

# The Trade Revolution

President Carter created this centre to promote democratic ideals across the world

Its work is practical. It brings people together. It's mission explicitly states that it will value courage to break new ground.

I like that.

The most productive moments of my career, and I am sure yours too, are when we've been a catalyst to those things.

The greatest moments in our national history too are when we have had a relentless focus on making something happen, when we have spanned a divide, built an alliance, and defended what we thought was right.

I'm here in the US – touring state by state, because I want to get some practical things to happen. Because I want to bring people together And because I want to awaken you to an opportunity to do something really profound.

An opportunity that, if we get it right, could make a massive contribution to ending poverty, to quickening the delivery of the SDGs, to strengthening our national security and bringing peace and prosperity.

It is an idea. It could be a revolution.

It is an opportunity born from recent history: the political and constitutional gymnastics that both of our countries have been going through.

It speaks to the core of who we are, and what this institute represents.

In recent years our democracy has been under attack, and through some extremely challenging times. We have tested our institutions, our beliefs and our trust in each other to the limit. There has been disagreement and division in both our countries.

Some might say that is the hallmark of a weakened nation. I say not. Thinking differently and speaking passionately is not a sign of weakness. It is a sign of strength.

In the 2016 EU referendum we started a process that would spark argument, placards, parliamentary turmoil, court cases and two early general elections.

The UK decided that it wished to leave a trading bloc with whom it had been enjoying near frictionless trade in goods for 43 years,

and 4 years after that vote, despite all the difficulties of doing so, we did indeed leave.

The political dramas and negotiations were nothing compared to the massive effort needed from our civil servants to reinvent our border, transpose the statute book and get every business in the land prepared for several eventualities.

What sort of country does that? Why upset the status quo? Why risk upsetting friends and neighbours?

What sort of country strikes out on its own, putting its faith in its own destiny and resourcefulness?

What sort of country risks everything to go alone, to make a vision the reality?

What sort of people believe so much in the individual and the democratic system to risk everything, even at some moments in history to die for it.

What sort of country declares its independence and puts its faith in democracy and capitalism?

What sort of country defends those systems and the values that underpin them against the naysayers and the pessimists?

What sort of country values freedom above all else?

We do. Britain And America.

There's a reason that Magna Carta and the Declaration of Independence sit side by side in Washington. It shows that first America followed Britain in reinventing its human rights.

Two hundred years later, Britain has returned the compliment.

We have left a trading group whose regulations inter-operate with others on the basis of harmonization. We have now chosen a different framework; one favoured by the WTO, the CPTPP and the United States. We want the way our regulatory systems inter-operate with others to be based on adequacy and equivalence.

That is a seismic shift. And it requires a paradigm shift in the American response in order to maximise the opportunity for all of us.

It's not every day that a G7 country does that.

Leaves the orbit of the EU to enable it to be closer to others. To be closer to you.

This is a major geo-political event and it calls for an US response that recognises this moment and the opportunity that comes with it.

The UK has made its choice:

To leave a trading bloc that is pushing its regulatory system on the rest of the world.

And gets on the side of the table with those who believe in outcomes-based regulation consistent with our common law.

We've decided: To take back our seats at international fora. To shape the reform agenda To work to rebuild our capacity to do so And to plug ourselves back into the global economy.

That is our choice. Now America has a choice to make. How will you respond?

Brexit is not an event to be mourned by the international community. Or an act of self-harm or one that requires us to be punished.

It is a massive opportunity to anyone who believes in democracy and the power of trade as a force for good in the world.

There is a global battle between two competing versions of capitalism.

One which is checked by democracy and organised by competition, wide-eyed to the limits for the state, and has the progress of all humanity as its polaris.

