

The Economic Club of New York

483rd Meeting
111th Year

The Right Honorable Justin P.J. Trudeau
Prime Minister of Canada

May 17, 2018
New York City

Interviewer: Susan Li, Correspondent
Fox Business News

Introduction

Chairman Terry J. Lundgren

Hello everyone. It is my pleasure to welcome everyone to the 483rd meeting of the Economic Club of New York in our 111th year of operation. I'm Terry Lundgren, Chairman of the Economic Club and recently-retired Chairman and CEO of Macy's Inc., whose stock is up 15% in the last two days if you were interested in knowing that – (Applause) – the state of the consumer.

The Economic Club of New York is the nation's leading nonpartisan forum for speeches and conversations on economic, social, and political issues. Over 1,000 prominent guests have spoken to our group and appeared before this Club over the last century and have established a strong tradition of excellence. I'd like to take a moment to recognize the now-266 members of the Centennial Society who are seated in our front rows. And these are the individuals who have contributed between \$10,000 and \$15,000 to the Club, and it really creates the lifeblood for us, to allow us to do events such as today. Also, I'd like to have a warm welcome for our students who are here. We always like to engage students whenever possible and we have students today in attendance from Harvard College, from NYU Stern Business School, and from Davidson College, all sponsored by the generous contributions of our members. And we're pleased to welcome many of our Economic Club 2018 Fellows who are in attendance today, and we try to present them with interesting activities and events. And most recently, just in the last few days,

we had a special meeting with Dr. Henry Kissinger and our fellows as part of this specialized, customized program. We still, we have 28 fellows in the group, we're still prepared to accept two more applications. These are high-performing, talented, next generation leaders of our represented companies and industries. And so, please, if you have one or two of these potential candidates for our Fellows Program, please contact our staff after today's meeting.

It's my great pleasure to introduce Justin Trudeau, Canada's 23rd Prime Minister. He also serves as Minister of Intergovernmental Affairs and Minister of Youth. His experiences as a teacher, father, leader, and advocate for youth have shaped his dedication to Canadians and his commitment to make Canada a place for everyone with the opportunity to succeed. The oldest of three boys, Justin grew up with the profound influence of his father, Pierre Elliott Trudeau, and his mother, Margaret Trudeau. He was raised speaking both French and English, and his family has roots on both the Eastern and Western parts of Canada. Justin studied literature at McGill University, graduating with Bachelor of Arts in 1994. He went on to complete the University of British Columbia's Education Program and spent several years teaching French, math, and other subjects in Vancouver.

Before entering politics, Justin served as the Chair of Katimavik, on the board of Canadian Avalanche Foundation, and as an advocate for young people on the environment. In these roles, he consistently encouraged young people to engage with the issues important to them and to participate as active citizens of Canada. These experiences made it increasingly clear to him that

the issues young Canadians care about, such as education, the environment, and their generation's economic prospects, needed a stronger voice. In 2007, he built a community-based, grass roots campaign to win the Liberal Party nomination in the Montreal riding of Papineau and he was elected in 2008, and then reelected in 2011 and '15.

Justin was elected leader of the Liberal Party in April of 2013. His leadership campaign focused on building a new truly national movement of progressive Canadians bringing hundreds of thousands of Canadians into politics, most for the first time. He worked closely with his team to build a plan to create jobs, grow the economy, and strengthen the middle class. With Justin's leadership, the Liberal Party emphasized fair economic opportunity for everyone, respect for and promotion of freedom and diversity, and a more democratic government that truly represents all Canadians.

On October 19, 2015, Justin led his party to victory winning the majority government with seats in every province and territory across the country. He was sworn in November 4, 2015. As Prime Minister, he and his team are focused on creating new jobs, fostering strength out of Canada's rich diversity, fighting climate change, and achieving reconciliation with indigenous peoples. A proud feminist, Justin appointed Canada's first gender-balanced cabinet. (Applause)

So, our format today is a conversation between the Prime Minister and Susan Li, a Canadian-born correspondent for Fox Business News, and we look forward to this conversation. Please,

Justin and Susan, take the stage. (Applause)

Conversation with Justin Trudeau, Prime Minister of Canada

SUSAN LI: It's an honor.

PRIME MINISTER JUSTIN TRUDEAU: Thank you. It's a pleasure to see you again.

