



The Empire Club Presents

**THE HONOURABLE BRUCE A. HEYMAN,
UNITED STATES AMBASSADOR TO
CANADA**

**IN CONVERSATION WITH CATHERINE
MURRAY**

with

**OUTLOOK FOR THE U.S.-CANADA
RELATIONSHIP**

September 12, 2016

**Welcome Address, by Paul Fogolin, Vice President of
the Ontario Retirement Communities Association and
President of the Empire Club of Canada**

Welcome back, ladies and gentlemen. I hope you enjoyed your lunch. Good afternoon from the Arcadian Court in downtown Toronto. Welcome, to the 113th season of the Empire Club of Canada. For those of you just joining us through either our webcast, our podcast, on Rogers TV, welcome, to the meeting.

Before our distinguished speaker is introduced today, it gives me great pleasure to introduce our Head Table Guests. I would ask that each guest rise for a brief moment and be recognized when I call their name. Traditionally, we say hold your applause until everybody has stood, but nobody ever listens to that. This season, clap away as much as you like as I call names. We are doing things differently.

HEAD TABLE

Distinguished Guest Speaker:

His Excellency Bruce A. Heyman, United States Ambassador to Canada

Guests:

Mr. Robert Deluce, President and Chief Executive Officer, Porter Airlines

Ms. Pamela Griffith-Jones, Chief Executive Officer, Nieuport Aviation Infrastructure Partners G

Mr. Vijay Kanwar, Co-Founder and President, KMH Cardiology and Diagnostic Centres

Mr. Marco Mendicino, Member of Parliament for Eglinton–Lawrence and Ontario Caucus Chair

Ms. Catherine Murray, Host, Business Day PM and Market Call Tonight, Business News Network

Mr. Michael White, Chief Executive Officer, IBK Capital Corp.

Mr. William White, Chairman, IBK Capital Corp.; Director, Empire Club of Canada

Mr. Geoff Wilson, Chief Executive Officer, Ports Toronto; Director, Empire Club of Canada

My name is Paul Fogolin. I am the Vice President of the Ontario Retirement Communities Association and the President of the Empire Club of Canada. Ladies and gentlemen, your Head Table Guests.

You may have noticed some smiling faces greeting you as you came in today. Those are our friends, the students joining us from Centennial College. There they are. Let us give them a hand. I would also be remiss if I did not acknowledge a few other guests with us today. This being our kickoff to the 113th season, I have the support of my girlfriend, Candace Devai, and my parents, John and Linda Fogolin. I will not make them stand. We also have three Past Presidents of the Empire Club with us today, which is tremendous. We have Mr. Noble Chummar, Mr. Peter Hermant, and Mr. Gordon McIvor.

In celebration of our 150th birthday, which is next year, and this being our second event in the sesquicentennial series, I would now ask our guest, Ambassador Heyman, as well as Mike White, our sponsor, to join me on stage. We have this tradition where we blow out the candles to celebrate our sesquicentennial.

As many of you know, in 1903, the Empire Club of Canada was actually founded by a group of men who were generally concerned that Canada would join the United States. Well, in 113 years, we have come a long way. As

we approach the 150th anniversary, we remain a sovereign nation; the Queen is still on our money; and the prospect of manifest destiny is about as likely as the Leafs winning the Stanley Cup this year. This year, okay? Hang with me. In fact, our club has had the honour of hosting a U.S. Ambassador representing virtually every American president since our founding. In perhaps a slight twist of irony, I, myself, am actually a dual citizen. Times have, indeed, changed.

To borrow an observation from author, C.S. Lewis, there are two basic types of relationships. In a two-way relationship, people look at each other. In a partnership, they look in the same direction, together.