And another a state-led version, where government distortion to seek specific ends is the chosen course. The UK is firmly on the side of the former – competition-based capitalism – in case you were in any doubt, and we would argue that trading superpowers, have a special responsibility to practice free trade and fair trade to support the multilateral trading system. Because peace and prosperity don't happen by accident. They take work. We want our economies to grow. We want to lift all boats. It is critical that we do so as the spectre of inflation once again threatens to destroy hard-won gains. And when we view the huge challenges facing us all – whether that be from debt, a backlog of demand in public services, massively disrupted global supply chains and more. In the UK we are building a new trade policy that recognises this. Our leaving the EU should be viewed by any nation who shares those views as reinforcements arriving over the hill. As set out in the UK Government's Integrated Review of security, defence, development and foreign policy, we believe our vision of free and fair trade is best for humanity.

We will work to tackle the systematic use of market-distorting practices, such as harmful state subsidies and more other pernicious government interventions which damage competition.

We will ensure that our domestic policy supports UK businesses to compete fairly and on merit... here divergence is a "national necessity" to quote the UK's chief negotiator with the EU, Lord Frost. But this is not divergence for the sake of it, or just because we can. It is because we want to leave behind the anti-competitive and protectionist regulation of the EU, and cooperate with our trading partners on the basis that it is not for us to dictate how others regulate as long as our overall goals are the same. This regulatory competition is vital to create wealth and growth. In the UK we are liberalising the growth areas of the future to open them up to greater innovation. Data reform, gene editing, transport, medicine, AI and more We are reducing bureaucracy from state aid to procurement And conducting a

systematic review of retained EU law We are reviewing our domestic agriculture regime and our immigration system. and devising the best border in the world by 2025, with a chain of freeports around the UK. We will continue to push for reform and modernisation at the WTO. And we will stand with our allies to tackle unfair trade practices that threaten the livelihoods of our citizens, harm our businesses and erode trust in the functioning of the global trading system. The UK is also one of the few countries that is discussing or negotiating simultaneously with all the key players. It has therefore made itself a player on the global chessboard, and the US needs to understand and recognise the UK's new position.

This is far more significant than just the size of its market – when America set itself free, it was a small economy.

It is my hope that our move will act as a catalyst of greater trade liberalisation around the world.

Driven by democracy and freedom, With fairness, free markets and competition under-pinning everything that we do.

In these efforts we have many partners and allies. We are deepening those partnerships, with trade at the heart of our engagement. But perhaps the most critical partner for us is the US. For the US to wait to seize this opportunity would be to all our detriment, but also to its own. It is in its own interest to step up its trade policy and negotiations... It is vital to every agenda – domestic and foreign – that the US holds dear. You want to level up and regenerate communities? You need to increase opportunities for business and attract investment. Want the prospect of a best in class deal on agriculture? Think you will get that from the EU? You want higher paid jobs, then you need to let competition and innovation thrive. You want to strengthen your national security? Then you need to protect vital infrastructure, access to materials and products. You want a balance to China, then you need to increase growth, your role in creating prosperity and your relevance in the Indo Pacific. You want to “defend against authoritarianism, fight corruption and promote respect for human rights.’ Then place trade at the centre of all you do. You want to protect the environment and give your population access to the latest science and medicine, then you need to enable smart people to collaborate, and what they’ve invented to be taken up fast. You want secure supply chains and cyber space, then focus on modernising trade. You want to make poverty history? No other activity has done more to achieve that in the history of mankind, than trade.

If you want democracy and capitalism to thrive and for your young people and that they continue to believe in those systems, you need to ensure they work for them. As our Prime Minister said at the Summit for Democracies last week, alongside security, trade and economic partnerships are central to strengthening democracy and standing up for our values. Trade must be at the heart of our domestic, economic and our international security policy. A focus on trade cannot wait until you’ve done the other stuff.

Imagine an invigorated shared vision for trade, building on the Atlantic

Charter, on AUKUS, on our shared ideals for the Indo Pacific. How powerful that would be. Imagine if we had developed that vision enough by 2023, by the time Japan has the presidency of the G7, India the G20, and while there is an Australian secretary general of the OECD. What an opportunity that would be.