SUSAN LI: A pleasure to speak to the Honorable Prime Minister once again. I'm sure everyone in this room has a lot, they have lots on their minds and they're excited to hear from you. I should also note this is being broadcast live on Fox Business Network and we welcome the greatest Prime Minister of Canada. Thank you so much. So, let's start off by talking about trade because obviously this is what everybody wants to hear about. May 17, this was supposed to be the soft deadline for House Speaker Paul Ryan to get some sort of deal on NAFTA. Where are we on that?

PRIME MINISTER JUSTIN TRUDEAU: We've been working hard on this for, actually pretty much before President Trump got inaugurated. We started talking, because he had made it very clear that he wasn't happy with NAFTA the way it was, although, you know, the first part of what we did was really pointing out that NAFTA has been incredibly positive for Canada, for the United States, for Mexico, and it has created millions of jobs across our three countries. And

particularly, between Canada and the U.S., we have the best and closest economic partnership of any two countries in the world, again pointing out that we have, you have, the United States has a trade surplus with Canada in everything except energy. And on energy, having a reliable, secure partner like Canada is a good thing for the U.S. So, lots of arguments that NAFTA is great for Canada and the U.S. but if you want to improve it and modernize it, we're happy to do it. So, we sat down, we've worked with them on a whole bunch of issues, including this morning in Washington where we have some of our top folks continuing the conversations. To be honest, we're down to a point where there is a good deal on the table. The specific concern that we know the president has had for a long time has been about specifically jobs to Mexico, a lot of concerns about the auto industry. And Mexico has put proposals on the table that actually will go a long way towards reducing the trade deficit the U.S. has with Mexico and, indeed, in bringing back some auto jobs from Mexico to the United States. So, there's a very positive deal there and there's other, lots of other things that we've talked about in NAFTA that have gotten where we are. It's right down to sort of the last conversations. And we know that those last conversations in any deal are extremely important so I'm feeling positive about this, but it won't be done until it's done, and people are working very, very hard on it right now.

SUSAN LI: Can I ask what the sticking points are?

PRIME MINISTER JUSTIN TRUDEAU: One of the key sticking points for Mexico, and for us, is this idea of a sunset clause on the trade deal. And to put it in, I guess to put it in a frame that

maybe someone who, I don't know, did a lot of real estate deals might understand, if you agree to build a building on a particular parcel of land, but only hold the lease for five years, and after five years you actually lose the lease, you might not be interested in investing in the building that's going on that land. Well, what one of the American proposals is, is a sunset clause. That means every five years, NAFTA would be terminated unless we actively work to reactivate it and extend it another five years I suppose. Well, in that kind of uncertainty around investment, it's hard to imagine a lot of folks being willing to make, you know, a five-year investment in Canada when we know most of the investments people look at today have, you know, 15, 20, 25-year time lines to them. So, we don't really feel that a deal with sunset clause is much of a deal at all. But, other than that, and some issues around dispute resolution systems to make people fair, we feel there is a good deal that actually achieves the things that the president certainly made very clear he wanted to see out of an improved NAFTA. So, we're going to continue working responsibly, diligently. We've put a number of things on the table. I'm not going to negotiate in public, but I think there's reason to feel positive about the work we've done and, you know, what the coming days could bring.

SUSAN LI: Right. Given that you have to submit a proposal to Congress and House Speaker Ryan today in order to get fast-track authority through this session, the 2018 session of Congress, are you telling us, in the investment community, that we're not going to get a NAFTA deal this year?

PRIME MINISTER JUSTIN TRUDEAU: I'm not going to opine on U.S. deadlines or U.S. processes. I'm responsible for the Canadian side of negotiations. And we've been working very hard and coming down and putting forward proposals and, you know, really engaged in this, and we'll continue to until it's done. And that's our focus on it so that's a question for the American side.

SUSAN LI: So, you found common ground when it comes to rules of origin and autos?

PRIME MINISTER JUSTIN TRUDEAU: There have been a lot of progress made on some really important issues particularly around autos.

SUSAN LI: Right. So, rules of origin, we're at 62%, has that gone up to 75%?

PRIME MINISTER JUSTIN TRUDEAU: I'm not going to get into the details. I'm confident in saying that we have found a proposal that is broadly acceptable to the three partners and our industries on the auto side of things. The rest of it and how we move forward is now very much something we're continuing to work on and very much looking forward to seeing how the Americans respond.

SUSAN LI: And do politics play into it? Because there is a presidential election in Mexico in July.

