Visit to Canada
by
the President of the United States
Barack Obama

February 2009

Background Information



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General Information

Canada-U.S. Relations

The Canada-U.S. partnership is deep and diverse. The countries share political, economic and social ties, a common border that stretches across 8,893 kilometres, and many values and interests as neighbours and friends. Our two-way trading relationship is the largest in the world. Canada and the United States have a long tradition of cooperation in defending our continent, and stewardship of a rich and diverse environment. Both countries share a commitment to a safe and secure border and work closely to ensure that the border remains open to tourism and trade and closed to threats.

The two countries share a distinguished history of similar democratic values, institutions and rights. While the two systems of government may differ, the common political culture, based on pluralism and the rule of law, continues to serve as a model for many countries around the world.

Canada and the United States also share a vast array of personal, cultural and business links. For example there are strong research and development partnerships between entities in government, academe, professional institutes and businesses engaged in a wide range of activities, including biosciences, information and communications technologies, aerospace and environment. Our universities are also a major draw for cross-border exchanges. Canadian universities recruit actively in the United States and the enrolment of U.S. students has consequently tripled in recent years, with more than 9,000 Americans enrolled in university programs in Canada.

Canada now operates 22 diplomatic missions and trade offices across the United States, including an embassy in Washington. In addition, Canada has appointed 17 honorary consuls to facilitate advocacy and business development goals in key U.S. cities.

The United States maintains an embassy in Ottawa, as well as consulates general in Calgary, Halifax, Montreal, Quebec City, Toronto, Vancouver and Winnipeg.

Trade and Economic Relations

Shared Response to the Global Economic Downturn and Credit Crisis

In recognition of the integrated nature of our economies and common interest in restoring financial stability, Canada joined the United States in November 2008 at the G20 Leaders Summit in Washington where all leaders committed to taking a range of fiscal and monetary policy actions to promote economic growth while maintaining a policy framework conducive to fiscal sustainability. Canada pushed for progress on four initiatives, which were ultimately endorsed by G20 leaders: action to address the causes of the crisis, commitments to strengthen domestic financial regimes, an agreement to conduct transparent international assessments of national financial systems, and a commitment to resist protectionism and maintain open networks.

Economic stimulus measures proposed in Canada's 2009 federal budget total 1.9 % of the country's 2009 GDP, readily fulfilling its G20 commitments to provide timely

stimulus to domestic demand while maintaining long-run fiscal sustainability.

Almost one quarter of Canada-U.S. merchandise trade is in automobiles, trucks and parts—one of the world's largest integrated industrial value chains. Canada has offered \$2.7 billion in repayable loans to the Canadian subsidiaries of GM and Chrysler, in support of a highly integrated North American auto industry.

Canada and the United States share the largest bilateral flow of goods, services, people and capital between any two countries in the world—worth \$710 billion in 2007.

With some \$1.9 billion of goods and services crossing the border each day, the two countries are one another's largest customers and biggest suppliers. Canada exported \$392 billion in goods and services to the United States in 2007 (representing nearly 26% of our GDP) and imported \$318 billion in return. The United States absorbed 74% of Canada's merchandise exports and furnished nearly two thirds (63.7%) of Canada's imports. Canadians buy more American goods than Mexico and Japan combined, more even than the entire European Union, and four times as much as China. In fact Canada is the primary foreign market for 35 of the 50 states, absorbing more than one fifth of U.S. exports. Canada is also the number one destination for U.S. agricultural exports. Canada-U.S. bilateral trade is directly responsible for hundreds of thousands of Canadian jobs and an estimated 7.1 million American jobs.

Although trade with the United States has always played a vital role in Canada's economy, that role has grown significantly with the implementation of the Canada-U.S. Free Trade Agreement and its successor, the

North American Free Trade Agreement (NAFTA). Over the past decade, the pace of bilateral trade has increased at a rate of almost 6% annually. Since January 1998, virtually all Canada-U.S. trade has been tariff free, fostering increased trade and investment.

The vast majority of Canada-U.S. bilateral trade is dispute-free. In fact, because our economies, production hubs and supply chains are so deeply integrated, about a third of Canada-U.S. trade is intra-firm. A further third consists of products-in-progress—cars, aircraft, solar panels, telecommunications equipment, food products—travelling back and forth on a transborder assembly line.

