

The Empire Club Presents



**HER EXCELLENCY
KELLY CRAFT,
U.S. AMBASSADOR
TO CANADA**

**WITH: BUILDING ON THE WORLD'S BEST
FRIENDSHIP: FUTURE DIRECTIONS FOR THE
CANADA/U.S. ALLIANCE**

**Welcome Address, by Barbara Jesson, President of Jesson +
Company Communications Inc. and President of the Empire
Club of Canada**

April 4, 2018

Good afternoon, ladies and gentlemen. From the Imperial Ballroom at the Royal York Hotel in downtown Toronto, welcome, to the Empire Club of Canada. For those of you just joining us through either our webcast or our podcast, welcome, to the meeting. Before our distinguished speaker is introduced formally today, it gives me great pleasure to introduce our Head Table Guests. I would ask each guest to rise for a brief moment and be seated as your name is called. I would ask the audience to refrain from applauding until the Head Table Guests have all been introduced.

HEAD TABLE

Distinguished Guest Speaker:

Her Excellency Kelly Craft, U.S. Ambassador to Canada

Guests:

Mr. Joe Craft, President and Chief Executive Officer, Alliance Resource Partners, L.P.

Mr. Pierre Cyr, Director, Board and Stakeholder Relations, Canadian Blood Services; Director Empire Club of Canada

Mr. Vijay Kanwar, Board Member, Business Development Bank of Canada; Vice Chair of the Board, Maple Leaf Sports and Entertainment Foundation; Former Board Chair, Greater Toronto Airports Authority Board

Mr. Joseph Mancinelli, International Vice President and Regional Manager of Central and Eastern Canada, LiUNA

Dr. Gordon McIvor, Past President, Empire Club of Canada

Mr. Anthony Primerano, Director, Government Relations, LiUNA

Mr. Ron Soreanu, Vice President, Public Affairs and Communications, Coca-Cola Ltd.

Mr. Geoff Wilson, CEO, PortsToronto

My name is Barbara Jesson. I am the President of Jesson + Company Communications and the President of the Empire Club of Canada. Ladies and gentlemen, your Head Table Guests.

It is a tradition at the Empire Club to, whenever we can, host a table of students. Today, our guests are from the University of Toronto and Ryerson University.

Thank you to Bell Canada and PortsToronto for sponsoring our student tables today. Students, please, rise and be recognized.

Although I did not meet our guest speaker until today, I knew we would find common ground. When asked recently about some fact checking, Ambassador Craft responded,

“Well, the president was absolutely right about one thing: Trudeau sure is a nice, good-looking guy.” I want to know who could argue with that.

As a young graduate student at the University of Waterloo, I studied history. In my graduate year, we had to do an obligatory course in something historiography, which is the study of the philosophy of history. We actually spent an entire semester considering the nature of facts. However, the one course that stayed with me more than any of the others was one that considered the very different ethos that lies at the core of Canada and our nearest neighbour, the United States. The theory was that Canada came into being as a result of colonization, and we imported the governing philosophies of our founders in England and France, where generations had honed the compromises reflected in our political structure.

By comparison, the argument went that America was founded by reformists who wanted to create a completely new form of government, and it proposed that these two very fundamental differences continue to shape us today.

Yet, despite these differences, we have forged a unique relationship, one sustained by shared geography, common interests, deep connections and powerful, multilayered ties.

Canada came into being as an outpost of the British and French trading empires, and trade lies at the very core of our growth, as a nation. Today, we are the United States’ largest customer. We buy more from the United States than any other nation, including China, and, not only that, Canada is the top trading partner for most of the individual states.

Today, we share the longest international border in the world—almost 900 kilometres in length. For most our history, we have co-existed peacefully, sharing security and defense interests on our continent. Close to 400,000 people cross our shared borders each day for business, pleasure and to maintain family ties. Our shared interests include responsibility for our environment, which does not recognize borders. Our lakes and waterways are inexorably linked. We breathe the same air and can only ensure a healthy continent for future generations by working together to protect it. In fact, more than 100 years ago, we created the International Joint Commission, an independent binational organization in recognition of the fact that each country is affected by the other’s actions along the border.

Today, as we strive yet again to find common ground for renewal of the North American Free Trade Agreement, the Empire Club of Canada is just delighted to welcome the United States Ambassador to Canada, Kelly Craft, to our podium.