PRIME MINISTER JUSTIN TRUDEAU: The presidential election in Mexico certainly impressed upon us a real concrete deadline in terms of trying to get this done before the presidential election, both because President Peña Nieto is very keen to get this done, but also there's a sense that whoever does become president doesn't want to necessarily have to be involved in these negotiations and can sort of have this behind them and look towards the next steps. So that's certainly a time pressure on the Mexican side. On the American side, obviously there's an awareness that the midterms are coming up in the fall and Congress might change in its composition and, therefore, there might be different imperatives, so making sure that we're trying to move forward with sort of the known factors we have now. There's also a little reflection on the fact that a lot of members of Congress are actually quite keen to see NAFTA positively moved forward with and would like to be able to go into their campaigns this fall with a positive message on, you know, continued trade with Canada and Mexico. So, these are all factors that are going into it, but we're just very much plugging away and we'll keep working until they shut off the lights. Canada's there to make sure that we move forward and win, win, win like so many people have said, including Vice President Pence.

SUSAN LI: That's right. Now before I delve further into U.S.- Canada relations, I want to take you around the world because we are talking a lot about North Korea and the June 12 Summits. There is posturing ahead of it and possibly there might be a cancellation. That's what we're hearing today. What's your view on North Korea de-nuclearizing?

PRIME MINISTER JUSTIN TRUDEAU: I think, first of all, we need to de-escalate tensions on the Korean peninsula. They have obviously gone on a long time. A lot of people don't realize that technically the Korean War, as it was way back when, is still continuing and getting to a moment where we can actually move beyond and officially end that conflict and move towards a de-nuclearized North Korea is a goal that not just folks in the region share, but folks around the world. There's no question about that. I think there is a clear understanding that the solution is not going to be a military solution, to get to peace, that it needs to be diplomatic. It needs to be political. Canada was happy to host the Vancouver conference a number of months ago that actually pulled together people and moved things forward. We've continued to contribute in a number of ways. I think obviously the historic meeting between South and North Korean leaders a number of weeks ago was a very positive sign, a positive step. We have seen and heard positive noises from North Korea before that didn't end up panning out, but I think hope springs eternal. And one certainly, you know, looks towards the possibilities of further negotiations with hope and with a sense of urgency.

SUSAN LI: I guess there's doubt within the American public that you can trust the North Korean leader.

PRIME MINISTER JUSTIN TRUDEAU: I think the world is filled with people that we can't trust but we have to try and figure out how to work with anyway, and moving forward in ways that remain...(Laughter) I wasn't even going there in my mind...you people.

(Laughter)...Working positively with folks with whom you disagree is what politics and international relations are all about. There we go. Sorry. Got totally off track on that question.

SUSAN LI: So, how important is the June 12th meeting in Singapore?

PRIME MINISTER JUSTIN TRUDEAU: I think it's quite important. Obviously, it'll be a significant historic meeting. One obviously hopes that good things would come from it if it does indeed happen as we certainly hope it does. But I think there's a recognition that there is a lot of work to do. Even if that meeting happens and goes as well as one might, you know, dream it might, there are going to be many steps ahead that will require verification, you know, positive movements, rigorous approaches. I mean this is not an easy situation, but it's one that Canada is certainly contributing and hoping that we continue to move forward with.

SUSAN LI: Moving in the right direction in your view.

PRIME MINISTER JUSTIN TRUDEAU: Obviously we're moving in the right direction. We're having more opportunity for political and diplomatic solutions and that's a good thing.

SUSAN LI: Let's move on to the Middle East because I know you had a phone call with U.S. President Trump this week and Middle East issues were brought up during that conversation. I think today you released a statement deploring the violence that's taking place near Gaza and the

excessive use of force. Would you say that you disagree then with the move of the U.S. Embassy to Jerusalem?

PRIME MINISTER JUSTIN TRUDEAU: I've said that for us, for Canada, we're not going to be moving our embassy to Jerusalem. That's not something that we are interested in doing. Our position has always been that the conflict between the Israelis and Palestinians can only be resolved by direct negotiations between those two parties. And unilateral movements by either side, whether they be declarations at the U.N. by the Palestinians or continued Israeli settlements, unilateral actions don't help the peace process and we want people to be working together to get there.

SUSAN LI: So, do you condemn the move by the U.S. to move the embassy to Jerusalem?