Canada and the United States also have one of the world's largest investment relationships. The United States is the largest foreign investor in Canada and the most popular destination for Canadian investment abroad. In 2007, 44% of Canadian foreign direct investment (a little more than \$226 billion) went to the United States. Meanwhile, U.S. direct investment in Canada grew by 8% between 2006 and 2007 (the highest annual growth rate in six years) to reach \$288.6 billion, accounting for 57.6% of the total foreign direct investment in Canada.

Energy

Canada ranks sixth in the world in total energy production, seventh in global oil production, third in global gas production and second in hydro-electric generation. Canada has the world's largest known deposits of high-grade natural uranium and is the world's leading producer of uranium for nuclear energy. Alberta's oil sands are the largest single oil deposit in the world.

Canada is the United States' largest supplier of energy—oil, natural gas, uranium and electricity. In 2007, Canadian exports accounted for 9% of total U.S. energy demand. Canadian crude oil and petroleum exports to the United States—nearly 2.4 million barrels per day—accounted for 18% of U.S. crude oil imports in 2007. Canada also supplied the United States with 85% of its natural gas imports, accounting for 16% of total U.S. energy consumption. Canada supplies approximately one third of the uranium used in U.S. nuclear power plants.

Canada and the United States share a fully integrated electricity grid and supply almost all of each other's electricity imports. Canada is a major supplier of electricity to New England, New York, the Upper Midwest, the Pacific Northwest and California.

Environment

Joint stewardship of our shared environment is a foundation of our bilateral relationship with the United States. Canada and the U.S. have a long history of joint stewardship, dating back to the 1909 Boundary Waters Treaty and the International Joint Commission, which mark their 100th anniversary this year. Since then we have created at least 50 bilateral arrangements at the federal level and more than 100 arrangements at the state-provincial government level, including:

- the Migratory Birds Convention (1916) to protect migratory waterfowl;
- the Great Lakes Water Quality Agreement (1972 and 1978, 1987 Protocol) to protect the ecological integrity of the Great Lakes;

- the Agreement on Conservation of the Porcupine Caribou Herd (1987) to jointly manage and protect the habitat of the transboundary herd;
- the Air Quality Agreement (1991) and Ozone Annex (2000) to improve air quality by reducing pollution from acid rain and ozone; and
- the Binational Toxics Strategy (1997) to eliminate the release of certain toxic substances into the Great Lakes.

Canada and the United States continue to work toward new agreements that will further protect and enhance the water, air and lands we share.

A balanced and cooperative approach is key to achieving Canada's environmental objectives while preserving jobs and living standards, particularly in an era of global economic uncertainty.

Current challenges include climate change, a global issue that requires global solutions. The Government of Canada shares the commitment of the U.S. Administration to reducing greenhouse gas emissions. Canada has set mandatory greenhouse gas emissions reduction targets for all major industries.

Canada's 2009 federal budget includes new measures totalling almost \$2.4 billion to support a cleaner and more sustainable environment, and help meet Canada's climate change objectives. The Government of Canada is also working with provincial governments and other stakeholders to develop and implement a North America-wide cap and trade system for greenhouse gases and an effective international protocol for the post-2012 period.

Canada-U.S. Border Cooperation

Each day, more than 300,000 people and 20,000 commercial trucks cross the Canada-U.S. border. A range of Canadian and U.S. departments and agencies such as Citizenship and Immigration Canada, the Canada Border Services Agency, the U.S. Department of Homeland Security and the U.S. State Department work closely to facilitate the smooth flow of legitimate travellers and goods and to ensure the collective security of both countries by identifying security threats and subverting criminals and terrorists.

Canada's 2008 federal budget included \$165 million in border-security-related spending in areas such as e-passports, federal activities to support enhanced drivers' licences, border infrastructure and staffing, and trusted-traveller programs, such as NEXUS. That investment built upon the almost \$10 billion that Canada has invested in border security and emergency preparedness since September 2001.

Canada's January 2009 federal budget allocated a further \$80 million to ensure that Canada's shared border with the United States remains secure and efficient. The new investments seek to reduce the processing time for thorough inspections of commercial shipments. They will also allow the Canada Border Services Agency to improve its infrastructure in northern British Columbia and Yukon.

Combined with investments in the Peace Bridge and Blue Water Bridge, these investments will complement recent and planned investments by the United States on its side of the border. The new U.S. Administration is working on an ambitious infrastructure program, which is expected to

include new investments in highways, bridges and border facilities. It is vital that Canada and the United States move forward together to support our integrated economies.