Ms. Craft is a leader, entrepreneur, and philanthropist who has made community service and improving education the cornerstone of her career.

In the private sector, Ambassador Craft founded a successful marketing and business advisory firm providing leadership advice to businesses in her community and across her country.

A third-generation Kentuckian, Ambassador Craft has demonstrated a deep commitment to her home state by serving in several leadership roles with the Salvation Army of Lexington and the Center for Rural Development, a nonprofit

dedicated to economic development in rural Kentucky. She also served on the boards of directors for the Kentucky Arts Council, the Lexington Philharmonic, YMCA of Central Kentucky, and the United Way of the Bluegrass.

With a deep commitment to education, Ambassador Craft has served on the University of Kentucky Board of Trustees and co-founded the Morehead State University Craft Academy for Excellence in Science and Mathematics, which nurtures the academic talents of young Kentuckians.

In 2007, President George W. Bush appointed Ambassador Craft as an alternate delegate to the United Nations General Assembly. This significant policy and diplomatic responsibility allowed her important experience for her role as U.S. Ambassador to Canada.

Ladies and gentlemen, please, join me in welcoming Ambassador Craft.

Her Excellency Kelly Craft

Thank you, Barbara, and thank you to our sponsor. I was lucky enough to be seated this afternoon, at lunch. I really appreciate your sponsorship, today. This is a lovely opportunity.

I am looking at the audience, and I would be remiss to note that there is one great figure missing, today, Peter Munk. His legacy is such an important one to this country, and I know he will be missed.

What a real pleasure it is to be here, today. Since becom-

ing Ambassador six months ago, I have been blessed by some extraordinary experiences. Being invited to speak here at this historic podium ranks right up there. So many famous, powerful and revered people from all over the world have stood at this spot and addressed this group. I am truly humbled by this opportunity, and I so appreciate you all being here today.

Sensing I was a bit nervous about the footsteps in which I am following by standing here at this podium, my husband, Joe, who is with us here, today, offered this very cheerful advice: “Honey, don’t worry about it. Just be one part Reagan, one part Churchill, one part Thatcher, and one part Dalai Lama, and you will be just fine.” Thank you, Joe.

Good counsel, I think. In all seriousness, I do want to recognize my husband, Joe, who encouraged me take on this challenge. This opens the door to acknowledging another one of my mentors, the Canadian Ambassador to the United States, David MacNaughton. Thank you, David.

David and I have built a very close personal relationship, and I am also proud that Joe and I call him our friend.

To be able to meet his wife, Leslie, today, is just a double bonus. Thank you so much for being here.

This Club was formed, as most of you know, in a time of political and social unrest. The founders felt the rigorous airing of ideas in a club like this was most essential exactly at such times. I think it is safe to say that the whole world is facing a period of political and social unrest on many fronts right now, within countries and between them.

According to the principles of this Club, this forum strives

to present various perspectives, including those that may not be popular, but they must be heard.

Given that, I would like to spend time, today, going line by line through the current language of NAFTA, and giving you my thoughts and analysis about what is wrong with it, I was really going to put NAFTA under everybody's seats, but I thought, no, I am not going to do that, today. NAFTA is, indeed, a big topic, but I am only going to touch on it and explain why President Trump made re-evaluating that pact a centerpiece of his campaign when he ran for the White House two years ago.

It is very true that many of us in this room and rooms just like this in the United States, Canada and Mexico have all been pretty happy about NAFTA as it was originally agreed in operating. That rising tide has not lifted all boats evenly, especially, not the ones that are anchored at the bottom. President Trump heard the calls for change from those in middle-America—patriotic, hardworking people who felt behind, and he took up their cause. These individuals, who wonder if they will be able to afford to keep their homes when interest rates go up or send their kids to college, worry that the next generation will have fewer economic opportunities that they have had and question the benefit of costly wars thousands of miles away over issues that do not always make sense to them. We see the same kind of uncertainty among the working families in Canada, too, as well as in Europe, Asia and elsewhere.

