

## CHECK AGAINST DELVIERY

Vice-President Pence, Governors, friends, honoured guests: Good afternoon.

It is my sincere privilege to be here with you today, to talk about some of the values we have in common, and some of the solutions to the challenges we all face.

Governor McAuliffe, thank you for your kind words of introduction, and your thoughtful opening remarks.

Governor Raimondo, thank you so much for your very warm welcome and Ocean State hospitality. It's high summer in Rhode Island, land of perfect sand and surf.

I have to say I am flattered, and also a little bit surprised, that so many of you in the audience have chosen to be here now rather off at the beach catching that perfect wave. Maybe that's on the agenda for the weekend.

Or maybe you'll go searching for the truth in a walk around the lake, to paraphrase the great poet Wallace Stevens.

Now, I have to tell you, Wallace Stevens is probably my favourite poet. By day, he worked in insurance up the road in Hartford, Connecticut, and by night he wrote some of the most spectacular poetry this country – and indeed, this world – has ever seen.

As I get to know this beautiful, historic corner of America a little better - the neatly tended fields and low stone walls, the apple orchards and spectacular ocean vistas – I've been thinking about Wallace Stevens.

In his poem *Theory*, he declares, "I am what is around me." And it makes me think of the concept of home – what it means, and how we define it.

Of course, home begins with family. And it extends out from there – to school and places of worship, workplace, community, town, city, state and country.

But there's an aspect of home that goes beyond our national borders – at least beyond the Canada-U.S. border, which is unlike any other. That is the idea, and the reality, of our common North American home.

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This is the level where Newfoundlanders took in thousands of stranded American air travellers after 9/11 – as chronicled in the award-winning Broadway musical, *Come From Away*. It is the level where, 100 years ago, New Englanders rushed to help their Nova Scotia cousins, after the Halifax explosion of 1917.

It's the level at which, when the Plymouth-to-Newport sailing race got hit with hurricane-force winds, just a few weeks ago, Canadian Armed Forces personnel, ships and planes went immediately into rescue mode.

That's what friends and neighbours do. We're there for each other. We step up.

The Canada-U.S. border is sometimes referred to as "the longest undefended border in the world." That's actually wrong: Our shared border is very well defended. We defend it together, against common threats.

From NORAD, the only joint-command relationship in the world, to NATO, to counter-terrorism and to basic street-level policing, Canadians and Americans work shoulder-to-shoulder, keeping each other safe. As long as any of us here can remember, and further back than that, we have done this.

And that is the context in which I'd like to say a few words today about Canada's outreach to the United States this year - which has been variously described by analysts and pundits as un-Canadian; exceptionally Canadian; unprecedented; highly predictable; and, perhaps most colourfully, a doughnut.

My friends, I'm here to tell you that our continuing conversation with all of you is none of those things. Not at all. On the contrary, it is solid, through-and-through.

And I need to highlight the work of two individuals here as being exemplary throughout this process: Canada's Minister of Foreign Affairs, Chrystia Freeland, and our Ambassador to the United States, David MacNaughton.

Thank you, both, for your terrific work. And we all know that Chrystia and David are not alone in this push.

It extends to all levels of governance and society. From my continuing, constructive dialogues with President Trump and Vice-President Pence; to chats

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between federal ministers and cabinet secretaries; to meetings between state governors and provincial premiers (including the Premier of Ontario, Kathleen Wynne, who is here today) to conversations between municipal leaders, to business and non-governmental organizations, to the thousands of personal and business ties that form the bedrock of our national bond.

During my time in politics, I've noticed this: Pundits - and I say this with the greatest of respect for our media friends - really seem to enjoy the word "strategy."

If you have a plan it's just a plan. Anyone can have a plan. But if you call it a strategy, suddenly journalists are leafing through Sun Tzu's The Art of War and making oblique references to chess.

This has the effect of making the obvious seem complex. It makes for an interesting story.

But our strategy – our plan – is actually extremely straightforward.

Canada is a confident, creative, resourceful and resource-rich nation. We are a wealthy and influential country, by world standards. But we are also a country of 35 million, living next door to one roughly ten times our size – and the world's only superpower.

My father, Prime Minister Pierre Trudeau, once compared this to sleeping next to an elephant.

