



The 2016-2017 Thomas O. Enders Memorial Lecture on U.S.-Canadian Relations

Advancing Canada's Interests and Defending Canadian Values in Washington

Given By

**The Honorable Andrew Leslie
Member of Parliament for Orléans and
Parliamentary Secretary to the Minister of Foreign
Affairs for Canada-U.S. Relations**



**Tuesday, May 2, 2017
Benjamin T. Rome Auditorium
Washington, D.C.**



The Thomas O. Enders Memorial Lecture on U.S. Canada Relations at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University

The Thomas O. Enders Memorial Lecture is named for the distinguished diplomat who served as United States Ambassador to Canada for President Gerald R. Ford and President James Earl Carter. Enders held a number of other important posts during his foreign service career, including as Deputy Assistant Secretary of State for Political-Military Affairs, Assistant Secretary of State for Inter-American Affairs, and U.S. Ambassador to Spain. In 1963, while serving as an economist in the Bureau of European Affairs, he encountered the pioneering work on optimal currency areas by Johns Hopkins University Professor of Economics Robert Mundell, a Canadian and future Nobel Laureate in Economics who was the founder of the Center for Canadian Studies at Johns Hopkins SAIS. The Thomas and Gaetana Enders Foundation sponsors this annual lecture on U.S.-Canadian relations with a particular focus on economic issues.

Previous Enders Lectures have been given by:

Dr. Malcolm Knight (2012-2013)

Vice Chairman, Deutsche Bank Group and former Senior Deputy Governor, Bank of Canada “Surmounting the Financial Crisis: Lessons from the Canadian Experience”

Dr. John M. Deutch (2013-2014)

Professor of Chemistry, Massachusetts Institute of Technology and former Under Secretary of Energy, Deputy Secretary of Defense, and Director of the Central Intelligence Agency “Shale Gas: Obstacles of Opportunities?”

Dr. Gary Clyde Hufbauer (2014-2015)

Reginald Jones Senior Fellow of the Peterson Institute for International Economics and former Deputy Assistant Secretary of the Treasury for International Trade and Investment Policy “Canada, the United States and Trade Reforms: Best Friends, Best Partners, Best Potential Competitors?”

Hon. Rachel Notley (2015-2016)

Premier of Alberta and Member of the Legislative Assembly of Alberta for Edmonton-Strathcona. “Alberta’s Climate Leadership Plan and Opportunities for Canada–U.S. Climate and Energy Collaboration”

Speaker Biography

The 2016-2017 Thomas O. Enders Memorial Lecture on U.S.-Canada Relations was given by the Honorable Andrew Leslie, Member of Parliament for Orléans and Parliamentary Secretary to the Minister of Foreign Affairs (Canada-U.S. Relations).

Born into a multi-generational military family, Mr. Leslie enjoyed a decorated 35 year career with the Canadian Armed Forces. His career has included a variety of command and staff positions in numerous overseas postings with the UN and NATO. In addition to his extensive military experience in Canada, involving disaster relief in floods and the 1998 Quebec ice storm, Andrew has served on international missions included leading troops in Germany, Cyprus, the former Yugoslavia, and, most recently, Afghanistan. In 2006, he became Chief of the Land Staff/Army Commander- a position he held until 2010, during which time he was responsible for 57,000 military and public service personnel, their equipment, military training and related infrastructure. In 2011, he was appointed the Chief of Transformation until his retirement.

General Leslie's service has been recognized on numerous occasions; among his Canadian distinctions, he was appointed Commander of the Order of Military Merit in 2005 and was awarded the Meritorious Service Cross. Internationally, he was appointed a Commander of the U.S. Legion of Merit in 2007 and was awarded the Commander's Cross of the Order of Merit of the Republic of Poland in 2010.

After a successful career in the Canadian military, Mr. Leslie retired in 2011, and worked as a senior vice president of, CGI Group Inc., a Canadian information technology corporation. In 2013, he founded his own consulting firm specializing in leadership and strategy. His professional experience is complemented by several academic degrees and courses focusing on economics, history, leadership, strategy, tactics, equipment acquisition and management. He attended the University of Ottawa for his Bachelor's degree in Economics, the Royal Military College for his MA, as well as professional development at the Harvard Business School in Management.

