

BARACK OBAMA VISITS CANADA

Introduction

Focus

In this *News in Review* story we'll look at U.S. President Barack Obama's visit to Ottawa on February 19, 2009. Although polls indicate Obama is very popular in Canada, his visit came at a time when protectionist trade policies in the United States were seen to be a threat to the Canadian economy. We'll explore the issues that are of concern to the two countries and what was said during this historic visit.

Update

Shortly after Obama's visit, it was revealed that Russian bombers had flown very close to Canadian territory in the Arctic and that they were warned off by Canadian and American fighter planes. Some felt that the timing of this show of force by Russia was not a coincidence.

Barack Obama became the 44th president of the United States in January 2009, on the promise of a new direction for the country. Americans and others around the world were hopeful that he would be able to lead Americans into a new era of co-operation and diplomacy.

Because the United States is Canada's neighbour and most important trading partner, Canadians had watched the rise of Obama with great interest. They were very excited to learn that Obama had chosen to visit Canada on his first trip as President. Canadians hoped this visit signalled that Obama wanted to have a close and productive relationship with the country.

Shortly before the visit, some observers had already become concerned with statements made by the Obama government. In particular, the Obama government was going to introduce a "Buy American" provision

in its economic stimulus package. This provision could potentially hurt the Canadian steel, iron, and manufacturing industries.

Obama's government was also hoping to withdraw U.S. troops from Iraq and renew its commitment to the military mission in Afghanistan. Canadian participation in Afghanistan is due to end in 2011, and some observers worry that Obama will eventually ask Canadians to abandon this withdrawal date and keep their soldiers in Afghanistan longer.

Despite these concerns, on the day of the visit, February 19, Canada was swept with a wave of "Obamamania," and Canadians travelled long distances for the chance to see the President. Although he was in Canada for only seven hours, he had a significant impact on the hearts and minds of Canadians. Time will tell if those positive feelings last.

To Consider

With a partner, discuss the following questions.

1. Obama's visit cost the Canadian government about \$2-million in security. Considering the visit only lasted seven hours, is that cost justified? What advantages come from a personal visit, rather than a telephone conversation?

2. Do you believe it is significant that Obama chose to visit Canada soon after becoming President? Why?

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Video Review

Quote

"I came to Canada on my first trip as President to underscore the closeness and importance of the relationship between our two nations, and to reaffirm the commitment of the United States to work with friends and partners to meet the common challenges of our time. As neighbors, we are so closely linked that sometimes we may have a tendency to take our relationship for granted, but the very success of our friendship throughout history demands that we renew and deepen our co-operation here in the 21st century."

— President Barack Obama, from a press conference in Ottawa, February 19, 2009

Did you know . . .

It is traditional for a new U.S. president to visit Canada first before visiting any other nation. This is partly because Canada is a close friend and neighbour, but also because it gives the new administration a chance to practise their diplomacy and security procedures close to home and in a very friendly environment.

Respond to the following questions as you watch the video.

1. What is the "Buy American" provision?

2. Why are some Canadians concerned about it?

3. How did U.S. President Barak Obama defend the "Buy American" provision and his willingness to make changes to NAFTA?

4. How do Canadians feel about Obama?

5. What is it about Obama that makes him so popular?

6. In what ways did Prime Minister Harper take advantage of the Obama visit?

7. How does Obama's approach to the environment differ from that of former president Bush? How might this new approach affect Canada?

8. What is your personal view of Obama's likely effect on Canada?

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Issue: "Buy American"

Did you know . . .

In 1930, following the collapse of the stock market, two U.S. congressmen—Smoot and Hawley—urged Congress to support a protectionist bill. Over 1 000 economists signed a petition against the Smoot-Hawley Tariff Act, but it was signed into law in 1930 and set off a round of retaliatory tariffs (taxes on imported goods) by trade partners. Global trade fell by two-thirds between 1929 and 1933.