But while you, my American friends, may be an elephant, Canada is no mouse. More like a moose – strong and peaceable, but still massively outweighed.

And so, we need to work harder to make our points, to advocate for the interests of Canadian families in a way that will connect down here. That applies across the range of our national interests – from the fight against climate change, to job creation, to our common defence.

Because, let's face it, this is another truth about good neighbours: Sometimes we take each other for granted. Sometimes the very dependability and ease of a

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relationship can lead to us paying it too little attention. When that happens, the principals invariably live to regret it.

My friends, we in Canada decided we would not allow that to happen to our relationship with the United States of America.

And I want to say that again for the folks back at home, because it's important.

Il s'agit d'un autre aspect de la relation entre bons voisins : parfois, nous la tenons pour acquise. Parfois, la fiabilité et la facilité d'une relation peuvent nous amener à y accorder trop peu d'attention. Inévitablement, on en vient à regretter de l'avoir négligée.

Mes amis, je peux vous dire qu'au Canada, nous avons décidé que nous n'allions pas négliger notre relation avec les États-Unis.

When I talk about the importance of maintaining this relationship, I talk about it as a collective. I say "we" because this sentiment extends throughout the cabinet and caucus I lead, but it is actually bigger than our government or party. There is a high degree of support for this across Canadian society.

I note, by the way, that we have representatives from two of our major political parties here today: Members of Parliament Mike Lake, Brenda Shanahan and Salma Zahid, as well as Senators Bob Runciman and Art Eggleton -- hello and thank you for being here.

As I was saying: the Canada-US relationship is far too important for us to assume that Americans are as focused on it as we are. Focused on just how interlinked our economies have become. And just how crucial this is to prosperity and security on both sides of the border – especially for the middle class, and those working hard to join it.

Given the imminent modernization of the North American Free Trade Agreement, which we welcome by the way, we felt compelled to tell you Canada's story, specifically as it relates to the United States.

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It's a great story. And not just for the nine million American workers whose jobs depend directly on trade and investment with Canada. But for all Americans.

Now, some of you may have heard that last number before - along with the fact that two thirds of American states have Canada as their top export market.

This may have something to do with us repeating those numbers to U.S. audiences every chance we get.

The export number is true, by the way, for a majority of the states represented here today, including: Alabama, Arkansas, Colorado, Iowa, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota, Tennessee, Vermont, Virginia, and Wisconsin.

To boil this down to one point: Canada is your biggest, best customer – by far. We're a bigger customer than China by roughly \$152 billion. Bigger than Japan or the UK. No one else comes close. In fact, Canada buys more from the US than China, Japan, and the UK combined!

We have been consistent this year - some might say, relentless - in sharing that message, beginning in my regular dialogues with President Trump and fanning out from there.

Let me tell you why.

This is the most successful economic partnership in the history of the world. It's worth about a trillion dollars each year, and most importantly, it's balanced.

More broadly, the North American Free Trade zone is the biggest economic zone in the world, comprising a \$19-trillion regional market of 470 million consumers.

The United States, Canada, and Mexico together now account for more than a quarter of the world's GDP. Since the trilateral agreement went into effect in 1994, U.S. trade with your NAFTA partners has tripled.

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That accounts for millions of well-paying middle-class jobs for Canadians, and Americans. Free trade has worked. It is working now. And those ties have grown well beyond direct trade.

Canadians pay more than \$500-million annually in property tax, in Florida alone. And another twenty-five thousand homes in Arizona are Canadian-owned.

Something to do with the weather, I suspect.

But NAFTA isn't perfect. No such agreement ever is. We think it should be updated and modernized, as it has been a dozen times over the past quarter century. And I have every expectation it will be - to the ultimate benefit of working people in all three partner countries.

And I have to add this: We have been gratified by the serious, respectful response our outreach has met at all levels of American government. We thank our counterparts in the Trump administration for that, and we thank all of you.

The relationship between our countries is historic. It is a model to the world. It is of critical importance for people on both sides of the border that we maintain it, and indeed, improve it. We must get this right.

Sometimes getting it right means refusing to take the politically-tempting shortcuts.