The implementation of the U.S. Western Hemisphere Travel Initiative (WHTI), which will require the presentation of passports or other secure documents for travellers wishing to enter the U.S., has been a topic of interest for citizens on both sides of the border. The Government of Canada has been working closely with the U.S. government to ensure that legitimate trade and travel across our borders are not disrupted as a result of the WHTI.

Starting in June 2009, American and Canadian citizens will be required to present a valid passport or a NEXUS or FAST card or other acceptable secure document to enter the United States at its land and water ports of entry.

Anti-terrorism

Canada and the United States have a long-standing security partnership that protects North America against terrorism. Our border agencies, intelligence agencies, immigration agencies and national, local and municipal police forces have been cooperating for decades.

Since September 11, 2001, North American security and defence issues have become an even higher priority on the bilateral agenda. Canada has taken additional steps to confront and prevent terrorism. In December 2001, Canada introduced the *Anti-terrorism Act*, which gives the government wider powers of prosecution and pre-emptive powers to apprehend suspected terrorists. Canada has also played a significant role in the international campaign against terrorism in Afghanistan, with more than 18,000 military

personnel deployed there since 2001. Canada's Department of Public Safety has brought policing, border protection, security and intelligence forces together and works closely with the U.S. Department of Homeland Security.

Through its Counter-Terrorism Capacity Building Program, Canada assists other states with training, funding, equipment, and technical and legal assistance to help them prevent and respond to terrorist activity while respecting international counterterrorism and human rights norms, standards and obligations. The program addresses such areas as aviation and maritime security, legal assistance for prosecutors, and prevention and response to chemical, biological, radiological, nuclear and explosives threats.

By helping other states strengthen their own capacity to prevent and respond to terrorist activity, the Government of Canada enhances the security of Canadians and Canadian interests at home and abroad.

Through its membership in many international organizations, Canada works to ensure that the fight against terrorism is carried out in accordance with international law, in particular humanitarian, human rights and refugee law.

Defence and Security Cooperation

In May 2008, the Government of Canada announced the Canada First Defence Strategy. Over the next 20 years, the Government will increase the Defence budget from approximately \$18 billion in 2008-09 to over \$30 billion by 2027-28, resulting in overall spending of close to \$490 billion on defence. Through stable and predictable funding, the Government will continue to enhance the capacity of the Forces through balanced investments in

personnel, equipment, readiness and infrastructure. This comprehensive, long-term plan will provide the Canadian Forces with the people, equipment and support they need to carry out their core missions in Canada, in North America and abroad.

The United States is Canada's most important ally and defence partner; our two countries have long shared a close defence relationship, working together at home and abroad to protect and defend North America.

There currently exist between Canada and the U.S. more than 80 treaty-level defence agreements, more than 250 memorandums of understanding between the two defence departments, and approximately 145 bilateral forums in which defence matters are discussed. These include the Permanent Joint Board on Defence (PJBD), the North American Aerospace Defence Command (NORAD) Agreement, and the Military Cooperation Committee (MCC).

Established in 1940, the PJBD is the longest-standing Canada-U.S. defence forum providing for critical senior military and diplomatic contact. The Canadian and U.S. co-chairs act in an advisory capacity, reporting directly to the Prime Minister and President respectively on matters affecting "the defence of the northern half of the Western Hemisphere."

NORAD is a binational military command established in 1958 by Canada and the U.S. to monitor and defend North American airspace. Through NORAD, which is a strong pillar of our defence relationship, Canada actively participates in North American aerospace defence. One of the keys to NORAD's success is that the U.S. commander and the Canadian deputy commander both report to the civilian leadership of both countries through their

respective national commands. In May 2006, the Government renewed the NORAD Agreement, a decision that was supported by the House of Commons.

Formed in 1946, the MCC manages cooperation at the military planning level. Its subcommittee responsibilities include mapping and charting, meteorology, oceanography, communications and electronics, and logistics planning.

Canada and the United States are partners in a wide range of measures to safeguard North American security, including:

- law enforcement and border management;
- military cooperation overseas, including NATO combat operations in Afghanistan; and
- regular cooperation in fighting terrorism, drug trafficking and people smuggling, and in providing relief for natural disasters.

In close cooperation with our international partners, Canada is a major ally in the fight against terrorism.