Today, we are privileged to welcome as our guest speaker, a distinguished American who, as his country's chief representative in Canada, is well-versed in partnership. Bruce Heyman was confirmed as President Obama's personal representative to Canada on March 12, 2014. Since his appointment, Ambassador Heyman has been coast to coast, traveled to every province and territory and been welcomed by Canadians with open arms wherever he has traveled. His portfolio includes, but is not limited, to trade, border issues, energy, environment and global cooperation. Furthermore, Ambassador Heyman has played a pivotal role in orchestrating Prime Minister Trudeau's, now iconic, White House state dinner, as well as President Obama's historic address to Canada's Parliament earlier this year where the president received a rock star's welcome and was sere-

naded with chants of four more years, if only.

You could say Ambassador Heyman has a front-row seat to the now-famous Obama-Trudeau bromance. In all seriousness, the mutual respect between our two leaders illustrates just how close our two countries are aligned these days. This is a very good thing because now, perhaps more than ever, it is imperative that our countries look in the same direction, together, to meet the challenges we both face, but also to remind our partners around the globe that we are, in fact, stronger together.

Our current global climate is one fraught with economic uncertainty and haunted by the specter of terrorism. Perhaps, most concerning, is a growing number of political leaders are advocating for a turn inward in order to protect and to placate an increasingly frustrated and fearful middle class. Ambassador Heyman will address these subjects and more, today, in conversation with Catherine Murray.

First, I would like to share a few facts about His Excellency. Bruce Heyman is a 33-year veteran of Goldman Sachs, where he served as the Managing Director of the Private Wealth Management Group from 1999 until December 2013. Mr. Heyman has served as a board member for the Chicago Council on Global Affairs and the Northwestern Memorial Hospital Foundation. A Magna cum laude graduate with both a BA and an MBA from Vanderbilt University, Mr. Heyman continues to maintain close ties to his alma mater where he is past president of the Alumni Board.

He and his wife, Vicki, have three grown children, David, Liza, and Caroline, and three grandchildren, Emma, Clara and Brooks.

Ladies and gentlemen, please, join me in welcoming His Excellency, Ambassador Heyman, and Catherine Murray, to the stage.

His Excellency Ambassador Heyman in Conversation with Catherine Murray

CM: Thank you. Thank you very much, Paul. Great to be here. Good afternoon, everyone.

Great to be with you, Ambassador. Thank you.

BH: Good to see you.

CM: Great to see you, as always. Let us pick up on what Paul was just talking about as it relates to the relationship between Canada and the United States. It has been so strong for so long, but there is a renewed focus on it with a little bit of concern, which is quite new for many Canadians and probably Americans as well. What is the latest? What is the update? What is your assessment?

BH: My assessment—first of all, Paul, thank you for the kind words, and thank everyone here for your generous time today and allowing me to have a little lunch with you and some conversation about the U.S.-Canada relationship. The U.S.-Canada relationship has

never been stronger than it is right now. Let us build upon what had taken place. I thought I would give you a little background as to how we prepared for a change in government a year ago, and then how this last year has progressed. Then, if you would not mind, then I can take it into the path ahead.

Virtually, a year ago now, you were in the middle of a campaign. A lot of things were being said by all different parties. What we were doing at the Embassy and in all of our consulates was taking time to prepare for a change in government. Either there would be a re-election of the sitting Prime Minister and there would be governmental change—typically, that would happen, in terms of either ministers or goals or aspirations of the sitting government—or you would have a new leader and a new party taking hold.

What we did, just so you have a picture, in our Embassy—picture all of you working in the Embassy: We have various departments of the U.S. government all represented within the Embassy. I have that group come together every week in what is called a country team. In that country team, we typically go through and have tactical conversations as to what is upcoming and about visitors and the issues and opportunities that we are working on bilaterally with Canada.

In this particular case, during the election, what I did was I gave everybody in the room an assignment. The

assignment was as such: Let us prepare for the new government, and what the top priorities of your agency in the United States are. What would you like to see get accomplished with new government? We did that around the room. Not only did we do it around the room, but I forced every single person to stand up and tell everybody else around the room, so the commerce department could hear what the border people were talking about and the folks over in the econ. group could talk to the commerce department, who could talk to FBI and the Department of Homeland Security and everybody else who is represented within our Embassy. We had that conversation. They did not just come up with that uniquely within the Embassy. They worked with Washington to develop those strategies.

