

A STRATEGY FOR OUR NORTH AMERICAN PARTNERSHIP

THE NAFTA ZONE

Total Population: 425 million (U.S. – 68%,
Mexico – 24%, Canada – 8%)

Trade: NAFTA, with a GDP of \$17.1 trillion
(US\$12 trillion), represents 34% of the world's GDP

Trade Composition: U.S. – 88% of NAFTA GDP;
Canada – 7%, and Mexico – 5%

Investment: Canadian investment in the
U.S. – \$92 billion; U.S. investment in
Canada – \$152 billion

have more interests in common than do Canada and the United States. While each faces unique challenges, we must also recognize that the continent is becoming more inter-dependent and that we are equally affected by global issues. The time has come for us to explore how we can better cooperate to deal with the challenges posed by globalization.

Within the Canada-U.S. context, Foreign Affairs will pursue the following priorities:

- modernizing our security relationship, taking into account the evolving threats facing North America;
- identifying issues where Canada and the United States can cooperate on shared objectives globally;
- promoting further environmental cooperation; and
- getting our messages across more effectively, including through the Secretariat in our Washington Embassy.

MODERNIZING CANADA-U.S. SECURITY

Under the recent agreements with the United States, one of the key objectives is the need to ensure the coherence and effectiveness of our continental security arrangements. These will build on the model of cooperation developed under the 2001 Smart Borders Declaration and the security framework described in Canada's 2004 National Security Policy, which sets out

an integrated strategy and action plan for current and future threats.

Specific Initiatives

In collaboration with partner departments, Foreign Affairs will focus on:

- *Counterterrorism*: In 2002, Canada and the United States entered into an Agreement on Security Cooperation, which established a Bi-National Planning Group to develop coordinated contingency planning to respond to crisis scenarios, including potential terrorist attacks and natural disasters within North America. We will continue work in this Group and other processes to enhance coordination of cross-border law enforcement and counterterrorism programs; strengthen links between Canada's Integrated Threat Assessment Centre and the U.S. National Counter-Terrorism Center; build a 21st century border, pushing it outwards to interdict threats before they reach North America, while expediting the movement of low-risk people and goods; collaborate to secure shared critical infrastructure, including transportation, energy and cybernetic and communications networks; and improve the security of Canadian and U.S. passports by implementing biometric identifiers.
- *NORAD*: The North American Aerospace Defence Command (NORAD) agreement represents close to half a century of cooperation between Canada and the United States in the defence of the continent. The NORAD agreement is due for renewal in 2006. NORAD's success, based on its ability to adapt to new threats, is a testament to the value of our bilateral defence relationship, a relationship that allows both nations to pursue common security goals while respecting sovereignty. We will build on this foundation by exploring with the United States new ways in which we can enhance continental security. Canada confirmed its commitment to the bi-national command in August 2004 by amending the NORAD Agreement so that its missile warning capabilities, which have been in place for 30 years, would be made available to U.S. commands responsible for missile defence. The Government