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The Hill Times, May 18, 2009

Mulroney probe bad for politics, but Tories say it won't affect party's brand

Author Bob Plamondon says grilling, exposure of Brian Mulroney a replay of 'gory details over and over again.'

By Bea Vongdouangchanh

Federal Conservatives are closely watching the events unfolding at the Mulroney-Schreiber Inquiry, but say it won't affect the Conservative Party internally or its brand.

"The main thing that I hear and the main thing that I feel is I feel incredibly badly for a great former prime minister like Brian Mulroney," said Nova Scotia Conservative Senator Donald Oliver, who was appointed to the Senate by Mr. Mulroney in 1990. "The sooner [the inquiry] winds up, the better. The damage gets worse every day for the prime minister. I mean, why should someone who's given so much to Canada have to spend hours and days trying to defend himself for something that there's no evidence whatsoever that he's done anything wrong, unethical, improper? Why are we spending millions of dollars trying to harass this man?"

Sen. Oliver said Mr. Mulroney is being "humiliated" at the Oliphant Commission which is conducting an investigation into the business dealings between Mr. Mulroney and businessman Karlheinz Schreiber. "He is damaged now because of all the things that people have said. Even though they're not true, it's still damaged him," Sen. Oliver said last week. "He's not going to come out of this, even if he's absolutely and totally exonerated, which I think he will be, the damage is done. It's been on the TV every day and it's been in newspapers, books have been written about it. It's too bad. I just feel so bad."

Mr. Mulroney testified for four days last week at the inquiry. The first two days, he was questioned by his own legal counsel, Guy Pratte. During his testimony he seemed to be exacting a "mild form" of revenge on several people who have kept this story of Mr. Mulroney accepting \$300,000 cash from Mr. Schreiber in 1993 alive. Mr. Mulroney said it was \$225,000.

When asked how the ordeal has affected his family, Mr. Mulroney choked up and appeared to be holding back tears. Later in the day, his communications team sent out a press release stating that while Mr. Mulroney was talking about the impact of the story, "he looked out into the audience and saw the producer of the *Fifth Estate*, Harvey Cashore and *Globe and Mail* reporter, Greg McArthur laughing—laughing—at his testimony. It was that sight—not captured by the cameras—that caused Mr. Mulroney to break down." According to *The Toronto Star*, Mr. Sears accused them of giggling like "f---ing schoolchildren" for doing so, but both Mr. Cashore and Mr. McArthur denied laughing and other reporters backed them up.

During his testimony Mr. Mulroney also took some shots at Prime Minister Stephen Harper (Calgary Southwest, Alta.). He said that the move to cut the GST, which Mr. Mulroney introduced, was "bad economic policy," that a party could not govern Canada without Quebec representation (Mr. Harper's Conservatives elected 10 MPs in Quebec in the last election, out of 75 seats), and that while he was prime minister, he gave his ministers full reign. Mr. Pratte asked about the PMO switchboard and how difficult it was to get directly to Mr. Mulroney, and Mr. Mulroney replied: "What I can tell you is about my time, I can't tell you what the system is now because of I haven't had very many calls lately from the Prime Minister's Office."

Author Bob Plamondon, who wrote *Blue Thunder: The Truth about Conservatives from Macdonald to Harper*, told *The Hill Times* last week that Mr. Mulroney "can't be very



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happy with Mr. Harper" for calling the inquiry. "If it was that [revenge] it was a fairly mild form. I think he's just trying to put things in context," he said. "He didn't put him in the situation of having to explain his dealings with Mr. Schreiber, but Mr. Harper did make the decision to make this a multi-million dollar public inquiry."

Mr. Plamondon also said the inquiry will leave a negative impact on those following it closely. "Those who are watching, at the end of the day, are more likely to draw a negative conclusion about politics and politicians and more specifically Conservative politicians than they would be if there had been no inquiry. It's just the nature of that kind of grilling and exposure," he said, adding that it was a mistake for Prime Minister Harper to call the inquiry in the first place. "It's already been established and determined that Mr. Mulroney erred and exercised bad judgment and now we're just replaying it in all of its gory details over and over again. That can't be good for anyone other than the lawyers sitting in the room making a lot of money."

Pollster Nik Nanos, president of Nanos Research, said however that it's hard to see how the Oliphant Inquiry could have a negative effect on the current Conservative government if there is nothing that directly links the two. "People are more likely to judge the government based on how things are going in the economy and how the government is managing itself as opposed to this particular inquiry," said Mr. Nanos, whose polling firm recently conducted a survey showing that only 26 per cent of Canadians believed the inquiry was "very necessary" and 45 per cent who say the \$14-million inquiry is a "very poor use of tax dollars."