Then, I flew to Washington. I did the same thing in Washington. I brought together the heads or deputies within each of these departments. We had a sit-down session to talk about Canada and the importance of the relationship, and we talked about the various parties and what we thought may or may not happen in the election coming up, but, more importantly, we talked about what the goals were for each of the parties and what they were articulating up here and how that fit for us.

Now, the Embassy, our consulates, the U.S.

government in Washington—we were all on the same page going into your election. The most important thing I articulated to everybody was that while we had things that we would like to get accomplished, before we would sit down with the Canadians and talk about any of these things, it was important to understand what the Canadians would like to get accomplished in the new government with the U.S.-Canada relationship, which is what we did right away.

Good news is the campaign really brought out a lot of those goals. We found ourselves, very early on, understanding what the new government wanted to get accomplished, and we worked directly with the new government. What did we do? We were joined at the hip in Paris and were completely communicating the goals and aspirations of what we would like to get done in Paris on the climate change. It was, although announced later publicly, we had extended right away an invitation for a state dinner. That happened as a result of the work that we did in the Embassy and throughout Washington. And the focus on Canada that was even before the election was done—this was being bantered around, and we were talking about this. We were very quick to do this.

It was the first time in nearly 20 years a state dinner had taken place, and President Obama had very few of those. People asked me, “How did that happen

so fast in a brand-new government?” It was the work that was done going into it.

We then did the state dinner, but a state dinner really is just a celebration in the evening. What happened during the day was where all the real work was done. What happened getting ready for that day, in the months before, is where we drove the outcomes for that. Sitting there across from the president and the prime minister in the Oval Office, was one of the most amazing experiences for me, personally. If all of you could sit in that room, you would see, by extension, the true caring, love, friendship, partnership that was taking place between these two men and our two countries, and you would have been incredibly proud of what was going on in that room.

It was shortly thereafter that, in fact, at that meeting, the prime minister asked the president to address Parliament. First time in 20 years that it ever happened in Canada—a president coming in and speaking before Parliament and committing to a North American Leaders Summit, which was the first time in nearly a decade that that had happened in Canada. We have had a very productive time. We have laid the foundation not only for the next few months in the balance of the administration, but we have laid the foundation, I think, for many, many, many years to come.

Prior to that, we also had a good relationship—

and do not get me wrong: I have described a lot of things that we achieved bilaterally, but nearly 10,000 visitors from the U.S. government come to Canada on business every year. What is that? We work on everything: Food safety; we work on military; we work on trade; we work on environment; we work on everything you can possibly think of. We do it together. That is going to continue regardless. I will tell you: The foundation of this relationship is bigger than anyone occupying the White House or 24 Sussex.

CM: I think that is what certainly a lot of Canadians are most curious about because, as we discussed earlier, today, 77% of our business is directed towards the United States. It is our biggest client, if we are all in business. It is critical. It is crucial, and it sounds as though in this current relationship between the prime minister and the president very much interests align. Because of that, to your point, a lot of that has gotten done.

Let us just peel it back a little bit in terms of what some of the underlying concerns are and, if we can, alleviate those concerns.

BH: I think you will have to articulate to me what you think the concerns are. I have been pulled aside at every point across this country and asked about the election. Let me give you, first, some context. As a U.S. diplomat, I am required not only practically, but by law,

not to support any candidate for any political party or office. It is called the Hatch Act. I want you to take that and take my comments, going forward, in consideration. I represent 330 million people in the United States—people of all parties, persuasions, backgrounds and then even people who do not care about such things.

Keeping all that in mind, I believe, based on the businesspeople that I have spoken with, based on individuals, based on everybody, that the U.S.-Canada relationship will be firm and rise above anything that has anything to do with the election. I know election dialogue can cause people some angst because of the rhetoric that happens in elections themselves. I will tell you, we are going to get through this next 60-plus-day period. We will have a new president. The only prediction I will make is it will be somebody from New York State. Other than that, I have a lot of confidence. I think, as both presidents take hold, one of the things that we are doing now—I articulated about a change in government and preparing for it. Well, we are doing the same thing in the Embassy today, preparing for a change in government in the United States.

