

**AIMS 10<sup>TH</sup> ANNIVERSARY BANQUET  
NOVEMBER 9<sup>TH</sup>, 2004  
CASINO NOVA SCOTIA HOTEL, HALIFAX (NS)**

**SPEAKING NOTES FOR  
THE RIGHT HONOURABLE BRIAN MULRONEY**

As Prime Minister, I said that because my father dreamt of a better life for his family, I was able to dream of a better life for my country.

For that is the test of governance — that is the measure of leadership. How you found the country, and how you left it. In 1984, we inherited what David Peterson, then Ontario Liberal Leader, called “one hell of a mess”. And Jean Chrétien remarked candidly after holding ministerial office for 15 years: “We left the cupboard bare”. They sure did.

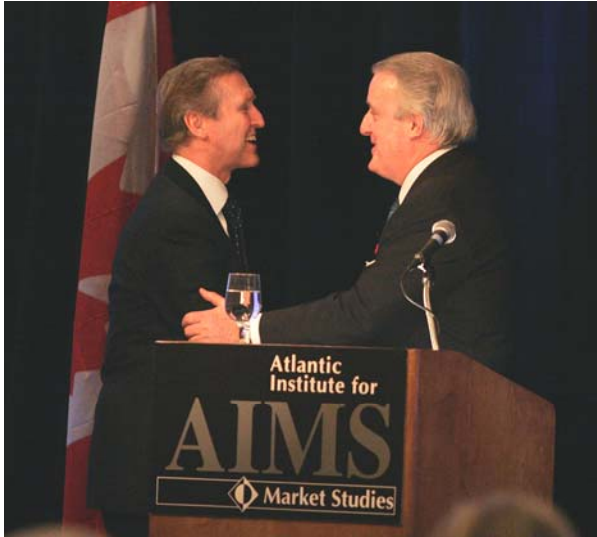
Remember? The deficit of \$38.5 billion was nearly 9 percent of GDP, the largest in history. The federal debt had increased by 1,100 percent under the Trudeau administration. Short-term interest rates had recently peaked at 22.75 percent. Program spending had soared to \$1.23 for every dollar collected in taxes. And the interventionist, confiscatory policies of Ottawa — from FIRA to the NEP to the PGRT — sent all the wrong messages to the international investment community.

Liberal interventionist policies were replaced by the Free Trade Agreement with the United States and later the NAFTA with Mexico, the GST, deregulation, privatization, and the reform of financial services, which demolished the pillars that were obstacles to growth.

We were a Progressive Conservative government, so there was also strong action on the environment, constant support for the disabled, innovative programs to deal with breast cancer and AIDS, protection for minorities and promotion of women, and justice for individuals ranging from Japanese Canadians to David Milgaard.



Former Prime Minister Brian Mulroney speaks to the AIMS 10<sup>th</sup> anniversary banquet.



Former Prime Minister Brian Mulroney greets Secretary William Cohen, after introducing the former US Secretary of Defense.

When we left office almost nine years later, the federal government was in an operating surplus and the deficit as a percentage of GDP had been reduced by one-third, despite the deep recession of 1990-91. The rate of growth in program spending was slashed by 70 percent, reducing it to 97 cents for every dollar of revenues. The prime rate was at 6 percent, the lowest in 20 years. The inflation rate was 1.5 percent, the lowest in 30 years, and the United Nations had just reported that, in terms of quality of life, Canada was the number one country in the world.

Canada's economy had been significantly restructured and reformed. We were readied for a substantial period of strong economic growth. In fact, both the IMF and the OECD forecast that Canada was poised to lead the G-7 in job creation and growth.

That was the Canada we turned over to our successors.

We also built a platform for the economic development of Atlantic Canada that could lead to a genuine renaissance for this entire region.

For too long, Ottawa had delivered a handout to Atlantic Canada. We began the process of a handup — and it worked. Apart from fostering an excellent climate of federal-provincial relations and establishing a bold new economic policy based on the Canada-US FTA that I signed with President Reagan, we decided that Atlantic Canada — within that context — needed an opportunity to kick start its own economy towards prosperity.