Global Cooperation

Canada and the U.S. share similar values about democracy and human rights protection, collective security, environmental protection, social and economic development, and open markets. The U.S. is our closest ally on a wide range of issues and we work with them at our missions around the world to advance these shared values. We also work together in multilateral forums such as the UN, NATO, the G8, the G20, the World Trade Organization, the Organization of American States, the Organization for Security and Cooperation in Europe, and

APEC. Since the end of the Cold War, Canada and United States have cooperated in peacekeeping and stability operations in numerous theatres, from Bosnia and Kosovo, to Somalia, Afghanistan and Haiti.

Successive federal budgets have increased Canada's foreign aid allocations, which will rise to \$5 billion by 2010–11, a doubling since 2001–02 levels.

Canada is in Afghanistan to help Afghans rebuild their country as a stable, democratic and self-sufficient society. Canada is there with over 50 other nations and international organizations, at the request of the democratically-elected Afghan government and as part of a UN-mandated, NATO-led mission. Canada is among the top bilateral donors in Afghanistan and Afghanistan is Canada's single largest development program. Canada's military mission will continue until July 2011.

In June 2008 the Government identified six priorities defining Canada's engagement:

- Enable the Afghan National Security Forces in Kandahar to sustain a more secure environment and promote law and order;
- Strengthen Afghan institutional capacity to deliver basic services and promote job-oriented economic growth, enhancing the confidence of Kandaharis in their government;
- Provide humanitarian assistance for vulnerable people, including refugees, returnees and internally displaced persons;
- Enhance border security through facilitation of bilateral dialogue between Afghan and Pakistan authorities;
- Build national institutions that are central to our Kandahar priorities and support

democratic processes such as elections, and;

- Facilitate Afghan-led efforts toward political reconciliation.

Three signature projects – rehabilitating the Dahla Dam, constructing and repairing 50 schools in Kandahar province, and contributing to the eradication of polio across Afghanistan – will be visible examples of our continued commitment to the future of Afghanistan.

Canada is committed to deepening our engagement in the Americas and is developing strong bilateral partnerships and economic and political agreements with our key partners in the region. Our aim is to increase prosperity, enhance security, and promote the core values of freedom, democracy, human rights and the rule of law. We are engaging actively with multilateral institutions such as the Organization of American States, the Inter-American Development Bank and the Pan American Health Organization, as well as through the Summit of the Americas initiative, in support of our shared objectives, interests and values. Canada is working closely with our North American partners, both the United States and Mexico, toward our objectives in the region. We look forward to heightened cooperation with the U.S. in the hemisphere and around the world.

During the current difficult period for the global economy, Canada is working with its partners, including those in Asia, to ensure that markets remain open and that the gains from globalization are not reversed. In partnership with our allies, Canada is committed to maintaining a variety of security dialogues that foster regional stability and cooperation in Asia. The promotion of human rights and democratic values are critical Canadian goals in Asia.

Canada is meeting its commitments in Africa and will double its annual aid to the continent to \$2.1 billion in 2008–09, from 2003–04 levels. Canada and the U.S. cooperate on many African issues in established forums like the G8 and various International Contact Groups on specific crises, but also regularly discuss policies and approaches in places such as Sudan, Zimbabwe, the Democratic Republic of Congo and the African Great Lakes, as well as other emerging issues of concern. Our collaboration in Africa includes important preventive diplomacy and mediation efforts on peace and security matters, including assisting African nations to increase their capacity to respond to local, regional and continental security matters.

One of Canada's long-standing policy objectives has been the non-proliferation, reduction and eventual elimination of nuclear weapons and other weapons of mass destruction. We continue to work with our allies in NATO toward achieving this goal. The upcoming review conference of the Treaty on the Non-proliferation of Nuclear Weapons in 2010 coincides with Canada's presidency of the G8. We intend to work with the United States and other G8 partners to help strengthen international confidence in the treaty.

The United States is an exceptionally valuable partner in the Arctic and we have many shared interests and common purposes—in environmental stewardship, search and rescue, safety, security and sustainable resource development. Our continuing cooperation extends to the mapping work in the Arctic Ocean within a rules-based process of delimitation of the continental shelf. We also cooperate on multilateral Arctic issues through the Arctic Council.