What are we doing? We are building, together, the priorities for all those departments, but we are also communicating with you, Canada, with the Government of Canada, with individuals and taking that into

consideration as we develop this platform. Our plan is—whether it is this ambassador or the next—to sit down and articulate to the sitting U.S. government, the new U.S. government, the priorities for this relationship. Given where those priorities are and how I know they are coming together, the way it reads is: Number one trading partner, largest border that we have, NATO ally, partner in NORAD, partner in environment and climate, partner in the Arctic, partner, partner, partner. I think that, regardless of who is in the White House, they will recognize that this relationship is an important one—if not the most important—in the world.

CM: And probably one of the strongest in the world, and it certainly has been for a very, very long time. With respect to some of those key objectives, let us talk about what has been accomplished over the past 14 months or so. I know you have been inordinately busy. What are some of the key accomplishments that you think you have achieved so far, that we have all achieved?

BH: First of all, we sit together, and we talk about all of the things that we face together, as partners. I think you articulated that well at the beginning. In doing that, when we made the announcements that came out of the state dinner, a large portion of those announcements related to the border.

The border. When I travel around the country and I ask everybody what the number one thing that

he or she thinks about—whether it is a businessman or woman, whether it is an individual who is going on vacation or somebody who is studying, and whether it is in terms of functioning at the provincial level, the municipal level or the federal level is, everybody mentions the border and the functioning of the border. I think we accomplished a lot in our meeting in Washington. What we did is we began to discuss the various things and needs that both sides had. The border, to function well, needs to do two things: One, it has to have appropriately fast and easy transit of trusted traders and travelers and people who we have confidence in, and it moves very quickly and expeditiously. Two, it is appropriately difficult to transit the border for those people that potentially want to do either side harm or, at a minimum, that we have more questions for.

We already, by the way, have an incredibly active border. About 400,000 people, on average cross the border every single day, 400,000. We have 120 border crossings. Toronto Pearson Airport is now the fourth largest entry point into the United States, with nearly 6 million passengers going through Pearson Airport to the United States every year, which is pretty incredible.

To balance that out, we need to sit down and find what works for you and what works for us. How

do we find that balance? We agreed to information sharing; we agreed to share no-fly lists. But in addition to sharing the no-fly lists, we want to make sure there is a redress possible, that if somebody ended up on that list, and they do not think that they were supposed to, that there is a way to get out. We also agreed to expansion of preclearance here at Billy Bishop, and Billy Bishop, and Billy Bishop—also Québec City and Montréal Rail and Via Rail out west. This agreement moves from air to land, marine— and it is really a new-generation version of our Pre-Clearance Agreement, which has been in place for a very, very long time. I think we have done a lot with the border.

I also think in the North American Leaders' Summit, there are several key announcements that were made. One, they had no news, very little pickup, which I think is the most important announcement of all, which I will come back to in a second. The second, which was also head news and is very important, is to get to 50% renewable energy by 2025 in North America, which is a great laudable goal. The item that did not get much news, which I think, actually, can stand to be one of the most important, is something called the “North American Caucus.” We all came together, our three countries, Mexico, Canada and the United States, and said that if we have like viewpoints around political, economic, global issues, then we should

come together as the North American Caucus and use a singular voice that would be much more powerful in the world. I think the initial focus was really through Latin and South America, but I can easily see this become a singular voice where we can come together and articulate our vision in Europe and in Asia and in Africa and in other places around the world. Information, working together, meetings are going to start taking place this fall—and trying to really beef up the North American Caucus.

CM: Ambassador, with respect to trade—you mentioned it briefly—maybe we can put the economic hat on, but I think many people would like to hear your views of the U.S. economy right now, as you have spent 33 years at Goldman Sachs. It is such a hot topic, and it is highly debated in terms of whether it is strong or whether it is weak. There are underlying issues, particularly, with respect to the rise of populism and what that is telling us.