After leaving the military, Mr. Leslie continued to be an active member of his local and Canadian military communities; he was a member of the advisory committee of the Prince of Wales Charities in Canada; he was the Chair of the Board of Directors of the Royal Canadian Artillery Association and a board member of Opera Lyra Ottawa.

Mr. Leslie was elected as Member of Parliament for the Liberal Party of Canada representing Orléans in October 2015. He was the co-chair of the Liberal Party of Canada for the International Advisory Committee, focusing on foreign affairs, defence, veterans, international trade, international aid, security, immigration and cyber security. In his first term, Mr. Leslie held the role of Chief Government Whip and is now the Parliamentary Secretary to the Minister of Foreign Affairs with special responsibilities for Canada-US relations.

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Thank you [Professor Sands], for that kind introduction.

First, I want to pass along greetings from our Minister of Foreign Affairs, Chrystia Freeland, who unfortunately could not be here today.

On her behalf, I want to thank you Professor, and the Centre for Canadian Studies here at Johns Hopkins, for the invitation to give the 2016-2017 Thomas O. Enders Memorial Lecture on Canada-U.S. relations at the School of Advanced International Studies.

Canadian Studies programs here, and at other universities across the U.S. and Canada, play an important role in reinforcing the strong bonds that exist between our countries. Given the highly integrated nature of our ties, we all benefit from any research and study—conducted here and elsewhere—that examines the many aspects of our relationship.

Economically, commercially, culturally, politically—as North American neighbors, we are uniquely connected. And yet, in each of our respective countries there is still room for greater mutual awareness and understanding of life above and below the 5,525-mile border that separates us.

A centre like this one, that cultivates the next generation of scholars and seeks to engage the broader citizenry in informed dialogue, is helping to do just that. So I thank you, Professor Sands, for your continued good work to shepherd the Canadian Studies program here at Johns Hopkins University.

Let me add to the conversation by sharing my own perspective.

Canada and the United States have one of the closest and most extensive relationships in the world. About 400,000 people cross our shared border every day—for business, for pleasure—each in their own way adding to the strong economic and people-to-people ties that bind us. We have been, and continue to be allies—united on the frontlines of battle in two World Wars, Korea, Afghanistan, and now, in the Global Coalition Against Daesh...

And equals—in the shared protection of North American air space, as founding members of NATO, and today, as owners of one of the world’s largest trading partnerships.

Ours is largely an illustrious story of two distinct nations whose great respect for one another has fostered peaceful relations amid the continued pursuit of mutual prosperity.

We are bound by proximity. Linked economically. Connected through history.

And it is based on these deep geographic, economic and historic ties that the Government of Canada is optimistic about what comes next—about how together we can add to the story of our bilateral relationship in a true and positive way, for the greater good of our two nations, and most importantly, for the people who call each home.

On matters of trade, energy and the environment, border management, continental defence and international security, among many others, America and Canada have often collaborated and found a way to reach consensus.

And if history has taught us anything about our deep ties, it is that security, prosperity and everything we need to be our best selves can only really accrue on either side of the border when we collaborate on both sides of it.

One of the things that stands out most about our relationship is that millions of middle class jobs in all sectors depend on strong Canada-U.S. relations. Jobs in agriculture, manufacturing, tourism, mining, oil and gas, forestry, and so on.

Nearly nine million U.S. jobs depend directly on trade and investment with Canada.

Over 500,000 Americans work for Canadian businesses active in the U.S.—jobs in every state and every congressional district. Nearly a third of Trans Canada Pipeline’s employees are Americans, working out of 36 states. TD Bank, which is based in Toronto, Canada, employs 26,000 Americans.

And 48 states count Canada among their top three customers.

Let me use Virginia as an example. In 2016, USD\$4.9 billion of bilateral goods were traded between Virginia and Canada. And more than half of that—USD\$2.9 billion—represents goods that Canada imported, making us Virginia’s number one export market.

