



Prime Minister Justin Trudeau with Mila and Brian Mulrone at the French Embassy where the former PM was awarded the Legion of Honour on December 6. Adam Scotti photo

Q&A: A Conversation with Brian Mulrone on Donald Trump and Canada-U.S. Relations

Former Prime Minister Brian Mulrone has known Donald Trump for more than a quarter century. They own homes near each other in Palm Beach, share numerous friends and business associates, and their wives, Mila Mulrone and Melania Trump, have a habit of speaking to each other in Serbo-Croatian. Mr. Mulrone sat down in his Montreal law office with Policy Editor L. Ian MacDonald, his biographer and former speechwriter.

Policy: You've always said Canada-U.S. relations was the top file on a prime minister's desk.

Brian Mulrone: That and national unity.

Policy: Now we are looking at Donald Trump as the 45th president of the United States. You know Donald Trump. He is a friend of yours. What is he really like?

Brian Mulrone: Basically, what you see with Donald is what you get. I

look at him this way. I listen to other people but I've known him for a long time. Not intimately, but I know him quite well and my reaction to a lot of the criticism of him is this: This is a guy who basically on his own built an empire worth somewhere between five and 10 billion dollars, apparently. He has five children who are wonderful, I know them all. None of them smoke, drink or take drugs. They are all hugely successful on their own. So, I figure if a guy can do that, he has something going for him and if you add to that the fact that for the first time in American history a guy came in off the street with no elected experience, no service as a military general, wins the nomination against 16 other candidates, and then wins the general election against a candidate with Hillary Clinton's brand recognition, he has a lot going for him, so I think he has a good run at this to be a successful president.

Policy: Do you think he can surprise to the upside?

Brian Mulroney: Yes. I think that is what is going to happen.

Policy: What are his strengths, when you look at his career?

Brian Mulroney: Well, his strengths are—clearly, he had a vision of where he wanted to be and where he wanted to take his company and he built quite a successful empire. Very few people could have done that on their own. Now mind you he had help from his dad when he started but he is not the first to have had that. And he built it and he then took a look at the politics of it and he decided he could run as a Republican and he had the guts and the courage to get out there and take a terrible pounding. A terrible pounding, for a year and a half. And yet he outfoxed them all with his skill and the new media. How he did that was brilliant. And he's entered the history books big time. A legacy in politics is two things—it is bifurcated. It's your electoral results—you don't get to be president unless you can win elections. And then it is the substantive policy achievements. I mean what he

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Just the slogan, when you think about it, Make American Great Again. Doesn't that appeal to the visceral instincts of a lot of Americans who felt that America had not treated them well? They lost a lot and their kids had fewer opportunities than they did.

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Policy: How important are interpersonal relationships with this guy and do you see an opportunity there for Justin Trudeau to get acquainted with him, because Prime Minister Trudeau obviously has, and you've noticed this yourself, good interpersonal skills?

Brian Mulroney: Yes, he does. I think Mr. Trudeau is going to get along fine with Donald Trump. I know both of them. I know their skills and some of their attributes and their

talents. I think that while, ideologically, they can be worlds apart, there is enough success in pursuing common objectives that I think they are going to find a lot to be happy about.

Policy: For example, they both talk a lot about infrastructure. Is that something they can sit down and talk about?

Brian Mulroney: I think it will be one of the things on the top of President Trump's agenda and, as I understand it, Prime Minister Trudeau feels the same way about Canada. Look, we have a 5,000-mile border, so there's lots of things we can do together. Highways start up here and run down there. Electricity starts up here and runs down there and trade goes across bridges that we can build or not—if we want to enhance the value of free trade, we build more and render them all much more efficient and increase our productivity and the nation gets wealthier.

Policy: Trump is in favour of building the Keystone pipeline but he has said he wants 25 per cent of the profits of the deal for the U.S. I'm not sure we know where he's going with that or what he means by it.

Brian Mulroney: That'll be in the negotiations.

Policy: But that's a \$10 billion dollar project, with thousands of construction jobs in the U.S.

Brian Mulroney: Yes, Keystone is a big deal and it's going to be done by the Republicans. It's interesting. Canadians have a view that they are very favourable to the Democrats, but if they look over history, their best friends are the Republicans. I'm

not saying that in a partisan way—it is just the way it is. So Justin may find that he can get a lot more done with a Republican president than he ever could with a Democrat. Because if you look at the Democrats, the constituency of a Democratic president—from the left wing to the trade unions to the interest groups—they make it difficult for a Democratic president to respond to the call of the northern neighbour. Trump will be able to do it.

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Policy: And Mr. Trudeau is dealing with someone on the way in, not the way out.

Brian Mulroney: Yes, Trump will have four or eight years there.

Policy: When you talk about the economic relationship between us, do you think Mr. Trump will be aware that nine million American jobs depend on trade with Canada?

Brian Mulroney: I don't think he is aware now but he will be aware very soon. He's a very smart guy.