BH: Bear with me. I will go through a little bit of an economic dissertation. When President Obama came to office—I remember that cold January day so clearly at inauguration day— we were losing about 900,000 jobs a month. Unemployment was skyrocketing. The financial system was in near collapse. The auto industry was about ready to collapse. We were in a financial crisis, and a large part was due to the leverage that was

done on home ownership, but all kinds of debt were under pressure. The stock market was in freefall, and we were in deep crisis: “Welcome to the office, Mr. President.” Oh, by the way, shortly thereafter, there was an oil well that was leaking, and they said, “We have an oil well leak in the Gulf of Mexico.” I am sure he said, “Okay, fix it,” and they said, “We cannot.” This is how the first few months began for this man.

Here we sit today. Let us just fast forward. Yes, the oil well has been capped, thank goodness. More importantly, unemployment went and peaked at 10%. It is now 4.9%. We added 15 million jobs. The auto industry not only is growing, but thriving and hitting record sales levels over each of the last three years. Home prices have re-bounced significantly. The stock market, by almost all measures, is near-record highs. Interest rates are low. The level of debt relative to GDP, the deficit we are running on an annual basis is now down in the 2.5-ish range percent after getting up close to 10%. Health care is provided to millions of people that were not provided for before. Oh, by the way, just as an aside, we have an Iran nuclear deal; Cuba relations that have been opened up. I think the president’s legacy is going to be rich and wonderful, but what is going on? What is with this populace thing?

Let me peel back the unemployment and may-

be tell you the number a little bit. We are at 4.9%, unemployment. If you have a college degree or higher, it is about 2.6%, full employment. Unemployment—if you do not have a high school degree—is kind of between 6.5% and 7%. What is happening is—and I believe the United States is the leader in the world in terms of technological innovation, entrepreneurship, disruptive change and all of that that has been going on that you read about so much—we are simultaneously displacing workers in the middle class, especially people that do not have lots of different skillsets.

All of a sudden, you have this technology that is getting implemented, automation, and it is happening at an increasingly fast rate as technology is ramping up. If you have lost your job and you now, by the way, found another job, but you do not make anything close to what you were making before, or you are struggling to make ends meet, you are very frustrated. Wages, for that group, have actually fallen a bit. Wages for the top people in our economy, the top 1%, the skill-based, have increased. The gap between rich and poor has widened. You have this frustrated public. I believe a large portion of it is related to automation and technological change. It is hard to say you blame your iPhone for your loss of a job. It is hard to mentally say that. It is easy to sit down and say it is because of some trade agreement or to say some other country has tak-

en those jobs away. I believe that it is misfocused. It should be focused on the fact of technological change and that we are in the middle of that era right now, and we are going to have to get used to this. By the way, I think it is going to get worse before it gets better because the technological change is happening at an increasingly fast rate. We are going to have further challenges here with the population, and we are going to have to create the appropriate transition time in our economy for those that need new skills. They can get new skills. I do not think anybody is really beyond the skilled training level. But we are going to have to have appropriate safety nets in our society to get us through this transition.

CM: Ambassador, is that being looked at as—obviously, it is a real situation—a situation that needs a solution? And what are the discussions surrounding what that solution might be, because it is, clearly a very, very difficult time. To your point, everybody can always learn and gain new skills, but that is difficult to do for a large group of people.

BH: I do not think there is a panacea. That is the problem. You cannot just—swish!—this is the quick fix. We cannot say we do not want automation and innovation, and that way we will just keep the jobs of all the companies we have, because guess what? Some other country or somebody else is going to do the automa-

tion innovation, and they will put us out of business. You have to continue to keep up and innovate and create. The president used this language. If you go back and look at the speech he gave in Ottawa, he talked about automation. We should not let automation be a driver of the gap between rich and poor, and we should take that into account.