PRIME MINISTER JUSTIN TRUDEAU: You know what, I respect the right, because I expect people to respect my right and Canadians' right to determine our own foreign policy choices. And that's something that we all, as sovereign nations, need to hold to. But certainly, Canada will focus on trying to bring people together to resolve what has been an eons-long conflict in a positive way.

SUSAN LI: Were you invited to the embassy opening? No, you were not. That's okay. Let's...

PRIME MINISTER JUSTIN TRUDEAU: I wasn't invited to the Royal Wedding either.

(Laughter)

SUSAN LI: You're invited here.

PRIME MINISTER JUSTIN TRUDEAU: I'm glad to be here at the Economic Club. Thank you for that invitation, Terry. (Laughter and Applause)

SUSAN LI: Doesn't have to make that trip across the oceans. Let's also talk about immigration at this point because immigration is a hot topic issue here in the United States and recently people are discussing the immigration issue in Canada. And some say that's been hurting your popularity rating because of the influx of asylum seekers who have been draining the Social Security system. Do you feel that Canada, are you still an open and welcoming society?

PRIME MINISTER JUSTIN TRUDEAU: Actually, sorry to correct you on this, but Canadians remain incredibly positive about immigration. We actually don't have a single elected anti-immigration politician anywhere in Canada. And that's because Canadians have understood that bringing in people from around the world to contribute, to work hard, to build a life for themselves, not only increases the wealth and richness of our country, but actually allows us to be better. When you bring together diverse perspectives, diverse voices, empower them to weigh in and to help shape your solutions, your communities, your country, your economy, you actually

get a better type of solutions than when you're just putting all the same storied people together to solve a problem. So, Canadians get that, that diversity is, and must be a source of strength. Yes, it requires, certainly when people arrive, particularly when they're fleeing war zones or conflict, they need support on getting their lives back together, on schooling for their kids, on education, on a certain amount of social safety net supports like healthcare and things like that. But rapidly those people who have been given an opportunity to raise their kids in a free and welcoming society and contribute to it do indeed do that and create...I mean the story of not just Canada but of North America is one in which, you know, folks coming here from around the world, working hard to build their own success, has created two of the most successful countries in the world. And that's certainly something we're going to continue doing. (Applause)

SUSAN LI: Well said. But, Prime Minister, there have been protests and rallies taking place, especially in the province of Quebec, which has had to take in the majority of the influx of the asylum seekers. And even the opposition, Conservatives, have criticized the Liberal, your party, for driving the Canadian immigration system, what they call, into shambles.

PRIME MINISTER JUSTIN TRUDEAU: Well, for ten years we had sort of a, I don't do politics overseas, so I'm going to be very careful in my words, to not criticize too much the previous government, but let's say the previous government in Canada didn't invest as strongly or responsibly as they could have, should have, on immigration processing or even things like border security, which means that over the past two and a half years, we've had to make

significant investments and try and cut some of the delays and some of the challenges that have existed in our immigration system and we're coming along a fair ways. One of the issues that you're talking about is the fact that there are a number of people crossing our borders in irregular fashions, actually between border points and seeking asylum in Canada – many people who actually hold active and valid U.S. visas. What we are doing is we are ensuring that every single one of those people is processed according to our laws, rules, and principles around immigration. And one of the things that's true for Canada and the United States and a lot of countries around the world who have signed U.N. accords on refugees is if someone comes to our country, is on our soil and says I'm claiming asylum because I'm a victim of conflict, of war, of terror, of persecution in my home country and I seek asylum in your country, it is a requirement of Canadian law that we process that asylum claim, that we examine whether or not they are indeed refugees fleeing conflicts that have put their lives and beings in peril. That means we are going through an immigration process with them that gives them a chance to demonstrate that they are actually refugees fleeing violence. If they are simply economic refugees looking to create a better future for themselves than whereas in their home country, we have a separate immigration system that they can and must apply to from outside the country and we will, therefore, say you're not an asylum seeker, you're not a refugee, and we send them back to their country of origin or they have to leave Canada in any case. So, we have a system that we are applying according to the rules. And yes, there is a large number of irregular arrivals who are crossing the border into Canada right now.

SUSAN LI: From the U.S.?

PRIME MINISTER JUSTIN TRUDEAU: From the U.S. But we are processing them in a responsible, rigorous way that is reassuring to Canadians that, yes, our rules around the immigration system apply. And one of the precious things about Canada is that Canadians are positively inclined towards immigration and refugees. And for me, protecting that and not letting it fall into the politics of fear or division or identity is really important. And one of the ways we do that is by demonstrating the robustness and the continued full application of all the rules we have around immigration because that's reassuring to Canadians. It's reassuring to people coming that there is a rule of law here and we will apply it in responsible ways.