Are today's leaders reacting to changing conditions and

changing demands in ways that are meeting the needs not only of today, but of our future? Prime Minister Trudeau does not share all of President Trump's policy prescriptions, to be sure, but they both have this real sense that we are in a period of great possibility, which can turn into a period of peril if we do not respond to the demands from the working people of our countries who want dignity that results from having a good job, one with a meaningful future, a job that contributes to building a genuine, caring society.

In looking to make the right kind of changes in government, it is always smart to look for the best practices. To tweak a frequent line of one of our recent Democratic presidents, Bill Clinton, "There is nothing wrong with the U.S.-Canadian relationship that cannot be cured with what is right with the U.S.-Canadian relationship."

Look, I have got every confidence that together we will fix NAFTA so that it will work for the next 25 years, and it will ensure flexibility as our economies evolve as well as prosperity shared by everyone.

What I would like to talk about, today, is about some of the best practices that our two countries can do and from which the rest of the world can learn. From military capabilities to fighting crime to responding to natural disasters to the environment and the economy, we can make our governments work better for our citizens. It is just a matter of cooperation.

I am going to give you a few examples of areas where our joint efforts have already been fabulously successful and can be replicated more widely. Last week, while at NORAD, I

was reminded of the great responsibility our governments have to keep us safe. We needed to do this in the most sophisticated, efficient and cost-effective way possible. If you want to see an American-Canadian joint effort that is sophisticated, efficient and cost-effective, you will not find another place than NORAD.

The current threat from North Korea is very much on our minds, and it is comforting to know that our two militaries can work together so skillfully on such a complex problem. A strong, combined military posture greatly increases the opportunity for diplomatic solution. The same is true for keeping our citizens safe from criminal activities, especially, those that cross borders. It is harder to fool two people than one. The same goes for law enforcement. When we work together, we have been successful in combatting crime that disproportionately impacts the most vulnerable in our society, human trafficking. Sadly, we have not yet been able to defeat human trafficking, but we are working on it, and it is not just the police forces. The private sector is also vital to supplement the work of government to end human trafficking.

In an example of the people-to-people collaboration and problem-solving between Canadians and Americans, a U.S.-based nonprofit called Polaris is working with the Canada Centre to End Human Trafficking to establish a hotline here in Canada, which will launch this fall to connect victims of trafficking with needed services and to build critical data to help law enforcement stop trafficking rings.

The United States and Canada also have a long history of

collaboration when it comes to crisis management and reacting to natural disasters—some not so natural ones. Every second counts in a crisis, and a devastated family is grateful for a helping hand, whether it is a Canadian hand or an American.

The recent storm in New England caused power outages and left more than a million Americans without electricity. Hydro One here in Toronto responded by sending a team of 150 powerline workers and 25 support staff to Boston and Baltimore to help restore power. That is just one way Canadians and Americans stand shoulder to shoulder in times of need, taking special care when the most affected citizens are the least ones able to fend for themselves—a great example to the rest of the world.

Another area is the environment and our great outdoors. People all over the world, even in Communist countries, as China, are shouting demands that their governments must be good stewards of the environment. Natural resources have to be protected and made available for everyone to use. Often, these issues cross international borders. There is no better example anywhere in the world of two countries working together than on the preservation and supervision of our Great Lakes.

The United States and Canada have a long history of sharing and caring for the lakes, a valuable environmental and economic resource for both our countries. The United States draws more than 40 billion gallons from the Great Lakes every day. That is 24 million Americans and 9.8 million Canadians benefitting from the Great Lakes.

Let me tell you what, I am all in to the Great Lakes.

Here is an example of the cross-border teamwork to protect our natural resources: Our consulate in Toronto engaged with binational experts on the issue of salt contamination in the Great Lakes to share road salt management best practices.

In another case to boost regional economic development, working group members are creating the application called the “Great Lakes Guide” to attract people on both sides of the border to spend time and money in the Great Lakes region. This will help U.S. and Canadian families enjoy trips to the area and allow small business owners on both sides of the border see their revenue grow.

Those are just two examples of how, simply put, joint efforts on both the environmental and the economy have produced local benefits for our two countries. As you all well know, there has been an extraordinary amount of bilateral efforts that have helped our two economies grow in tandem. There has been cross-border research and development in important sectors, such as technology, healthcare and manufacturing, cross-border production and investment and, of course, trade.