The reality is—again, I think we had this conversation earlier—my generation, people like me, we, are immigrants to the technological age. My children are first generation of the technological age. Maybe their children are just native to the technological age. Some of you arrived in this country. How much, when you first arrived here, of the customs and language and all of that was so foreign? And how many people do you know go to their children and ask, “How does this iPhone work?” We are, I am an immigrant to the technological age, and I am trying my best to adopt to the new skills. We just have to get through it, just the way we went from an agrarian society to an industrial society. A lot of people lost their jobs on the farm, and that is all they knew, farming. We tried our best to figure out how to get them into the industrial age, but there were some periods of time where it was just incredibly challenging for those people. What would happen, though, even in that time, at least when technological change was happening, when the car came versus the

horse and buggy, is that it took a while. You can see it coming.

Now, with technological change that literally can replace people, employees and services overnight, quickly, the ability to transition to that is becoming more challenging. I just think this is going to be one of the challenges that not only the next U.S. government, but the whole western society and developed nations have to adjust to. I think, in part, maybe this had something to do with the Brexit vote. Maybe, in fact, this has to do with the frustration that people have with various leaders. As a leader, as a government, you have two responsibilities, and everything else falls under these: Prosperity of your people and safety. If you can provide prosperity and safety, you can stay in charge forever. Sometimes circumstances get beyond your even control in being a leader. I think this prosperity nature is under question for those people in that middle segment that are going through this change in the economy.

CM: It is interesting. So often we focus on China in terms of their changing economy, but the reality is it is exactly happening here in North America. Brexit, to your point, was emblematic of that, for sure. I am just switching focus here a little bit, Ambassador, and I think, well, that we spoke briefly on Friday, and I know you were very, very busy on Friday, as you always are,

but I am quite curious—and I think most of us probably would be—about what a day in the life is like for you as Ambassador to Canada.

BH: It is wonderful. You get to represent the United States here in Canada. It is just fantastic. There is no normal day, but I will run through some of the things that we do. Obviously, if I am in Ottawa or anywhere else, what we have done is we have put a team together that works on accumulating the media from around the world, all publicly available media, and brings it together, distils it down for me. I have expanded it. It used to be just an Ambassadorial briefing. I now open this up to everybody within the Embassy community, and I go in a conference room after settling in the morning, and the press team comes in and reviews the press. But it becomes almost a semi-mini strategy session because as things come up in the press, I then bring the entire team around the table and say, “Okay, this was in the press. How do we respond to that? What do we say? What is the real story? What is the back story? Is this true or not true?” We end up making mini strategy sessions. This is great. By the way, it has evolved, for me, so that we have the currency; we have the price of oil; we have breaking news around the world, top headline news for the U.S. We also have anything that has a Canada-U.S. basis to it anywhere in the world, which happens to be almost everything

because we do almost everything together.

I then sit down. I also get some time during the day, and I get a full-on security briefing, a confidential briefing, on the things that may affect the U.S.-Canada relationship. I get public, private—two different briefings every day. That gives you context.

The rest of the day is filled with a combination of government, business, social interactions. Where this has now gotten is that the benefit of being here, now, two-and-a-half or two-and-three-quarter years is that there are a lot of push and pulls. We have travelled coast to coast to coast, so to all the provinces and territories. We are getting a lot of requests from across the country, so it is about sorting through these things and then how to prioritize—and we always prioritize the interactions with the Government of Canada at the top, and then we work from there.

Our days are running right now as up at six in the morning and in bed at midnight, and probably working almost all times between that. I have never worked harder in my entire life. I have not unplugged yet. I did have a couple of times unplugged. Somehow, I think the Embassy found a cottage, and it took me a while.

CM: Otherwise, it is seven days a week.

BH: And seven days a week. You are on seven days a week. You are on call. If an ambassador needs to leave to go

back to the United States or another country, you need permission from the U.S. government; you need to notify the Canadian government; and you need to designate someone who is going to be the chargé d'affaires. It is a very formal process to do that. The Obama administration also made it very clear that we want our ambassadors to be ambassadors. You are going to be in country, and we do not want you out running around back at the States or doing things unless for business, and there is an appropriate amount of vacation, but not very much.