SUSAN LI: And just to connect that to the U.S. immigration debate, you know, one Canadian official says, has compared Canada's position to the U.S. in terms of looking at visas and maybe getting help in preventing some of these asylum seekers from crossing the border illegally. It's similar to what the U.S. is asking Mexico and Mexican help with refugees as well.

PRIME MINISTER JUSTIN TRUDEAU: I think that a lot of different countries have questions and approaches on immigration that, you know, have commonalities, but everyone has different approaches as well. So, we're going to focus on what works for Canada and what works for us is, you know, quite frankly, doing things like demonstrating that we value and welcome people who want to come and contribute. And one of the things we did, as an example, at a time where the

U.S. is tightening up controls around visas, is we've created a Global Skills Strategy that actually says if you're a company that wants to come and invest in Canada and start up a shop or an engineering facility, a research facility in Canada, and you want to bring some of your top people to help start up that facility, we can give you a work visa for those folks in less than two weeks. Because we know, if you come and start up a business in Canada or a plant in Canada with your top people, you will hire lots of our great Canadian, you know, STEM graduates, some of our great Canadian workers who, you know, it ends up in a win-win for everyone. So that's something we're doing. And if you haven't heard about the Global Skills Strategy, pass it along to your company because it's something that we're very excited about.

SUSAN LI: You know, U.S. President Trump has actually touted the Canadian immigration model as something that the U.S. should be looking at as well, this point system, which also includes a component that if you speak the language you get a higher score to possibly get entry into the country.

PRIME MINISTER JUSTIN TRUDEAU: A number of years ago Canada switched a significant portion of our immigration system. Obviously, refugees is a separate stream, family reunification, which is extremely important as well, is a separate stream. But on the economic migrant stream, we created a point system where if you speak English or French you get a certain number of points. If you have certain degrees or job skills in areas that are recognized as being necessary for Canadian businesses or success, you get more points. If you have, I mean it's just,

it's more of an objective way of saying, you know, we're going to prioritize or we're going to value most the folks who have the best likelihood of being successful in Canada. And that's one of the reasons why people have been successful when they've come to Canada and Canadians have remained very positive because we've seen the success that new arrivals have contributed to all of us.

SUSAN LI: Right, but the U.S. president has received a lot of criticism requesting an element of language.

PRIME MINISTER JUSTIN TRUDEAU: Listen, different countries will have different frameworks.

SUSAN LI: Okay, fair. How is the relationship with President Trump? You had a phone call this week?

PRIME MINISTER JUSTIN TRUDEAU: We have a very good, positive, constructive working relationship where we talk regularly. We've been talking a lot about NAFTA obviously recently, and trade. But whether it's issues of international importance or what have you, we have been looking forward to welcoming actually the president and the other G7 leaders in about a month to Charlevoix, which is a beautiful, beautiful area of Quebec, where we're going to have the G7. And there will be a big focus on the same challenge that we all face in our different countries,

which is how to create success that includes everyone in our economies. I mean President Trump got elected on bringing into the success of the U.S. a lot of people who felt left out of it for many years with the way the economy is changing. I got elected on a very similar challenge, to strengthen the middle class and those working hard to join it. Now, some of our policy approaches are divergent, but our focus on trying to make sure that there is success for everyone in our societies are very, very similar. So that's where we're going to come together, the G7, to talk about. And that's actually where I'm going to highlight some of the things that we've done to tremendous success. Last year we had the fastest growth rate in the G7. We have the lowest debt to GDP in the G7. We have some of the best numbers on ease of doing business, solid banks, and we're the only G7 country that has trade deals with all other G7 countries. We have access to two-thirds of the world's GDP in preferential ways with our trade deals. So, there's a lot of reasons to not just boost Canada but to reassure citizens that trade can be good, that growth is good by having them share in it. So, we've done that by improving maternal and parental leave benefits, by investing in early learning and childcare, by giving more support to low-income and middle-income families. We've done that by lowering taxes for the middle class and raising them on the wealthiest 1%, which is something that actually has led to significant economic growth because people who have more money in their pockets and spend it instead of stashing it away or investing it actually contribute to economic activity in significant ways. So, there's a lot of things that we've done that have created a level of confidence among citizens in where our future is going and it's allowed us to do things like invest in AI, massively invest in science and innovation, and say, well, the world is changing, let's be part of it instead of trying to resist the

change as long as possible and keep things reassuring the way they used to be. Instead, let's dive towards the future, and that's what Canada is doing. So, that's how I get along with President Trump, which was the original question.