More trade barriers, more local-content provisions, more preferential access for home-grown players in government procurement, for example, does not help working families over the long term, or even the mid-term.

Such policies kill growth. And that hurts the very workers these measures are nominally intended to protect. Once we travel down that road, it can quickly become a cycle of tit-for-tat, a race to the bottom, where all sides lose.

My friends, Canada doesn't want to go there.

If anything, we'd like a thinner border for trade, not a thicker one.

Allow me to repeat that in French.

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La relation entre nos pays n'a pas d'égale. Elle sert d'exemple au monde entier et il est d'une importance critique pour les gens qui vivent des deux côtés de la frontière qu'on la maintienne et en fait, qu'on l'améliore. Il faut que ce soit fait correctement.

Parfois, faire les choses correctement ne veut pas nécessairement dire emprunter le chemin le plus facile sur le plan politique, ni le plus court.

Créer de nouvelles barrières commerciales, ajouter davantage d'obligations de contenu local, donner un accès plus privilégié à des acteurs locaux pour les contrats gouvernementaux, par exemple, n'aide pas les familles de la classe moyenne à long terme, ni même à moyen terme.

Les politiques de ce genre affaiblissent la croissance. Elles nuisent aux travailleurs qu'elles devraient protéger. Une telle approche peut facilement engendrer une dynamique de représailles mutuelles de laquelle personne ne sort gagnant.

Now, there are some really great arguments to be made for keeping our border thin when it comes to trade, even as we improve cross-border law enforcement that makes Canadians and Americans safer.

We will continue to say to our friends and partners in Michigan and Ohio, for example: Consider cases like that of Magna International - a global automotive parts supplier headquartered in Ontario.

Founded in 1957, Magna today employs nearly 140,000 workers in 29 countries. Half those workers are in North America. Magna has 65 facilities in the United States. 60 in Canada. 29 in Mexico.

Here's the point: Magna's supply chains span the border. To a car part, the border is invisible. Canadian components are repeatedly incorporated into more complex products before final assembly.

A hydroformed upper crossmember starts in Strathroy, Ontario. It's imported into Michigan for assembly into a carrier and then incorporated into a full front-end

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module in Ohio. Magna then sends the front-end modules to Chrysler for final assembly. And Chrysler exports the finished Jeeps around the world.

That's teamwork, my friends.

Or take Canam Group, the parent company of Canam Steel. Canam is headquartered in Quebec. It employs roughly equal numbers of Canadians and Americans. Its plants in Point of Rock, Maryland and Claremont, New Hampshire provide jobs that are vital to their communities. Canam's market is the construction industry – which is a North America-wide industry, by the way.

There are, literally, too many examples of this to name.

Whether it's CN in Louisiana, or Hydro Quebec in Maine, or Cott Corporation in Missouri, or countless other enterprises and projects across the States, Canadian energy, ingenuity and capital are there, helping you build America - just as American energy, ingenuity and capital are in Canada, helping us build our country.

And this, ultimately, is why I have such confidence in our shared future. And in the best efforts of every leader in this room, and in Washington, to nurture this relationship, to make it even better: We really are in this together.

Ambassador MacNaughton has remarked on the high degree of co-operation and collegiality among the state governors he's talked with, including many of you. That pragmatic approach crosses party lines, he tells me.

I'm guessing that's because, as governors, you face common problems, and share many of the same goals. I have no doubt you're focused on creating the conditions for good, well-paying jobs for the middle class in your states.

Whether Republican or Democrat, in this economy, that's probably your first priority.

Well, guess what? It's my first priority as well. President Trump has told me it's also his. We all have this in common.

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This challenge – how to ensure the benefits of commerce and trade are more broadly shared, so that every family can look forward to a brighter future – is among the most fundamental of our time.

My friends, I believe to my core that the most important challenge we face, as elected leaders, is that of creating lasting conditions for prosperity and security for all our people – in this, our shared North American home.

By virtue of our geography, by virtue of our interlinked economies, this is work we are called to do together – within a modernized, renewed and strengthened North American Free Trade Agreement.

So, I will leave you with this: Let us meet this challenge. Let us keep talking, as neighbours and friends should. Let us roll up our sleeves. Let's get to work. And let's keep making history, together.

Thank you.

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