CM: Within your portfolio, your focused areas, what is next for you in terms of developing some of those key areas that you have already been focused on?

BH: Let us go through them really quickly. It is trade; energy and the environment; it is cultural diplomacy and the work that we do culturally across our borders. My wife, Vicki, has taken on a very substantive role with that, with what we do in the world on a multilateral basis. And then there is the border and tying that all together.

I would say there are several things that are out there that we should focus on and that we should do. I know that it gets a fair bit of headlines when we have differences or we are working on negotiating some aspect of trade, but the reality is that we have to keep perspective of the \$669 billion U.S. trade and goods

and service relationship we have with Canada and how large that is and how you move the dial and how you take that. I continually tell Canadian businesses, “If you want to expand internationally, we are asking you to look at the United States and select U.S.A. We are running a whole program of selecting U.S.A. If you want to expand beyond Canada in foreign direct investment, select the U.S.A. and do that.

I do think that there is this component that exists between our two countries on trade that can have the biggest change between our two countries and how we can trade more. And that is regulatory cooperation. The differences that we have—and I call it the narcissism of small differences that two sets of regulators have, two sets of rules, though the rules are not exactly the same and are slightly different—is killing trade. When I sat down with the head of Campbell Soup, he said to me, “I would like to make more soup. I would do it in Canada, but the can size, the packing size, the trucking is very different than what we do in the United States, so we cannot do it.” Coca-Cola says, “I would like to make Diet Coke in Canada and ship it to the United States, but I cannot because the labeling on aspartame is different.” Lipstick with SPF, sun protection factor, is a drug in Canada. It is not in the United States. To do that, you have to get drug approval. Baby car seats are different. We all know

we want to protect our children in car accidents, but the regulations would say if you are driving across the border, you have to take the Canadian seat out, put the U.S. seat in or vice versa. These are just some examples. *It is killing us.* It is killing us that we have these differences. It just grinds, and you do not see it because it is not the close of a plan; it is just the decision not to expand on one side of the border or the other.

I think that if we elevated this to its most serious level, we could find a place and say, “Okay, let us draw a line in the sand here. These are all the regulations we have; these are the ones we have yet to develop; let us make sure they are the same when we go forward. If they are going to be different, let us have a process that you have to go through to make them different. If you are going to keep them the same, we can move ahead.” If you are going to be different, you have got to have an appeal process, and you have got to demonstrate why. Maybe it is for health and safety. It is maybe for other things. I am not saying one does it better than the other; I am just saying we should do them together if we really want this to work.

CM: Ambassador, we recognize that there is a problem. How hopeful are you that we are actually going to really make some progress?

BH: This working group called RCC, Regulatory Cooperation Council, has now been moved to the Treasury

Board. Scott Brison and I have talked a number of times, and he has emphasized to me of the importance that the Canadians are going to take with this. I would say—and we have OIRA back in the States, but we have a lot of other regulators—point of optimism.

In this last meeting that took place, there was one other third path to make this work. The United States recognized Canada’s food safety measures to be acceptable even though the food safety and inspection measures were different than the U.S.’s. There is only one other country we have done that with. I believe it is New Zealand. The point being that we can also get to a point where we can say, “Yours is different than ours, but it is okay.” We just agreed to that. There is light here, but I would ask everybody here—as I will ask them directly—is to pay attention to this because these small things are like small cuts: Before you know it, you have bled out. It is a real impediment to doing effective trade.

CM: Ambassador, we have come full circle. We started with the conversation about the Canada-U.S. relationship. What are your words of wisdom in terms of how we should all be thinking about the immediate, which are the U.S. elections?