SUSAN LI: We look forward to the G7. And because you both are such big personalities, there's a close economic, political partnership between Canada and the U.S., people are always curious as to how closely you get along. So, I'll give you a scale. How about this? If the scale is, bear with me, if the Mexican President Nieto is say 1, Macron is a 10, where are you in that sliding scale?

PRIME MINISTER JUSTIN TRUDEAU: I don't know. I think we're all interested in unpacking that scale she's just generated and why those choices are there. (Laughter) I think it's an interesting read on it. And I will leave it to pundits and analysts to try and rank and compare. What I will say is I've always had very good and forthright exchanges with the president in which he gets it when I stand up firmly and strongly for Canadian interests and say, look, on lumber, you know, you're risking putting a whole bunch of Canadian families in small communities across the country out of work if we can't get this lumber deal done. You know, and I push back on some of the proposals he has. He gets it. He doesn't take it personally. He knows that my job is to stand up for Canadian interests, stand up for Canadian workers, stand up for the people who elected me because I certainly expect him to do the same. I expect any leader to do the same for their people. The approach that I take on that is also, understanding that it's a

bit of a privileged position because of the nature of the Canada-U.S. relationship, which is so close and so historically deep and so multi-layered, that I get to make arguments all the time that something that is good and in our interests as Canadians and as businesses is also very much in the interest of an awful lot of Americans. I mean the United States sells more goods to Canada every year than it does to China, Japan, and the U.K. combined. We are the number one trading partner for most of your states, the top three for almost all of your states. There is, you know, there is a huge relationship there that makes it easy for me to say, look, yes, this is good for Canada, but this is also good for the United States and we want to move forward on this. Or, yes, if you do this it would be bad for Canada so please don't, but by the way, it will also be really bad for a whole bunch of American families and workers and businesses that you don't want to have. So, when I can approach things in that constructive way, things end up happening.

SUSAN LI: Okay, so the scale would be at 7? (Laughter) 10?

PRIME MINISTER JUSTIN TRUDEAU: Again, I'll let you figure it out.

SUSAN LI: We're running out of time. I know one issue and one topic that the members here at the Economic Club of New York really wanted to touch upon and want to hear more about would be gender relations. And you've said before, proclaiming you're a feminist, you're going to raise your kids to be feminists as well, I'm just wondering what your take is on the "me too" movement and whether that actually helps take that movement forward?

PRIME MINISTER JUSTIN TRUDEAU: Well, I mean, I think first of all understanding that the argument on including more women in a successful economy is not just a moral argument, or it's not an ethical argument, or not just a nice thing to do, it's a really smart thing to do. When you look at much of the growth that has happened in our developed economies over the past few decades, a huge part of it, if not most of it, happened because of the entry into the workforce of extraordinarily successful women in all walks of life, in all areas of our economy. Now, as we're looking and striking about to try and find where those next points of growth can come in our matured, developed economies, there is no question that making sure that women are as successful as men is going to lead us to better growth, but also better kinds of outcomes. When you look at companies that have more women on their boards, more women in their middle management, there are lots of studies that show that you actually get better decision making, better outcomes, better products, better solutions put forward. So, it's certainly a competitive advantage. And that's really what we've been pushing on, on trying to move forward with proactive pay equity legislation, move forward not just on more parental benefits, which disproportionately benefit women, but ensuring that paternal benefits are specifically part of our package so that there are "use it or lose it" components that if the second parent, usually the father, doesn't take the parental leave, then nobody takes a particular five weeks of parental leave. And what that does is it creates a more equal parenting or more sharing of the opportunity to raise their kids. So that's something that we're moving forward with. But more than that, when we look at so many of the barriers that exist in the workforce, we still see, unfortunately, toxic dynamics, harassment issues, intimidation, bullying, you know, sexual violence issues that

are far too common in still far too many workplaces. And I think what the “me too” movement is, is a moment of awakening that is saying that, you know what, it’s not okay, that you cannot continue to behave in ways that might have been acceptable but still wrong decades ago, that if you actually want to succeed as a company, as a workplace, you have to be respectful and inclusive of everyone. And that’s going to require shifts, but it’s the right thing to do. (Applause)

SUSAN LI: I agree. Let’s talk about your leadership style because that’s also another topic that members here really want to hear about. How would you characterize it? How do you describe your day-to-day?