We can also look at it this way: 280,800 jobs in Virginia depend on trade and investment with Canada—people who can put food on their table, moms and dads who can put their kids through

school, because of a job that would conceivably not even exist were it not for trade and investment links with Canada.

That is the story here. And it is the story in states all across America.

The Canada-U.S. trading relationship is in fact a model for the world. With NAFTA as its centerpiece, it has generated fair and balanced benefits on both sides of the border by supporting growth, innovation, and good paying jobs in both countries.

We should be aiming to keep it that way.

For Canada, it was reassuring to hear last week that President Trump does not intend to immediately terminate NAFTA, and that instead Canadian, American and Mexican representatives will seek to renegotiate it.

Canada is open to that step, and we want to work together with the U.S. and Mexico to improve NAFTA in a way that benefits all parties. But—and this is important—regardless of the outcome of those negotiations, tearing up the agreement is not the answer.

Since 1993, trade within NAFTA has nearly quadrupled, from USD\$289 billion 24 years ago to USD\$1 trillion in 2015. No trade agreement has achieved broader and deeper market integration to create so many good middle-class jobs

So to suggest that NAFTA has been “unfair” to the United States is to ignore all the good that has come of it.

Senator John McCain has said that a NAFTA withdrawal would “devastate the economy in [Arizona].” McCain’s colleague in the senate, Ben Sasse, has said that “it would hurt American families at the checkout, and it would cripple American producers in the field and the office.”

In both houses of government, on both sides of the aisle, south of the border and north, there is a deep understanding that no good would come from replacing perceived impediments to Canada-U.S. trade with real ones—not for two countries that so depend on one another in so many different ways.

For example, in 2016, 92 percent of Canada’s energy exports went to the United States, for a total value of about USD\$42 billion, with crude oil accounting for two-thirds of that.

We are currently America’s leading and most secure, reliable and competitive energy supplier, including of crude oil and refined petroleum products, natural gas, electricity and uranium.

And our energy relationship is increasingly interdependent—while Canada supplied 20 percent of the U.S. domestic crude oil consumption in 2015, the U.S. supplied about 30 percent of Canadian demand.

Canada and the United States also collaborate closely on energy innovation, particularly in clean energy. And as the process to advance the Keystone XL pipeline continues, our countries are demonstrating a commitment to moving forward on energy infrastructure projects that will:

- help North America become more energy secure;
- create thousands of much-needed energy sector jobs for the middle class; and,
- maintain our strong commitment to protecting the environment.

In total, our bilateral trade in 2016 reached USD\$635 billion, representing about \$1.7 billion dollars-worth of goods and services crossing the border every day. That is roughly the equivalent of what it cost to build AT&T Stadium—the home of the Dallas Cowboys—crossing the border twice a day. Every day. For a year.

Add in investment and our two-way trade climbs to \$2.4B in trade per day—one of the largest and most comprehensive economic relationships in the world. And one of the most unique too, in that our industries have integrated supply chains that crisscross the border in almost every sector.

That hamburger from your local diner?

Beef from Alberta cattle, raised in Nebraska, processed in Colorado. On a bun baked in California, using flour from Saskatchewan. Garnished with lettuce from Arizona and tomatoes from Ontario.

It is as Canadian as it is American. And the process to get it to your plate keeps people employed on both sides of the border.

Our fair, balanced and integrated trade relationship is creating jobs, growth and prosperity in Canada and America—from small border towns to large coastal communities to deep into our respective heartlands.

And speaking of those heartlands, people in Canada’s farming communities and lumber yards have been paying close attention to the news lately, to the rhetoric about dairy and softwood, and alleged inequities in those supply chains.

On that, let me say this.

Regarding dairy—after Mexico, Canada is the second largest export market for U.S. dairy products, and these exports continue to increase. Canada-U.S. dairy trade in fact largely favours the United States, by a margin of almost 5 to 1. In 2016, we imported \$558 million-worth of dairy products and exported \$112 million.