Quote

"While Canadian officials have waved the free trade banner in opposing the 'Buy American' clause, they have signalled that their real concern is that Canada be within any Fortress America, that 'Buy American' be amended to 'Buy North American.'" — Keith Jones, journalist, *World Socialist Web site*, February 21, 2009

To help stimulate the crippled U.S. economy, the Obama government introduced a USD \$820-billion economic package shortly after taking office. The stimulus package, as it is called, contains a "Buy American" provision stating that only American steel, iron, and manufactured products can be used on all infrastructure projects within the country. These projects include construction on airports, bridges, canals, dams, dikes, pipelines, railways, transit, roads, tunnels, harbours, and piers.

This "Buy American" policy set off alarm bells both within Canada and around the world. Economists were quick to state that the "Buy American" plan was protectionist—that it was designed to protect American jobs at the expense of jobs in other countries. These critics argue that when protectionist economic policies have been introduced in the past they have been ineffective because they have resulted in retaliation by other countries. It is feared, therefore, that the "Buy American" policy will hurt global trade and further slow an economic recovery.

Reaction from Canada

Canada and the United States trade more than \$700-billion a year. The United States is Canada's largest and most important trading partner. Canada would like to avoid a trade dispute with the United States, and it certainly does not want to lose the American market for Canadian goods. Canadians were relieved when the final draft of the U.S. stimulus package moderated its insistence on "Buy American" policies.

Canadians first became concerned about Barack Obama's position on trade with Canada when he was still a presidential candidate. He had commented that

as president he might consider re-opening the North American Free Trade Agreement (NAFTA). He later modified his position, stating that he might want to modify some of the provisions of NAFTA to make trade between the two countries more environmentally friendly. But those comments, combined with the "Buy American" policy of Obama's government, has many Canadians concerned.

What They Said

When Obama visited Ottawa on February 19, 2009, he and Prime Minister Harper held a joint press conference. The *Toronto Star* printed the transcript of the press conference on February 19, 2009. In the following excerpts, both Obama and Harper respond to a reporter who asked a question about NAFTA and trade between the two countries.

President Obama:

"Now you didn't ask me about the 'Buy American' provisions, but since it relates to our recovery package, let me just reiterate—and I said this very clearly before the bill was passed and before I signed it—that I think it was very important to make sure that any provisions that were there were consonant with our obligations under WTO [World Trade Organization] and NAFTA.

"And I think that is what we achieved. I recognize the concerns of Canada, given how significant trade with the United States is to the Canadian economy. I provided Prime Minister Harper an assurance that I want to grow trade and not contract it. And I don't think that there was anything in the recovery package that is adverse to that goal."

Quote

"I think where we ended up with the 'Buy America' provision is the right compromise that respects the 'Buy America' laws that we've had on our books for many, many years while also ensuring that the language doesn't create unnecessary trade disagreements in a time of economic crisis." — Robert Gibbs, White House spokesman (Simon Lester, International Law and Economic Policy blog, February 13, 2009)

Quote

"The 'Buy American' provisions would violate U.S. trade obligations and damage U.S. reputation, with very little impact on U.S. jobs." — Gary Clyde Hufbauer and Jeffrey J. Schott, *Buy American: Bad For Jobs, Worse for Reputation. Policy Brief*. February 2009

Prime Minister Harper:

"... First of all, I just think it's important to reiterate that since NAFTA came into force, and more importantly since Canada signed its free trade agreement with the United States in 1988, trade agreements between our two countries have been nothing but beneficial for these two countries. There has been a massive explosion of trade. It was already the biggest trading relationship in the world; it's so much bigger now. And that trade supports, you know, countless millions of jobs."
"... on the "Buy American"

provisions—and let's also be very clear, as well, that in both WTO and NAFTA, there are . . . industries and there are ways in which and there are levels of government at which one can have domestic preferences and purchasing policies. These things are allowed, in some cases, but they are certainly not allowed without limit. We expect the United States to adhere to its . . . international obligations. I have every expectation, based on what the President has told me and what he's said publicly many times in the past that the United States will do just that."

Analysis

- 1. Reflect on the words of Barack Obama. The "Buy American" policy states that all infrastructure construction in the U.S. has to be made with American steel, iron, and manufactured products. That means that the Americans will buy less of these products from Canadian producers.