Let me talk briefly about those areas because the free flow of people, ideas and products lead to strong economies, solid jobs for people with multiple skillsets and inventive surfaces for the future.

As a woman, a daughter and a mother, breast cancer has touched my family, as I am sure it has many of yours. This is another place we can join together and fight this devastating illness. Phoenix Molecular Designs is a Vancouver-based biotech startup that does research and development on a new

drug to treat triple negative breast cancer. In June of last year, CEO, Dr. Sandra Dunn, announced the company would expand to San Diego, which would provide, as she put it, access to talent with regards to drug development, which we do not have in Vancouver. The company now splits its management team between San Diego and Vancouver and has established partnerships with the National Institutes of Health, the University of Florida, the Mayo Clinic, the University of Hawaii Comprehensive Cancer Center and Canadian partnerships.

My grandparents took me on my first trip to Canada back in the 1970s. My grandfather—visualize this—was driving his Ford pickup, pulling one of those big, old travel trailers. I think we called them the fifth wheels. Today, if I were going to take my grandchildren on a road trip, there would be a good chance we would be traveling in big-time style thanks to a couple of Torontonians, John Long and his wife, Helena Mitchell, founders of Bowlus Road Chief. This is a high-end, light-weight—think fuel efficiency—aluminum travel trailer. It is super cool, and it is another Canadian-Californian tie that shows our shared entrepreneurial spirit, albeit in a very different realm. Here is a tech example that I really love because it shows how fluidly ideas, investment in jobs flow back and forth over our border. Stewart Butterfield, born and raised in British Columbia, founded Slack Technologies in Vancouver, in 2009, after founding the photo-sharing website Flickr and selling it to Yahoo. I am sure many of you already use Slack’s flagship product, which is an office messaging application that Time magazine, The Verge and other tech industry

publications have dubbed an email killer. That app was developed for Butterfield to keep track of the development of a video game that shared programming duties between Vancouver and U.S. offices. Pretty quickly, he realized the game was not nearly as cool as the app he created, so he launched Slack as a standalone app in 2014, raising \$120 million in U.S. dollars in venture capital. The app has more than 9 million active users. One of those 9 million happens to be my 25-year-old daughter, Jane.

Slack decided to relocate its headquarters to San Francisco in 2017, but now has offices in Vancouver, Toronto, New York, London, Dublin, Melbourne and Tokyo. That is a great Canadian success story and a great American success story.

Probably nowhere are there greater examples of cross-border synergy than with your Toronto Maple Leafs, powered by no other than Auston Matthews and, of course, our beloved Kentucky Wildcats with a stream of Canadian stars. But my favourite happens to be Shai Alexander. He will hopefully be in the NBA pretty soon. Finally, trade, which I touched on earlier, reminds a bright spot between our two countries.

We share an enormous amount of trade between our two countries, a constant exchange of all sorts of things, as well as shared manufacturing agreements. We are as economically intertwined as any two countries on the planet, to the enormous benefit to the working people of both countries. Yes, President Trump believes that the U.S. workers are getting the short end of the stick in some of our trade deals, NAFTA included, but the fact that we can have a discussion with our

eyes firmly on the horizon is a testament to where we are in our relationship.

I have yet to meet a Canadian who thinks the 23-year-old agreement is perfect. It is like a solid house. It needs to be updated to reflect the 21st century standards and realities. There is no reason to tear it down. As David and I know, we are working toward a modern agreement that better reflects the state of digital trade, intellectual property, financial services, agriculture and more. In NAFTA talk, to put it simply, we all want a good outcome.

Let us talk about one sector that impacts American workers where President Trump feels American workers and companies are treated unfairly. We fully understand the importance of the food and agriculture supply chain that underpins U.S. and Canadian agricultural trade. With almost \$1 billion (CDN) per week and agricultural goods crossing the border both ways, we put a lot of food on each other's plates. I could bore you with the sad story about the American dairy producers and the Canadian supply management system that keeps us from competing in this market, or I could talk about the market access for American telecom companies or drug patents. Let us just say the list of these kinds of grievances is long on both sides of the border.

You know what else is long? The lineup of cars back into Canada every weekend that has to stop and declare any purchase when traveling just for the day. Think of the carbon footprint of those traffic jams spread across the border. Surely, there is a number that reflects the reality of 2018, not 1978.