Our market is open to American dairy farmers, and Canada is not taking any action at the border to limit ultra filtered milk imports from the United States, which continue to enter Canada duty-free and quota-free.

Regarding softwood, this is hardly a new issue.

Prime ministers and presidents from Pierre Trudeau to Ronald Reagan, Mulroney to Bush 1 and 2, from Chrétien to Clinton and Harper to Obama have all, at one time or another, have dealt with this irritant. Let's keep in mind that dairy and softwood lumber actually make up only 2% of our entire trading relationship.

This latest dispute on softwood lumber is actually known as Lumber Five because it is the fifth time our countries have quarreled about this.

Are we disappointed that the U.S. Department of Commerce has applied countervailing and anti-dumping duties on Canadian softwood products?

Of course we are.

But similar claims have been found to be without basis in the past, and we believe that will be the case again now.

Quite frankly, we think the allegations that our softwood lumber industry is subsidized are wrong. And we will vigorously defend that position in our discussions with the U.S. administration, in our conversations and negotiations, and if necessary, through litigation at the WTO or under NAFTA.

Our preference, though, would be to settle this quickly. A negotiated agreement that brings predictability and stability on both sides of the border is the best possible outcome. It will keep people employed and it will keep costs down—not just in Canada, here too.

The U.S. economy is taking off, and new constructions—particularly homes that middle-class citizens can afford—are a vitally important spoke in that economic wheel. A rise in the cost of softwood lumber will price thousands of U.S. families out of the housing market. In fact, last

week, the Wall Street Journal published an article that called the duties on Canadian softwood lumber America's "new housing tax".

No two countries share deeper or broader relations than Canada and the United States. And no two countries have more to lose from policy changes that would bring rollbacks to our exemplary, lucrative, sustainable and vital economic relationship.

Within the context of that relationship, we recognize that the security of our borders must be a top priority. The free flow of legitimate goods and travelers is necessary, and goes hand-in-hand with strong border management.

Canada and the United States have robust measures in place to keep our border safe against common threats, while also making legitimate trade and travel as seamless as they can possibly be.

But we also have a responsibility to our citizens and to each other.

Over 6,500 uniformed Canada Border Services officers work at about 1,200 points across Canada and at 39 international locations.

Among their duties—stopping illegal goods from entering or leaving the country; detaining those who may pose a threat to Canada; and removing those who are inadmissible, including those involved in terrorism, organized crime, war crimes or crimes against humanity.

Canada and the U.S. work together in many ways to keep our border, our citizens and our countries safe.

Through the Cross-Border Crime Forum and with our Integrated Border Enforcement Teams, we are addressing transnational threats coming from organized crime, counter-terrorism, smuggling, and economic crime, as well as other emerging cross-border threats and criminal activity.

We are, quite literally, indispensable allies in the defense of North American soil, and through NORAD, of North American air space.

In much the same way, we are allies in the world.

As part of the Global Coalition Against Daesh, we share the goal of degrading and ultimately defeating Daesh, and are committed to the allied effort to dismantle Daesh networks and counter its global ambitions.

In NATO, we are working together to deter Russian aggression in Eastern Europe, with Canada leading a robust multinational battlegroup in Latvia; and the U.S., in Poland.

Canada values NATO's role as a major contributor to international peace and security, and views it as a cornerstone of North Atlantic security and defense policy.

Particularly now, as we wrestle with old and new threats to North American and global security.

The bottom line is that Canada and the United States have enjoyed strong partnerships in the past, and must maintain strong partnerships in the present, and for the future.

On trade, energy and environment policy, regulatory cooperation, border management, continental defense and international security—and with regards to other pursuits that we have customarily shared, like the promotion of democracy and the protection of human rights—we achieve more for ourselves, our people, the citizens of the world, with the unparalleled cooperation that has come to define the Canada-U.S. relationship.

Bound by proximity. Linked economically. Connected through history.

We are neighbors. We are friends. And we are an example for the world of what a strong bilateral relationship should be.

Professor Sands, thank you again for the invitation to deliver this address.

Thank you.