(a) Why do you think Obama said that he wants to "grow trade" with Canada, not "contract it"?

(b) Does he actually state that Canadian trade will not be negatively affected by the "Buy American" policy? And should he have?

- 2. Reflect on the words of Prime Minister Harper.

(a) Why do you think Harper did not publicly criticize the "Buy American" policy?

(b) Do you think he should have? Explain your answer.

Further Research

To find more information on how much money is generated in Canada and the United States because of our trade alliances and shared border, check out the interactive map prepared by the Canadian Embassy at www.canadainternational.gc.ca/washington/assets/pdfs/map.pdf.

3. Compare the two tables below.

(a) In your notebook write a summary statement that analyzes the potential costs and benefits of the “Buy American” provision for Americans.

(b) Do the charts indicate that Canada is in a position of strength or weakness to negotiate with the United States on issues of trade? Explain your answer.

Positive Job Impact of Buy American Provision on Americans	
Sector	Jobs (thousands)
Energy	46.1
Infrastructure	35.7
Health care	25.1
Education	25.1
Protecting the vulnerable	21.1
State relief	66.8
Total	219.9

Source: Christina Romer and Jared Bernstein, “The job impact of the American recovery and reinvestment plan,” January 9, 2009, cited by Gary Clyde Hufbauer and Jeffrey, J. Schott, *Buy American: Bad For Jobs, Worse for Reputation. Policy Brief*. Washington: Peterson Institute for International Economics. February 2009

U.S. Heavy Manufacturing Exports “Vulnerable” to Retaliatory Actions by Trading Partners		
Country/Region	“Vulnerable” exports (billions of U.S. dollars)	Total exports (billions of U.S. dollars)
European Union	29.0	214.1
Canada	23.9	230.2
Mexico	8.5	134.1
China	7.7	55.2
Japan	6.6	59.6
Brazil	4.1	19.2
Korea	3.8	32.5
India	2.1	10.1
Russia	1.2	4.7
Total	86.9	759.7

Source: UN Comtrade database, 2009. Cited by Gary Clyde Hufbauer and Jeffrey, J. Schott, *Buy American: Bad For Jobs, Worse for Reputation. Policy Brief*. Washington: Peterson Institute for International Economics. February 2009

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Issue: Afghanistan

Quote

"There's been extraordinary effort there, and we just wanted to make sure that we're saying, 'Thank you.'" — U.S. President Barack Obama, on Canada's participation in the mission in Afghanistan, *Waterloo Region Record*, February 21, 2009

Further Research

To stay informed about NATO's mission to Afghanistan, consider visiting the official Web site at www.nato.int/ISAF.

How Did We Get Involved?

The United States suffered its worst terrorist attack on September 11, 2001. The attacks include the destruction of the Twin Towers of the World Trade Center in New York. Osama bin Laden, the leader of a terrorist group called Al Qaeda, claimed responsibility for the attacks. Osama bin Laden and Al Qaeda operated out of Afghanistan and the tribal regions that lie between Afghanistan and Pakistan. The Islamic extremist group known as the Taliban controlled much of Afghanistan at the time.

In response to the attacks on the U.S., NATO authorized a joint military mission against Al Qaeda and the Taliban in Afghanistan. As part of NATO, Canada agreed to participate in the mission. In February 2002, a contingent of troops from the Princess Patricia's Canadian Light Infantry was sent to Kandahar, Afghanistan, for six months.

Participation to Date

Canadian troops have played an important role in the Afghanistan mission, and they have often operated out of the most dangerous parts of the region. From 2003 to 2005, Canadian Forces personnel were based out of the capital, Kabul, as part of the International Security Assistance Force (ISAF). The goal of ISAF was to provide intelligence and security to allow for the establishment of a democratic government—as opposed to rule by the Taliban. Elections were held in the fall of 2005.

In 2006, NATO troops assumed command of all military operations in southern Afghanistan. ISAF already had troops elsewhere in Afghanistan, including Kabul, and in the north and the west of the country. Canadians and soldiers from other countries were

deployed to the south, arguably the most unstable region in Afghanistan.