"Part of it has to do with the fact that there's probably a sense out there that there's nothing new in this inquiry," he said. "Canadians already know that former prime minister Mulroney apologized for what he did and admitted to what he had done, so I'm sure for a lot of Canadians they're scratching their heads wondering why we're spending money on this, and what new will come from the inquiry and I think as a result they're not really tuning in."

This is why many Conservatives said the brand would not be tarnished when the inquiry ends, even though there could be an internal "schism" between Mulroney loyalists in the Conservative caucus and Harper loyalists when the PMO leaked a story about how Mr. Mulroney was no longer a Conservative member.

Mr. Mulroney denied it, saying he was a Conservative and would be until he died. Government Senate Leader Marjory LeBreton, a close friend to Mr. Mulroney who appointed her to the Senate in 1993, announced the news at a caucus meeting on April 1 and was heckled by Mulroney supporters Lee Richardson (Calgary Centre, Alta.), Dean Del Mastro (Peterborough, Ont.), Defence Minister Peter MacKay (Central Nova, N.S.), and Senators Gerry St. Germain and David Angus who all defended him.

Prior to the Oliphant Inquiry, Mr. Harper told his Cabinet and caucus members that they should not have any contact with Mr. Mulroney until after the inquiry was over which also caused a rift. Conservative strategist Tim Powers, vice-president of consulting firm Summa Strategies, said there is too much getting made of the order. "Hindsight is 20-20," Mr. Powers said, when asked if it was a mistake for Mr. Harper to make that call. "The current PM did what he believed was the right thing to keep the picture clear."

Mr. Plamondon said that the inquiry should not have been called, but since it was, the Conservatives "would have been wise to say nothing rather than to provoke those who have sympathy for Mr. Mulroney."

Earncliffe Strategy Group consultant Geoff Norquay, former communications director for Mr. Harper when he was the leader of the opposition, said he didn't want to comment on whether the contact ban was a mistake, but said it didn't make a difference to supporting the party. "I worked for Prime Minister Mulroney, and I was honoured to do so. I believe he was an inspired and courageous leader for Canada, but speaking as someone who's worked for both Mr. Harper and Mr. Mulroney, my support for Mr. Mulroney today does nothing to diminish my support for Stephen Harper," he said. "That was then and this is now."

Sen. Oliver said however that the order was only for the Cabinet and he understood why Mr. Harper did it. "I'm a member of the Conservative Party and a member of the Senate, and there's been no directive given to me and I have in fact talked with Mr. Mulroney and there's nothing wrong with that," Sen. Oliver said, adding that he has not spoken to Mr. Mulroney since the inquiry began.

British Columbia Conservative Senator Gerry St. Germain also said he was never told not to have contact with Mr. Mulroney. He said he went to the inquiry last week and spoke with Mr. Mulroney and said, "He's in an uncomfortable situation and I'm sure he's going to work his way through it."

Sen. St. Germain, who was elected as a Progressive Conservative MP in 1983 and served as the national caucus chair and minister under Mr. Mulroney prior to being appointed to the Senate in 1993, said he could not comment on caucus proceedings, and did not want to comment on whether Mr. Mulroney is angry with the current

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Conservative government. "We haven't discussed that. My relationship with him is personal and I can only speak for myself."

Sen. St. Germain also said that he had no comment on how the Oliphant Inquiry would affect the Conservative Party and that the only people he's heard from are ones who are upset that a former prime minister is the subject of a public inquiry. "There's no question that this is not something anybody would want in their life. He's admitted that he's made a huge mistake in the situation that he finds himself in. What more can you say? He's regretful of everything that took place but now he's dealing with it in the usual first class manner that he's always dealt with everything."

While he said that Canadians are not paying attention to the inquiry, Mr. Nanos said current Conservatives distancing themselves from the inquiry and Mr. Mulroney was a good move. "It's not surprising. If you think of this in terms of issue management and reputation management, what the Conservatives are trying to do is to insulate themselves from any negative fall out that could happen as a result of the inquiry. The best way for them to do that is to distance themselves from the former prime minister," Mr. Nanos said. "The challenge is that the nature of the way they've been distancing themselves leads to internal difficulties within the party. From a public perception, it's likely a good move. Internally for the party, it's much more difficult to manage."

Mr. Norquay said that the Conservative Party history has been resilient and the party has not been affected by the inquiry. "Between the time that Mr. Mulroney left office and today, 16 years have passed as well as five federal elections, regional parties have come and gone, the Conservative Party broke apart and came back together again," he said.

Mr. Mulroney returns to the inquiry stand on Tuesday, May 19, followed by Salpie Stepanian, manager PMO correspondence, Lannay Cardow, former EA to PMO chief of staff, Wayne Adams and Christiane Sauvé from CRA and Fred Bild, former Canadian ambassador to China on Wednesday, May 20 and then a re-examination of Mr. Schreiber on Thursday May 21.

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