PRIME MINISTER JUSTIN TRUDEAU: I surround myself with the smartest people I could possibly find and I have them, and of as many different perspectives and backgrounds as I can find, and we work together on common problems. And I work with them to get over certain hurdles, but my approach is really making sure that I’m pulling together the best possible people and creating the environment and the conditions for them to succeed like they have in everything they’ve done. And a big piece of that is that gender-balanced cabinet. Bringing together half men, half women, bringing together an extraordinary diversity of backgrounds, of stories, of life experiences actually makes for a much better quality of conversation around the cabinet table than one that would happen with – with respect to everyone in the room – a whole bunch of gray-haired gentlemen. That approach, I mean I looked at pictures of cabinets of the past, even in my father’s time only a few decades ago, it was all older, male grandparents usually who were in

the cabinet, almost all White. And the limitation on that is that when you have a whole bunch of people who came through the same sort of business or legal or professional backgrounds, political backgrounds, they all tend to come at the problems the same way. Whereas, when you bring together exciting, dynamic, young people who are ready to challenge you, folks who have been, have suffered marginalization in their life or racism or discrimination, folks who've had different life experiences than the lawyer sitting beside you, that actually allows you to see around a problem in a much better way and come up with solutions that are really exciting. I mean there's a reason universities like the University of Waterloo in Canada are the top recruiting grounds for the most innovative companies in the world, including in Silicon Valley. Because when you bring together the full diversity of kids from every corner of the world, every socioeconomic background, and you gather the smartest of them and throw them together and challenge them to imagine and build the future, you come up with amazing varieties of solutions. I mean those of you who have come up with great innovative solutions know that often they happen when you bring two totally different ideas together and see how they mesh. That's where real innovation comes and that only happens when you have diversity and it starts with both bringing those people together and empowering them to feel like they can push forward. And that's very much my leadership style.

SUSAN LI: And one more question for you, because I know you've made several trips here to the U.S. selling the Canadian story, do you find it more difficult in this environment with lower taxes, corporate taxes, income taxes, depreciation costs here in the U.S. than it is in Canada? Has

that story been harder to sell?

PRIME MINISTER JUSTIN TRUDEAU: We are still extremely competitive with the United States. Even with the lowering of your business taxes, we're still very competitive, if not lower. We're not as much lower as we used to be, but Canada's advantage has never just been about lower tax rates although that's a piece of it. It's been about the extraordinary workforce. Canadians themselves are educated, forward-thinking, ambitious, who are excited about being not just successful in Canada, but global players. It comes from our great natural resources that we've been innovative in developing and continue to develop responsibly. It comes with our market access around the world and the fact that if you're in the United States you have a great market that doesn't require you really to think about, you know, competing with the world. You can be very successful just domestically in the United States. Well, Canada historically has always been a country that has had way more natural resources, going back to fish and furs, than we've had a local market able to support all the natural resources we have. So, we've always had to know that trade with the world was essential and that gives us an opening to the world, an openness to the world that will always be an incredible advantage for coming to invest in Canada. On top of that, the political, fiscal, banking, economic stability, the resilient communities, the diversity, the innovation, the forward-thinking, the ambition that is what Canada really is today. I'm not worried that taxes are the only thing on which corporate investors make choices because Canada is doing great things. It's got a great story and I encourage you all to pay attention. (Applause)

SUSAN LI: On that note, fantastic. Let's thank the Right Honorable Prime Minister, Justin Trudeau. Thank you so much.

PRIME MINISTER JUSTIN TRUDEAU: Thank you. (Applause)

CHAIRMAN TERRY J. LUNDGREN: Thank you, Susan, for leading this discussion today. And thank you, Prime Minister, for finally making it to the Economic Club. We've been trying to lure you here for some time and I'm just delighted that you were able to come today. I know you're on your way to Boston for your next engagement and unable to stay, but we're very grateful for your time today and your candid responses. All the best of luck to you. Thank you again.

(Applause) And just so you know, on your chair is a brochure and it just highlights the next four events of the Economic Club that are happening over the next four weeks. We invite you all to attend. Now please enjoy your lunch. Thanks everyone.