During their time in Afghanistan, Canadian Forces personnel have:

- helped the Afghan government collect, store, and decommission about 10 000 heavy weapons
- cleared about one-third of the estimated 10 million to 15 million mines in Afghanistan
- assisted in the training of the Afghan police and army

The Price of War

Canadians have earned the respect of the world with their participation in Afghanistan. But the price of this participation has been high—with some estimates placing the cost of the war at \$2-billion. It is impossible to place a value on the loss of life, however, and by early March 2009, 111 Canadian soldiers had been killed in the war.

Bringing Canadian Troops Home

In 2008, the Conservative government extended Canadian participation in Afghanistan until 2011. But Prime Minister Harper pledged that 2011 was a firm "end date" for the Afghanistan mission, and that the majority of Canadian military forces would be withdrawn by that time.

The American Position

U.S. President Barack Obama wants to withdraw U.S. troops from Iraq and increase American troop presence in Afghanistan. This is a major shift in U.S. policy in the region, and Obama has called on other nations to increase troop levels in Afghanistan. He is on record as saying that stability in Afghanistan is necessary to secure international peace.

The majority of Canadians support the

Quote:

"... the Obama administration says it accepts our decision to end our deployment in 2011. At this meeting, we do not expect an 'ask' from the President to extend that deployment. Depending on how the situation evolves [or devolves] over the coming year, an 'ask' may yet come. But that, thankfully, is for another day." — John Ibbotson, *The Globe and Mail*, February 16, 2009

return of Canadian troops by 2011. But after Obama's election, some began to worry that this would not be the case. Because the U.S. wants to refocus its efforts in Afghanistan, there is definitely a chance that Canada will be asked to extend its commitment in the region.

Prior to Obama's visit to Ottawa, Peter Mansbridge, the CBC's chief correspondent, interviewed Obama in Washington. During the interview, Mansbridge specifically asked about Obama's plans for Canada as they relate to Afghanistan.

MANSBRIDGE: Afghanistan. As you know, Canada has been there from the beginning, since the fall of 2001, and has suffered extreme casualties in its combat missions there. And the Canadian Parliament has decided, out of combat by the year 2011. When you get to Ottawa, will you have any suggestions to Canada that it should reconsider what its role in Afghanistan is?

OBAMA: Well, first of all, I think the Canadian contribution has been extraordinary, and for all the families who have borne the burden in Canada, I think we all have a heartfelt thanks. . . . I'm in the process of a strategic review of our approach in Afghanistan. Very soon we will be releasing some initial plans in terms of how we are going to approach the military side of the equation in Afghanistan . . .

MANSBRIDGE: But are you saying that you will or you won't ask Canada to remain in a combat role?

OBAMA: Well, I think, you know, we've got until 2011, according to the Canadian legislature, and I think it's important for the Canadian legislature and the people of Canada to get a sense that what they're doing is productive. So what I will be communicating is the approach that we intend to take. Obviously I'm going to be continuing to ask other countries to help think through how do we approach this very difficult problem. But I don't have a specific "ask" in my pocket that I intend to bring out in our meetings.

Source: "In his own words," transcript of the CBC News interview with Barack Obama, February 17, 2009.

Follow-up

Will Canada be able to say "no" to the Americans if they ask for Canadian troops to remain past the 2011 withdrawal date? Would it create tension between the two countries if Canada said "no"? Should Canada be concerned about the opinion of the U.S. government on this issue? Why or why not? Would you personally support an extension of the Afghanistan mission if Obama requested it from Canada? Explain.

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What They Said

U.S. President Barack Obama’s visit to Canada on February 19, 2009, generated a great deal of media coverage. Although he was only in Canada for about seven hours, television news covered the event for most of that time, and clips of this footage were played frequently over the next week. As well, print and online journalists and commentators weighed in on the visit and its implications.

Below you will find a selection of quotes related to some of the major issues facing Canada and the United States. Read the quotes below and respond to the questions that follow.