Fact Sheets

CANADA

Capital: Ottawa

GEODATA

Area

9,970,610 km²

Major languages

English and French (both official)

Major religious groups

Roman Catholic (45%), United Church (12%), Anglican (8%)

Population

33.3 million (2008)

Population growth rate

1.2% (2008)

Neighbouring countries

United States, Greenland (Denmark)

POLITICAL DATA

Type of government

Constitutional monarchy

National legislature

Upper chamber: Senate

Lower chamber: House of Commons; multiparty

Leaders

Governor General Michaëlle Jean

Prime Minister Stephen Harper

Minister of Foreign Affairs

Lawrence Cannon

Minister of International Trade

Stockwell Day

Minister of Finance

Jim Flaherty

UN Human Development Index (2006)

Canada ranks 3rd among 179 countries

ECONOMIC DATA

GDP

\$1.5 trillion (2007)

Real GDP growth rate

2.7% (2007)

GDP per capita

\$46,637 (2007)

Inflation rate

2.3% (2008)

Unemployment rate

6.1% (2008)

Main exports

\$450.4 billion (2007), including mineral fuels and oil, vehicles, machinery, electrical and electronic equipment, wood

Main imports (2007)

\$406.9 billion (2007), including vehicles, machinery, electrical and electronic equipment, mineral fuels and oil, plastics

UNITED STATES

Capital: Washington

GEODATA

Area

9,629,091 km²

Major languages

English, Spanish

Major religious groups

Protestant (56%), Roman Catholic (28%),
Jewish (2%)

Population

304.1 million (2008)

Population growth rate

0.9% (2008)

Neighbouring countries

Canada, Mexico

POLITICAL DATA

Type of government

Republic

National legislature

Upper chamber: Senate

Lower chamber: House of Representatives;
multiparty

Leader

President Barack H. Obama

Secretary of State

Hillary Clinton

Secretary of the Treasury

Timothy Geithner

UN Human Development Index (2006)

The United States ranks 15th among
179 countries

ECONOMIC DATA

GDP

\$15.2 trillion (2008 est.)

GDP growth rate

1.3% (2008 est.)

GDP per capita

\$50,069 (2008 est.)

Inflation rate

3.8% (2008)

Unemployment rate

5.8% (2008)

Main exports (2007)

Machinery, electrical and electronic equipment,
motor vehicles, aircraft, spacecraft, optical,
medical and scientific instruments

Main imports (2007)

Mineral fuels and oils, machinery, electrical and
electronic equipment, motor vehicles, optical,
medical and scientific instruments,
pharmaceutical products

Canadian imports from the United States

\$220.6 billion (2007), including motor vehicles,
machinery, electrical and electronic equipment,
mineral fuels and oils, plastic

Canadian exports to the United States

\$355.9 billion (2007), including mineral oils and
fuels, motor vehicles, machinery, electrical and
electronic equipment, wood

Canadian Representative

Michael Wilson, Ambassador

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Biographies

Stephen Harper Prime Minister of Canada

Stephen Harper was born on April 30, 1959, in Toronto, Ontario. He obtained both a bachelor's and a master's degree in economics from the University of Calgary.

Mr. Harper was first elected to the House of Commons in 1993 as the Reform Party's candidate in Calgary West. He left Parliament in 1997 to become Vice-President (and later President) of the National Citizens' Coalition, a Canadian advocacy organization. In 2002, he became Leader of the Opposition after winning the leadership of the Canadian Alliance and a subsequent by-election in Calgary Southwest. In 2003, Mr. Harper co-founded the Conservative Party of Canada and went on to become the new party's leader.

Mr. Harper was re-elected in the 2004 federal election. The Conservative Party of Canada won the 2006 election and Mr. Harper was sworn in as Canada's 22nd Prime Minister on February 6, 2006. The Conservative Party and Prime Minister Harper were subsequently re-elected in October 2008.

Barack H. Obama President of the United States

Barack Hussein Obama was born on August 4, 1961, and grew up in Hawaii and Jakarta, Indonesia. He is a graduate of Columbia University and Harvard Law School.

Mr. Obama worked as a community organizer in Chicago prior to earning his law degree, and practised as a civil rights attorney in Chicago before serving three terms in the Illinois Senate from 1997 to 2004. He also taught Constitutional Law at the University of Chicago Law School from 1992 to 2004. Following an unsuccessful bid for a seat in the U.S. House of Representatives in 2000, Mr. Obama was elected to the Senate in November 2004, where he served as the junior Senator from Illinois until he resigned following his 2008 election to the presidency.

Mr. Obama was inaugurated as President of the United States on January 20, 2009.