**The U.S. and Canada: An Indispensable Trade Relationship**

*Address by*

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**Introduction**

Good afternoon, ladies and gentlemen. It’s wonderful to be here in Ottawa among so many friends and Canadian business leaders.

I want to start by thanking my good friend, Perrin Beatty, of the Canadian Chamber of Commerce. It has been my pleasure to work shoulder-to-shoulder with him over the years. Let me also thank the Economic Club of Canada for giving me the opportunity to share some of my thoughts with you today.

The U.S. Chamber deeply values its ties with Canada and views the U.S.-Canada relationship as truly special. Our nations are linked not only by continent, but also by culture, by commerce, and by common interest. We have long shared core values and a commitment to free enterprise, free markets, and open trade.

On this strong foundation we have built one of the most rewarding partnerships in the world.

Canada is the top U.S. export market, and our two-way trade supports 9 million American jobs. We do $670 billion in bilateral goods and services trade annually. Nearly $2 billion in trade crosses our shared border every day.

We are much more than just buyers and sellers of one another’s products. We make things together. Our supply chains across automotive, IT, energy, and other critical sectors are highly integrated and efficiently produce goods and services. This helps us cut costs and makes our firms more efficient. And our highly trained and integrated workforces collaborate daily to produce the best products and services in the world.

It is no exaggeration to say that the U.S.-Canada relationship has never been stronger than it is today. Our relationship has helped establish North America as the world’s most competitive economic region.

And we aim to keep it that way.

Today I want to talk to you about some of the new challenges, uncertainties, and opportunities that will confront our nations—and how we can use them to strengthen U.S.-Canadian ties.

**Changes in Government**

We’re operating in a different kind of environment today.

Each of our countries has undergone significant change in government. It’s fair to say that our new leaders differ in style and approach when compared to their predecessors.

As for the substance, that’s where the business community comes in. We are open to change and improvement, but we begin with a fundamental recognition of and commitment to a thriving and interdependent U.S.-Canada relationship. It is our job to ensure that our leaders understand and appreciate how much of our prosperity is linked to this relationship.

In his first year in office, Prime Minister Trudeau has signaled his strong commitment to our partnership. When I meet with the Prime Minister and key members of his cabinet this afternoon, I will commend him for his effort to put forward an economic agenda that can both strengthen Canada and make North America more competitive. The U.S. Chamber and the American business community look forward to working closely with the Trudeau government and the Canadian private sector to help achieve mutually beneficial goals.

The new government in the United States is much younger, and the world has been watching the opening weeks of the Trump administration with great interest.

President Trump has acted quickly to put his stamp on the direction of national policy and international relations through a flurry of executive orders and discussions with global leaders. Some of his early actions have been routine, some have been greeted very positively by the business community, and some have been controversial. But none should come as a surprise to anyone who paid attention during the campaign. These are all actions he said—over and over again—that he would take.

He also pledged to revitalize the U.S. economy—and we’re going to help him keep that promise too. In fact, we see many new opportunities for faster growth, deeper investment, and stronger North American competitiveness.

There are bipartisan calls for major new investments in infrastructure …

There’s a once-in-a-generation opportunity for tax reform that could attract more capital from around the world …

There are efforts under way to provide regulatory relief across many sectors …

And after years of barriers and blockades, there is a real commitment to developing our energy resources and building the infrastructure needed to move that energy.

These are some of highest priorities for the U.S. business community, and we are going to seize the opportunity for real progress.

As the U.S. Chamber looks at the challenges and opportunities under a new government that will affect this vital relationship, we’ll be guided by a couple of objectives.

First, let’s first do no harm. Let’s preserve, protect, and advance the robust trade that supports both of our economies and millions of our workers. Second, let’s do more business. Let’s seize new opportunities to work together as partners. Let’s strengthen our competitiveness in our hemisphere and around the world.

**Preserving and Advancing Trade**

On trade, it’s understandable that our neighbors might have questions about what’s in store.

As our recent campaign demonstrated, the debate over trade in the United States has become highly politicized. But this is hardly the first time in the U.S. that we’ve had a knock-down, drag-out domestic fight over trade.

The truth is that we go through some version of this argument every time we negotiate a major deal: NAFTA, CAFTA, South Korea … you name it. And I can tell you from experience that we’ll continue to face this challenge.

So we need to do what we’ve always done. We’re going to roll up our sleeves and get to work making our case, finding common ground, and working constructively with our leaders. And when we disagree, we will make our voices heard—loud and clear.

As you know, President Trump has withdrawn the United States from the Trans-Pacific Partnership. Yet the realities that led to the TPP being negotiated aren’t going to disappear. The Asia-Pacific region is growing, and it will soon be home to two-thirds of the world’s middle class consumers.

Meanwhile, our goods and services are too often shut out of those promising markets by steep tariffs and other barriers. And it’s only getting worse for American workers and companies as Asian economies clinch new trade pacts that benefit Asians but shut us out.

The new administration will need a strategy to address these problems. We’re committed to working with them to devise one.

And then there’s the 23-year-old NAFTA.

Let me say right up front that withdrawing from NAFTA would be devastating for the workers, businesses, and economies of our countries.

Beneath all the debates, arguments, and attention-grabbing headlines, I think our leaders across the board understand this.

Under NAFTA, Canada and Mexico are the top two U.S. export markets in the world. The jobs of 14 million Americans depend on the agreement.

Now, should we consider taking steps to modernize the rules of our trading relationship? Prime Minister Trudeau and Mexican President Pena-Nieto have said they are open to doing so. Remember, things like e-commerce and the digital economy didn’t even exist when NAFTA was negotiated more than two decades ago.

