

President Donald Trump waves as he walks to Marine One on the South Lawn of the White House on Thursday in Washington.

'Canada is no problem'

Alexander PANETTA *The Canadian Press*

WASHINGTON — A leaked transcript of a Donald Trump phone call shows the president's private comments about trade with Canada, and suggests he had an overwhelmingly positive attitude about the northern neighbour as he took office.

The purported remarks made in a private phone call from late January are every bit as flattering as the president's public comments just days later when Prime Minister Justin Trudeau visited the White House.

They came in a call with Mexican President Enrique Pena Nieto and were part of a leaked transcript published Thursday by the Washington Post. The context for the exchange was Trump's bitter and escalating feud with Mexico at the time.

U.S.-Mexico relations had just reached their nadir over the proposed border wall, and who would pay for it. Pena Nieto cancelled a trip to Washington.

In the call, Trump told the Mexican president that he got huge crowds during the campaign, and had promised throngs of 25,000 to 50,000 people that Mexico would pay for the wall, so he pleaded with the Mexican president not to publicly contradict him on the issue.

Pena Nieto encouraged a more positive discussion: he supposedly urged Trump to focus on the fact that the three NAFTA countries could negotiate a new trade framework. That prompted a rejoinder from the president.

"Canada is no problem," Trump replied, according to the leaked transcript.

"Do not worry about Canada, do not even think about them. That is a separate thing and they are fine and we have had a very fair relationship with Canada. It has been much more balanced and much more fair. So we do not have to worry about Canada, we do not even think about them."

Those remarks echo public comments he made a few days later at a news conference with Trudeau. His rhetoric has ebbed and

flowed since then. Trump has complained about Canadian dairy and lumber policies, and often threatens to scrap NAFTA barring

The reality entering trade talks is a bit more mundane.

The U.S. has posted its priorities for the NAFTA negotiations starting Aug. 16, and they lie somewhere between the two extremes of the everything-is-fine attitude in that January phone call and the more aggressive talk favoured by some Trump advisers and occasionally the president himself.

The U.S. positions include a laundry list of traditional American demands when it comes to Canadian trade. Most of the U.S. NAFTA demands could be found on annual lists published by the U.S. government, year after year.

Those demands include more access for U.S. dairy and wine on Canadian store shelves; freer trade in telecommunications and banking; stricter patent rules for drugs; and tax cuts for online shopping of imported U.S. goods.

Other priorities dear to the Trump administration include changes to auto-parts rules and the dispute-settlement process.

A Canadian trade expert doesn't put much stock in those January quotes. That's because the president's tune has changed, and could change again, said Peter Clark, a former federal official and now president of Grey, Clark, Shih and Associates.

"That was then, this is now," Clark said in an interview. "I think (Trump) was pretty relaxed about Canada early in the year... He's got his neck out now on dairy, on lumber... He's only as reliable as his last tweet, or his last phone call."

Late Thursday, the Prime Minister's Office said Trudeau hosted a NAFTA call with his provincial and territorial counterparts, during which they pledged "to ensure that the message about the value of NAFTA and the trade relationship with Canada is understood by key U.S. decision makers."

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U.S. ambassador to Canada confirmed

Alexander PANETTA

The Canadian Press

WASHINGTON — Donald Trump's ambassador is heading to Canada: the United States Senate has swiftly confirmed Kelly Knight Craft, endorsing her nomination in time for her to begin work as major trade negotiations start.

The confirmation was announced Thursday by the Republican leader of the Senate, Mitch McConnell.

He applauded the appointment of his fellow Kentuckian, whom he knows through politics back in their home state, and whom he publicly endorsed during her congressional hearing two weeks ago.

That swift two-week turnaround is faster than how the Senate handled the last ambassador's appointment, as it allowed the nomination of Barack Obama's pick Bruce Heyman to languish for months before proceeding.

It came after a breezy confirma-

tion hearing. Anything but a grilling, Knight Craft was asked two questions about basketball, and others about Russian election-meddling and NATO in her congressional hearing. She declared that she believed Russia interfered in the

U.S. election. She was also asked about promoting U.S. exports to Canada, and mentioned softwood lumber, dairy and poultry as priority areas.

This appointment allows Knight Craft to start work at a sensitive moment in Canada-U.S. relations the two countries and Mexico will start negotiating an update to the North American Free Trade Agreement on Aug. 16.

Knight Craft is a longtime philanthropist, wife of a Kentucky coal magnate, and supporter of Republican causes who organized inaugural events for the state's governor and for President Donald Trump.

"Great news, congratulations," Canada's ambassador to Washington, David MacNaughton, tweeted Thursday. "(Our countries') partnership is more important than ever, see you soon.'

The new ambassador's state governor sang her praises during a recent meeting with Prime Minister Justin Trudeau. At a governors' conference in Rhode Island, Matt Bevin told Trudeau: "You're going to have a good colleague... You're getting someone who's gracious, and very well-networked. Very respected."

In a statement Thursday, McConnell saluted the new ambassador.

"Our two nations share much more than a border: we have a heritage of trade and security relations that benefit us both," said the Republican leader.

"As a proven advocate for our national interests, Kelly will use her position to continue the long history of friendship between the United States and Canada. I appreciate her willingness to serve our country once again, and I know that she will make Kentucky proud."

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