As I said earlier, I am confident we will get a deal that everyone feels good about and one that sets us on great footing for the next quarter century. I am just as confident that America and Canada will continue to have the strong military, law enforcement, environmental and economic ties that have served us both well. It all starts with a genuine effort to meet the urgent demands for change that are coming loud and clear from the grassroots across both our countries.

As United States Ambassador, I am both the custodian of and the beneficiary of our long and deep friendship built on mutual trust and respect. That kind of relationship cannot be fabricated, nor does it merely exist because we share a common border. That kind of relationship has deep roots and common values we cherish, and we defend. It has survived wars and calamity, triumph and tragedy. It is as familiar as my favourite robe or as my trusted childhood friend.

Whatever else goes on in this commercial relationship, it is important that we never forget that our countries are also much more than that. I know I speak for Ambassador MacNaughton when I say that we are awed by the responsibility as stewards of this relationship, but also motivated by the challenges and opportunities we see every day. We have two great countries with one amazing future. No one epitomizes building more common ground than our generations than Martin Luther King, Jr. His words ring true today as they did in 1964. "The time is always right to do what is right." Thank you.

**Note of Appreciation, by Joseph Mancinelli,
International Vice President and Regional
Manager of Central and Eastern Canada, LiUNA**

Thank you, President Jesson, board of directors of the Empire Club, ladies and gentlemen. What a pleasure to be with you, once again, at the Empire Club. We share something in common: 1903 was the beginning of the Empire Club and, of course, the same birthday that LiUNA has, our great organization that was formed in the United States. Both the Ambassador and I share the same headquarters, as well, which is Washington, D.C. That is where our headquarters are as well.

Ladies and gentlemen, there are 188 ambassadors from the United States right across the world. It is no wonder that Ambassador Craft is here in Canada instead of Andorra or Burundi. She is here because of her intellect which befits her role Ambassador to one of the greatest partners that the United States has. I had the pleasure of chatting with our Ambassador Craft about public/private partnerships that we are very much involved in, and in the United States as well, because our pension plan here, in Ontario, has invested with Blackstone, with Ullico, and with Union Life Insurance Company in the United States to partner on public/private partnerships in the United States as well.

We share a number of things in common, as our Ambassador mentioned, but a number of things that are very different here, in Canada. In fact, the very first one that I want

to mention is that you probably have never been thanked by a trade unionist before, I am guessing. No? I knew that was an obvious one. We are different here. LiUNA is a member of a number of Chambers of Commerce. The Board of Trade has spoken here at the Empire Club and has participated in a number of events here as well. Very different dynamic here in Canada. And in the United States—I spend a lot of time there—the word ‘progressive’ seems to be a dirty word, but our conservative party uses it as the first part of their name, Progressive Conservative Party. It is a very different dynamic, as you can imagine.

As our Ambassador said, we have so much in common, and we are so pleased to have you as the U.S. representative here in Canada. If there is anything that we can do to assist you in any way in making your stay here very successful and productive, we are here to help you.

Congratulations, on your appointment. I know that it is a big appointment to be the U.S. Ambassador here in Canada. Congratulations, and thank you for honouring us with our presence here, today. Thank you.

Concluding Remarks, by Barbara Jesson

I want to thank, first of all, Ambassador MacNaughton for joining us, today. It is a pleasure to have you with us, sir. I want to thank our generous sponsors for making this event possible. LiUNA, we are so grateful for your support, today. Frankly, we could not bring this kind of discussion to our podium without the support from our sponsors: Our sponsor for the VIP reception, Coca-Cola Canada, and the student table sponsors, PortsToronto and Bell Canada. Thank you all so very much.

We would also like to thank mediaevents.ca, Canada’s online event space for webcasting today’s event for thousands of viewers around the world. Also, thank you to the National Post, our print media sponsor.

Although our club has been around since 1903, we have moved into the 21st century and are active on social media. Please, follow us on Twitter at @Empire_Club and visit us online at www.empireclub.org. You can also follow us on Facebook, LinkedIn and Instagram.

Finally, please, join us again soon at our next event scheduled for April 12th, featuring the Honourable Cameron Friesen, Manitoba’s Minister of Finance. We will be back here at the Royal York Hotel. Thank you for your attendance, today.

This meeting is now adjourned.