1. We began with the building blocks of a modernized economy by, first, creating the Atlantic Canada Opportunities Agency, locating it in Atlantic Canada, and empowering it to pump billions of dollars into this economy, creating new opportunities for hundreds of small business entrepreneurs in the region together with thousands of new jobs.

Second, we built the Confederation Bridge from New Brunswick to Prince Edward Island to unlock the great tourism and agriculture potential of the Island. This project cost \$800 million and the results are remarkable. Since then, PEI's exports to the US have jumped by 600 percent — from \$100

million to \$600 million per year. And total exports as a share of provincial output have doubled from 16 percent to more than 30 percent.

Third, we sole-sourced a \$6 billion Canadian patrol frigate contract to Saint John Shipbuilding Ltd. This was the largest procurement order in Canada's history, and we did it with a view to re-energizing the entire economy of southern New Brunswick. The province's exports to the United States have shot up from \$2.1 billion to \$7.4 billion and, as a share of total exports, from 66 percent to 90 percent.

Fourth, in Newfoundland and Labrador, we stepped in with loans, grants, guarantees, economic assistance, and finally an equity position totalling more than \$3 billion to ensure the development of Hibernia and the offshore, although Clyde Wells said it "wouldn't be worth two fish plants". We proceeded, and the result has been the complete transformation of that economy, which is forecast to lead all Canadian provinces in growth for the next two years, in large measure because of this development and the fact that the province's exports to the US increased by 100 percent during the period.

Fifth, in Nova Scotia, apart from record expenditures by our government in the hundreds of millions of dollars to highways, fisheries, forestry, tourism, and infrastructure programs designed to modernize the competitive profile of this province, I believe that the greatest benefit to this province is yet to come. The Atlantic Accord and the development programs we began on the offshore will allow Nova Scotia to prosper mightily from the fabulous oil and gas resource off its coast.

In 1986, guided by Elmer MacKay and Stewart McKinnes, I concluded negotiations with Premier Buchanan for the Canada–Nova Scotia Offshore Petroleum Resources Accord. Among other things, we made important improvements in the original agreement that you had signed with the previous government.

The intent of the offshore accords was that Nova Scotia and Newfoundland and Labrador would be the "principal beneficiaries" of the oil and gas resources off their coasts. That was the spirit and the letter of those accords, and until it is respected those accords will not have achieved their purpose.

I call upon the government of Canada tonight to say yes to Atlantic Canada and allow this region to build a platform of powerful growth and durable prosperity while contributing to the wellbeing of this great nation.

But in all of these areas, strong action is required. Little will happen, however, unless our leaders are ready to brave public opinion and do the right thing for Canada.

In his seminal work on leadership, James MacGregor Burns differentiates “transactional” from “transforming” leadership. He writes that it is the transforming leader who “raises the level of human conduct of both leader and led..., who responds to fundamental hopes and expectations and who may transcend and even seek to reconstruct the political system rather than simply operate within it”.

In a brilliant address delivered some years ago in Canada, Theodore Sorenson — himself a skilled observer of powerful leaders as Special Counsel to Presidents Kennedy and Johnson — said:

Once in office those who wish to stand up and stand out and leave something enduring behind must build new institutions, not new images. They must look to the next generation not merely the next election. They must talk in terms of fundamental values, not merely costs. They must appeal to our hopes as well as our needs, to what we long to be and what we know is right. That’s leadership.

Canada, like other privileged nations, is often extremely resistant to change. But deep and important structural changes are indispensable to maintain a growing economy, and they can only be brought about by a firm expression of political will.

For a generation raised on the weird proposition that leadership should be equated with popularity, measured and published weekly, this can be a daunting challenge. In fact, political capital is not supposed to be hoarded; rather, it must be spent in great causes. And as Thomas D’Arcy McGee observed: “He who seeks after popularity builds upon a shifting sand”.

The issue is leadership. The requirement is vision. There is a quotation from the Book of Proverbs inscribed on the Peace Tower in Ottawa: “Where there is no vision, the people perish”.

Democracies are inspired by the clash of great ideas. And leaders must govern not for easy headlines in 10 days but for a better Canada in 10 years. And they must be ready to endure the attacks that often accompany profound or controversial change, while they await the distant and compelling sounds of a verdict that only history and a more reflective nation can render in the fullness of time.