Issue: Trade Between the Two Countries

“History is painfully clear on trade barriers—once they start going up, they’re difficult to stop. It becomes a drag on all economies.”

— Stockwell Day, federal trade minister (*Computerworld Canada* online, February 2, 2009)

“This could be win-win for Canadian and American workers. If the ‘Buy American’ policy works and puts more Americans back to work and strengthens the American economy, that will be good

for Canadian manufacturers who make products consumed by Americans.” — Ken Neumann, the United Steelworkers national director for Canada (*Toronto Star*, February 10, 2009)

“The ‘Buy American’ provisions . . . will signal to our trading partners around the world that the United States is returning to the bad old days of protectionism and economic nationalism.” — Gary Shapiro, president of the Consumer Electronics Association (Reuters online, February 16, 2009)

“. . . We have agreed in Canada and, you know, all the major countries of the world through the G20, we agreed to pursue economic stimulus measures—not just to stimulate our own economies, but to recognize that we have a synchronized global recession that requires policies that will not just benefit ourselves but benefit our trading partners at the same time. If we pursue stimulus packages, the goal of which is only to benefit ourselves or to benefit ourselves, worse, at the expense of others, we will deepen the world recession, not solve it.” — Prime Minister Harper (*Toronto Star*, February 19, 2009)

Analysis

Copy the following chart into your notebook, and fill in the relevant information.

Issue: Trade and “Buy American” Provision		
Speaker	Title/Organization	Position on Issue

Issue: Climate Change and the Environment

“This dialogue will move us in the right direction. Increasingly, we have to take into account that the issue of climate change, greenhouse gases, is something that’s going to have an impact on all of us.” — President Barack Obama, *Canadian Press*, February 20, 2009

“I’m quite optimistic that we now have a partner on the North American continent that will provide leadership to the world on the climate-change issue, and I think that’s an important development.” — Prime Minister Stephen Harper, *Canadian Press*, February 20, 2009

“All this starkly contrasts with Harper’s long-held views on climate change.

In a famous Canadian Alliance Party fundraising letter in 2002, he called the Kyoto Treaty, with its emphasis on carbon trading, a ‘massive transfer of wealth from rich countries to poor countries.’” — Ish Theilheimer, *The Harper Index*, February 20, 2009

“Obama and Harper, after a whirlwind meeting this week, emerged to announce a ‘clean energy dialogue’ that’s aimed at reducing greenhouse gases. It sounds good, but what will it really mean? For now, nothing. It’s just more talk: essential, but not necessarily painful. But it sounds good, and it buys Harper time to find a way forward.” — Editorial, *Waterloo Region Record*, February 21, 2009

Analysis

Continue the chart you began in your notebook. Add the issue “Climate Change and the Environment” and complete the chart.

Issue: On the Charisma of Obama and Harper

“Barack Obama lapped up the love and gave some back during a whirlwind visit to the nation’s capital that saw him promise closer collaboration with Canada on the troubled economy and the environment. Yesterday’s seven-hour trip was supposed to be an all-work-and-no-play affair, but the U.S. President managed to sprinkle a bit of stardust along the way.” — *Toronto Star*, February 20, 2009

“It’s different from what we’ve got here. I think if a character with that sort of charisma came into the light in Canadian

politics, people would just eat it up. They would just love it.” — Colin Schultz, university student, *Waterloo Region Record*, February 20, 2009

“I think this is special. It’s unique, it’s once in a lifetime.” — Marie Schofield, who left Kitchener at 4 a.m. in the hopes of seeing Obama in Ottawa, *Waterloo Region Record*, February 20, 2009

“As for Harper, he looked and acted as polished as the ‘great orator’ himself, fielding questions with aplomb, in detail, and in both official languages. He was as fulsome in his answers as was the President.” — Editorial, *Winnipeg Free Press*, February 21, 2009

Analysis

Continue the chart you began in your notebook. Add the issue “Charisma” and complete the chart.

How do you account for the fact that there are so many different perspectives on each of these issues? How do we decide which perspective is the most accurate? Why is it important to consider multiple perspectives?