Policy: In Governor Pence's home state of Indiana alone, there are 190,000 jobs depending on trade with Canada.

Brian Mulroney: That's right. I think that a lot of his talk about NAFTA was directed towards Mexico, as you know. When he talks NAFTA he's also talking immigration. He referred to the immigrants coming across the



Canada's 23rd and 18th prime ministers in a quiet moment at the French Embassy residence. "I think Mr. Trudeau is going to get along fine with Donald Trump," Mulroney says. Adam Scotti photo

border, rapists and this kind of stuff, but that was a generalization of the feelings that a lot of Americans have about losing their identity because their borders are uncontrolled. Every nation is entitled to control its borders and let's face it, that southern border down there is a sieve, and so he captured the full force of that way of thinking in the United States and a result of, and a big victory for himself in the electoral college. But I think that when he takes a look at it that he is going to see the Mexican trade situation is not as bad as he painted it. And the Canadian trade situation is almost in perfect balance. This is an ideal result.

Policy: Well, to give you the numbers, and you know them well, in 2015 Canada exported \$397 billion of merchandise trade to the US and imported \$363 billion for a grand total of \$660 billion dollars of bilateral trade last year. And that doesn't count trade in services such as consulting and financial services, or Canada-U.S. foreign direct investment, FDI.

Brian Mulroney: And if you put it all together at the end of the day, America has a modest balance, a favourable balance with us. Which is what you want in a free trade agreement. You want it to be fair at the end of the year.

Policy: Do you think he knows the importance, or maybe will be briefed up by the time he takes office, of the energy relationship between Canada and the U.S., that we provide 100 percent of their imported electricity, 85 percent of their imported natural gas, and 43 percent of their imported oil?

Brian Mulroney: He knows that. He is a pretty sharp guy. He understands all that. Where he may have to get more sophisticated briefings is on the nuances of international trade and their implications. The extent to which our economies, our corporate lives are commingled and the way it works now there are bits and pieces from the three countries working together to make a product and send it to another country.

Policy: I wonder if you foresaw these outcomes back in October 1987 when you made the Canada-U.S. free trade deal with Ronald Reagan.

Brian Mulroney: We thought, I think if you check you will see that we were concerned as well about something happening in the future. So we have a deal with the Americans whereby we said that if something happens that affects Canada in a material way through something like NAFTA or elsewhere that the insurance policy is that we have in the deal is that the Canada-U.S. Free Trade Agreement kicks back in. We've got a free trade agreement no matter what happens with NAFTA, so we were always concerned. Not alarmed, we were concerned that something might happen in the future and we knew that the backbone of our financial success and our economic success as a nation was going to be trade with the United States.

Policy: There are always hardy perennials like softwood lumber kicking around. I remember that you said back then that you excluded softwood lumber from the Free Trade Agreement because all of the Pacific Northwest U.S. senators would have blocked it, and here we are all these years later still talking about softwood lumber.

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Brian Mulroney: Still doing the same thing.

Policy: And it is driven more by the industries than by the countries.

Brian Mulroney: Right, and one of the things that it is driven by is the fact is that in Canada the Crown owns the land on which the trees grow, whereas in the United States it's different. It's the private companies that own it. So they say, they argue that all of this constitutes a direct subsidy and therefore the product that is placed in America coming from a Canadian forest is in some ways illegitimate.

Policy: And we have the same thing with COOL—country of origin labelling on meat.

Brian Mulroney: Same thing. In fact, country of origin labelling is going to be pursued, I think, by the Americans in pretty well everything, NAFTA, the end of TPP, any deals they might do.

Policy: The Prime Minister and our ambassador to the U.S., David MacNaughton, have both said that if the Trump administration and the Americans want to re-open NAFTA, they're prepared to have a conversation. What are your thoughts on that?

Brian Mulroney: These trade agreements, the FTA and the NAFTA, have been in effect for nearly 30 and 25 years. There's nothing wrong with taking a look at refreshing and refurbishing them. When we did them, there was no internet. That's how much the world, and the way we

work, has changed since then.

Policy: Is it fair to say the TPP is dead?

Brian Mulroney: Yes, I said that some time ago because of the mood in the American Congress is such, you know, today that you couldn't get anything past there. And sometimes when I have nothing to do I think about the “what ifs” of history. And one of them is what if we had been defeated in 1988 in that election campaign and the Liberals had come in and cancelled the Canada-U.S. Free Trade Agreement. So we would be sitting here today with no Canada-U.S. Free Trade Agreement, no NAFTA and no GST. So at some point in time you would begin to atrophy and then somebody would say, look we better get going here. Let's go down and tell the Americans that we want a free trade agreement and you would go down there in those circumstances and tell them that and they would tell you to go fly a kite.

President Clinton used to say that leadership is sometimes looking around the corner of history, a little bit. That's what we did with free trade. **P**

A Q&A at Brian Mulroney's Montreal law office, December 5, 2016.