We don't need a new gadget in our diplomatic toolbag, we need to dust off an old one.

The UK will work hard on this agenda. We will bring to life our words in the Atlantic charter and maximise the potential of AUKUS. That is why I am here for such an extended period of time. Travelling state by state, speaking not just to senators, congressmen, governors, agriculture commissioners and trade secretaries, but to mayors, Councilmen, businesses, social enterprise, philanthropists and trade bodies. We want to understand how we can get a real step-change in trade relations, and to increase trade between the UK and every corner of the US. We are seeking out ways to unlock barriers for businesses at state level.

Finding new areas of cooperation and swiftly delivering new partnerships.

Our newfound freedom means we can now build formal links with States through Memoranda of Understanding – to create a shift in trade relationships, and we are exploring these wherever we go.

We now have several discussions underway, about Liberalising regulations and increasing partnerships in key growth areas

And cutting bureaucracy and increasing flexibility in the core areas of economic trade between our countries

We can make progress on regulator-to-regulator discussions, removing barriers and where it helps create mutual recognition of qualifications.

Professional Business Services make up one of the largest sectors of both the UK and US economies.

Existing regulations make it incredibly difficult and expensive to switch between countries, or even states.

That is why the UK is exploring where we can reduce the time and costs of delivering these services.

This is not a replacement of an ambitious and future-facing trade deal between the UK and the US, but a complementary and helpful step to making sure we can take full advantage of existing and future opportunities.

On our travels we have had a great reception.

Politicians might not like change, but entrepreneurs love it!

And the questions they have asked of us have been as much about the global good that can be derived, as about their own firms and community.

Already responsive to the social, environmental and the ethical concerns of customers, investors and employees, businesses are taking their responsibilities to tackle harms and address poverty seriously.

They are the greatest agents of change we have in the world. More capable and responsive than any government.

By unlocking markets for good businesses we lessen the likelihood of failed states, for hot beds of dangerous ideologies, sources of illegal migration and cross border crime.

The expertise in our service sector – banking, law, fintech, IP, and more can assist developing nations to improve the ease of doing business and security for prospective investors and entrepreneurs in emerging markets.

In turn, creating jobs and tax revenue to fund health and education.

And science, construction and advanced manufacturing sectors can help tackle some of the environmental challenges our planet faces and deliver on the worlds ambitions stated at COP 26.

The people I've been speaking to in my tour understand that trade policy is not just about FTAs, but also about a shared mission to deliver liberalisation, competition and property rights protection to the greatest number people on earth.

Everyone we speak to

In the North, south, east, or west Democrat or Republican Producer or consumer Local or federal Private, public, or philanthropic.

Feels that mission deeply. It is who you are, America.

It is who we are too.

I believe passionately that the world is a safer, better place when Britain and America work together for common goals around the world.

We have a shared cultural DNA- Wealth creation Open trading systems Competition on merit Protection of property rights Delivered in the framework of a common law tradition we share.

Our partnership has already delivered much to our people on both sides of the Atlantic and across the globe.

Our security partnership has kept the world safe for over 100 years.

But with an unshackled UK, we can take yet more ambitious steps in putting trade at the heart of our relationship and in shared global challenges.

As President Biden said, "in the competition against China and other nations in the 21st century, let's show that American democracy and the American people can truly outcompete anyone."

I'm just at the start of the tour around the US, but I know this much.

The President is right.

and what he says applies to us Brits too.

We have the most entrepreneurial freedom loving people.

We can do anything.

And much depends on us having the chance to.

We have made our move.

We have made ourselves a player on the global chessboard and presented you with an unprecedented opportunity.

Let future generations of Americans not say

in the moment of choosing you failed to grasp that opportunity.

Too many people in the world, many of whom are voiceless, are relying on us both to make the right choice.