BH: Yesterday was the anniversary of 9/11—15 years. We took a substantial amount of time to pause and thank Canada, once again, for the role that you, individually

and collectively, played during that time period of great difficulty for our nation. Many Canadians, though, said to me, “You do not have to thank us. That is what friends are for. That is what we do.” I can assure you that we would be there for you on any day, and we are there for you every day as I know you are there for us. We are such incredibly close friends. We may not agree where we are going to dinner on a certain night, and, as good friends, we may debate that out, but there is nothing that is going to break this bond. Like every relationship, it continues to thrive by paying attention to it, by nurturing it. You cannot take it for granted.

I have had the most amazing experience being here for these last two plus years. I am your greatest advocate back in the United States telling stories about the importance of this relationship. That will not end on any given day or any given change of administration. I commit to you that I will continuously be a strong U.S.-Canada advocate who promotes this relationship and the importance of it in this complicated world today.

We mentioned Brexit just briefly. We talk about the stresses that are happening in other continents. We are very, very lucky to have each other as neighbours. I have said over and over that if the U.S. could go out and just pick any other country in the world, if we would just pick who we want to be our neighbour, we

would pick Canada. This is the greatest. Not only would we pick Canada, but we got Canada. This is even better. We are family. The Peace Arch over at our border crossing at British Columbia and Washington says, “Children from a common mother,” and we are, even though I now learned this club was formed thinking that somehow we were coming in and Canada would become part of the U.S. Whatever motivated you to have this great club, I think that is great.

CM: Thank you.

BH: I have one last point. That point is the following: If you know an American who is living in Canada, regardless of party, tell them to vote. This is the year that they should vote. They should vote in this election, and it is very easy. All you have to do is to go to fvap.gov, and it will take five minutes, if that, to fill it out and get a ballot, and you will be able to vote in this upcoming presidential election. With it is a right and a privilege. Wherever Americans live anywhere in the world, they have that right and privilege to be able to vote. I just encourage everybody to do that. It took me just a few minutes, so I promise it will not take a long time because I am an immigrant to technology, remember. Thank you.

CM: Thank you, Ambassador. Thank you very much. Thank you. Appreciate it. Thank you

Note of Appreciation, by Geoff Wilson, Chief Executive Officer, Ports Toronto; Director, Empire Club

On behalf of the Empire Club, I would like to thank you, Mr. Ambassador. I think when we reached out to you some months back, we probably underestimated just how interesting this conversation was going to be. I think Catherine Murray did a magnificent job in posing the questions that we really have on our minds. You spoke freely and you spoke candidly and, frankly, sir, you spoke with what appears to all of us as a great affection for Canada as it is for your own home country. I think all of us would join me in thanking you, sincerely, for taking the time to come and speak to us today, for sharing your views, for helping us to understand a little bit more behind the curtain. We wish you the very best in continuing to represent the United States in Canada.

Concluding Remarks, by Paul Fogolin

Now, for the other thank you, the thank you to our sponsors, who make these lunches possible. A generous thank you to our sesquicentennial series sponsor, once again, IBK Capital, and to our VIP reception sponsor, Nieuport Aviation, and to our student table sponsor, Ports Toronto.

I would also like to thank the *National Post*, which is our print partner, and Rogers TV, who is our local broadcast partner. We would like to thank mediaevents.ca, Canada's online event space for live webcasting today's event to thousands of viewers around the world.

Although our club has been around since 1903, we have moved into the 21st century and are very active on social media. Please, follow us, if you do not already, at @Empire_Club on Twitter and visit us online at empireclub.org. And follow us on Facebook, LinkedIn and Instagram.

Finally, please, join us again soon. We have some extraordinary events coming up this month in September. Our next is "The Next Generation of Leaders Panel" on September 19th, where the discussion will be focused on maximizing our greatest resource, our youth. Mr. John Chen, CEO of BlackBerry, will be joining us in conversation on September 26th. Finally, on September 28th, we have the CEO of Bombardier, Mr. Alain Bellemare, joining us for a conversation as well.

Thank you so much for your attendance today.

Once again, Ambassador Heyman, thank you for coming.
The meeting is now adjourned.