To address areas open for modernization or improvement, we would insist on doing it in a way that doesn’t disrupt the $1.3 trillion worth of trade that depends on NAFTA.

And what about the notion that NAFTA could be pushed aside in favor of bilateral agreements? That approach might preserve market access, but introducing divergent rules would only raise costs. The last thing North American manufacturers, service providers, and farmers need is different sets of rules for trade with the U.S., Canada, and Mexico. That could destroy jobs and hobble our industries. That’s why it’s critical to maintain a single agreement.

As this debate unfolds, the U.S. Chamber will have a seat at the table, and we’ll use it to fight for our shared priorities—and we’re going to ask our friends to our north and south to do the same.

**Other Opportunities**

Beyond NAFTA, we must also make the case that expanding our bilateral commercial relationship will boost the economies of both nations and help our workers.

***Energy***

On energy, we’ve just been handed a golden opportunity to work together.

With his executive order to revive the Keystone XL Pipeline, President Trump erased nine years of partisan politics and bureaucratic delays with the swipe of a pen.

The U.S. Chamber staunchly fought the previous administration’s unfounded opposition to the pipeline. We’ll continue to be an advocate for Keystone as the permitting process begins again, and we’ll do everything in our power to ensure that it moves forward quickly, efficiently, and fairly.

The Keystone XL Pipeline can be built in an environmentally responsible manner. It will safely deliver Canadian crude to American refineries—and put a lot of people to work in the process.

If we advance this commonsense project, it will not only drive jobs and growth on both sides of the border—it will send a strong signal around the world that North America is prepared to take full advantage of its vast energy resources.

***Infrastructure***

Pipelines aren’t the only things we should be building together.

Our countries, our citizens, and our economies are connected by vital infrastructure all along our shared border. With both the Trump and Trudeau administrations calling for greater infrastructure investment, now is the time to make progress on major projects. The U.S. Chamber is pressing our leaders to prioritize infrastructure based on economic need and national competitiveness.

And I can think of few projects that better meet those criteria than the Gordie Howe International Bridge. Once complete, the bridge linking Detroit and Windsor will be one of the most crucial commercial arteries in North America. And since Canada has been kind enough to pay for much of it, the least the U.S. can do is make sure that it gets done in a hurry.

We’re optimistic that under the new administration, projects like this one will move more quickly.

Coming up with the money for critical infrastructure projects will continue to be a challenge in the U.S. The Canadians have shown how much can be accomplished with private investment, and we need to encourage more of it. Most important, we need a sustainable, long-term funding source.

None of this will be easy, and it won’t happen as quickly as we would like. But we finally have the political will and the bipartisan commitment of our leaders—and that’s a strong place to start.

***Efficient Borders and Supply Chains***

Along with key infrastructure, we need a smart, efficient, secure border to take advantage of our deeply integrated value chains, and to keep commerce moving.

Any chokepoints—whether they’re excessive customs mandates, ineffective security measures, or burdensome or redundant regulations—can have the same detrimental impact as tariffs.

The WTO’s Trade Facilitation Agreement will tear down a number of cross-border barriers to trade. Ratification of the agreement is imminent. This is a groundbreaking step for global trade. But the United States, Canada, and Mexico should go farther—and actually set a new gold standard for trade facilitation.

***Movement of People***

Finally, to continue to strengthen our bilateral relationship, our people need to be able to move smoothly across our borders—to work, to visit, and to live.

In December, Congress passed legislation to update “preclearance” for travel between the U.S. and Canada. This clears the way for preclearance to be expanded, allowing more of our residents to quickly and securely cross our borders. We urge our friends in Parliament to pass similar legislation so we can achieve this shared goal.

There could also be some opportunities to modernize our visa arrangements. Our visa categories were negotiated as a part of NAFTA, which means they are more than two decades old. There were some key professions that weren’t included or didn’t even exist then.

If we don’t update and expand some of these categories—especially those in the science and tech sectors—we risk shutting out high-skilled talent needed to innovate and grow our economies. If NAFTA renegotiation does come up, this should be a priority.

As everyone knows, immigration has emerged as another hot topic in U.S. politics. No matter how heated the debate gets, the business community will underscore the need for a rational policy that meets the needs of our economy while also enhancing security at a dangerous time.

President Trump is expected to issue an executive order covering employment-based visas—which, as currently drafted, could potentially impact Canadian workers of different skill levels.

The Chamber has long advocated for improvements to our immigration system. We stand ready to work with the White House to ensure that these programs allow America’s diverse economy to attract—not shut out—the variety of workers we need to grow and compete.

**Conclusion**

Ladies and gentlemen, in a new political environment our bilateral ties may be tested. But I believe, with the engagement of the private sectors and the commitment of leaders on both sides, they can be strengthened.

President Ronald Reagan called the border that runs between our countries “a meeting place, rather than a dividing line.”

The business communities have always met one another with mutual respect and in pursuit of shared interests—whether at border crossings or in board rooms. We understand that each of our countries brings a lot to the table, and that both sides will be enriched if we work together in partnership.

We understand that further integrating our economies will drive benefits on both sides of the border, creating stronger economic growth and greater opportunities for our people. And we know that if we seize opportunities in trade, energy, infrastructure, supply chains, and human capital, we can sharpen our competitiveness in a global economy—and we can be a powerful and positive influence in the world.

And I am confident that our leaders understand that too.

Even so, the U.S. and Canadian business communities must always work together to protect our bilateral relationship, to advocate for greater cooperation, and to continually push it to new heights.

No matter what challenges or changes we face, our nations must always come together in a spirit of good will, common cause, and enduring friendship.

If we do, there’s no limit to what we can achieve together.

Thank you very much.

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