

The Power of Frank

He's the most connected man in the country, a confidante of Bill Clinton and Matt Damon, and the expert hobnobber who made TD a major player in the U.S. Why Frank McKenna doesn't need to be prime minister [By Gerald Hannon](#)



Image credit: Markian Lozowchuck

On the lusciously gilded evening that is September 13, 2009, Edward and Suzanne Rogers (yes, the ones who bill you each month for cable) are hosting a fundraiser for OneXOne, a charity that helps needy kids, and they greet guests at the door of their Forest Hill home with a handshake and a smile. He has the perpetually dazzled look of the chubby high school nerd who married the football team's foxiest cheerleader and still can't believe his luck. Suzanne is blonde and perfectly packaged in a convoluted gown that appears to be held in place by Velcro and duct tape. The house has too many rooms, too much fabric decorously swagged. The

bathroom features a toilet with a gold scallop shell seat. There are huge vases of flowers everywhere, most of them real—at least in the rooms where guests are expected to roam. The real party is happening outside, in the spacious back garden, where the wine is excellent, the scotch is 15-year-old Dalwhinnie and the food is exquisite. John Tory, looking grateful to have found a party that welcomes him, swims by to chat. The R&B singer Mary J. Blige is in the room, as is Robert Herjavec (star of *Dragons' Den*, the creepy CBC reality show about entrepreneurs) and, more prosaically, Ivan Fecan, CTV's CEO and a man admirably loyal to big, white hair. Jim Balsillie, the buff BlackBerry billionaire, is in attendance (you can smell the testosterone from across the garden). The philanthropist, businessman and art collector Salah Bachir is ostentatiously fretting about hosting a significant wedding, at his home in Paris, Ontario, the following weekend: Lorraine Segato, from the Parachute Club, will marry Ilana Landsberg-Lewis, daughter of Stephen Lewis and Michele Landsberg, and it's already being described as the lesbian wedding of the century.

When Bill Clinton makes his appearance, he's accompanied by grim-faced men who neither blink nor smile and who are wearing earpieces. If people suddenly go from being utterly absorbed in your conversation to seeming mysteriously distracted, it's because Matt Damon

is standing nearby and you're now merely in the way. Midway through the evening, Elvis Costello takes the stage, tosses his hat on the piano and announces that a guest (Crocs founder George Boedecker) has just told him he'd donate \$300,000 to the charity if Costello sings "Peace, Love and Understanding," and he does. Everybody cheers. Suzanne Rogers sways self-consciously to the music. Matt Damon, his arm around his wife's waist, silently mouths the words. Bill Clinton looks ever so slightly bored.

Off to Clinton's right I can just see the top of Frank McKenna's head. If I didn't already know who he was, I probably wouldn't have noticed him. He is short and has the looks of a baby-faced heavy in a movie, a stocky, pugnacious, kindergarten take on Edward G. Robinson, but he's the reason Clinton and Damon are here tonight. Damon's presence, and Clinton's, will help this party raise more than a million dollars for OneXOne. McKenna is the organization's chair. Tonight, he is the least visible, yet the most important, man in the room.

He could have been the most important man in Canada. He's frequently described as the best prime minister we never had, especially among Liberals who still smart at the memory of the Dion interregnum and now watch Ignatieff sink in the polls. He was under considerable pressure from friends, colleagues and supporters to run for the leadership of the Liberal Party and, had he done so, would almost certainly have won. He's experienced (premier of New Brunswick from 1987 to 1997), well liked, hard-working, extremely well connected nationally and globally, a family man untouched by the faintest whiff of impropriety, fiscal or otherwise. He's a blue Liberal—in the Canadian mainstream on social issues, but with a strong pro-business, pro-entrepreneurial streak that has won him a reputation as a Liberal even Tories could love.

McKenna will be 62 years old this month but looks 15 years younger. He's in good shape, works out regularly, bikes, plays golf and tennis and is a devotee of *The New York Times'* Sunday crossword. He loves dogs and ABBA and k.d. lang and Johnny Cash. He's a doting grandfather whose grandkids, for obscure family reasons, have nicknamed him Wolf. McKenna and his wife, Julie, live near Ramsden Park. His close friend, the former Ontario premier David Peterson, lives on the same street. Peterson jokes that they own it.

Peterson wanted McKenna to run for the Liberal leadership. "I tried to get him to go for it," he says. "I had phone calls and e-mails from across the country, all of them saying, 'If Frank goes, I'm there.' A whole lot of people identify with him. There's something aw-shucks and unpretentious about him, kind of fun and just bordering on naughty. He loves a good, dirty story." Peterson feels that McKenna decided not to run because the man was then 60, and it would have meant at least a 10-year commitment. "He knows what the game is like. It means 'I will work all day, every day,' and so you ask yourself, 'Do I want to spend the last 10

productive years of my life doing that?’ He’s a balanced and rational person, and so he says, ‘You know what? I don’t want that.’□”

McKenna took a job with TD Bank instead. It doesn’t seem a perfect fit, not for a man with a record of exemplary public service. Our banks may be models of fiscal probity on the international scene, but they’re still one of the more despised institutions in Canadian life, with their indifferent service, nickel-and-dime fee structure and bloated profits. As deputy chair of TD Bank Financial Group, second in command to CEO Ed Clark, McKenna most certainly uses his deal-making expertise to help the bank make money. He’s a power broker, with connections threading through not just Canadian corporate and political life but, thanks to his time as our ambassador in Washington, through the American establishment, as well. He’s on the road at least three days a week, and though TD entered the American market in 2004, before McKenna’s hire, it’s now a significant presence in the United States, with more than 1,000 branches bringing in some 20 per cent of the bank’s total earnings. But, more importantly, he has defined his position as a back door into public service. He exerts influence and initiates projects that matter to him—change that can be frustratingly slow and difficult for governments to achieve. At the bank there are no committees to strangle ideas, no rancorous opposition always on your tail. You don’t have to spend half your time campaigning for the next election. You don’t have to contemplate the prospect of being part of an endless series of minority governments, more devoted to staying alive than to getting things done. And Frank McKenna is a man obsessed with getting things done.

McKenna’s work ethic is rooted in the demanding New Brunswick soil his family tilled in the tiny village of Apohaqui, about 60 kilometres east of St. John. He was the fourth in a family of eight children. His grandparents took him in and raised him from the age of five (his grandmother, a devout Catholic, believed fiercely that he was destined for greatness, either as a priest or prime minister, and wanted a hand in shaping him). The family was poor. Everyone worked hard, and no one complained. If this sounds like the beginning of a Horatio Alger novel, in which a young man’s fortitude, discipline, hard work and strength of character lift him out of his humble circumstances and propel him to worldly success, it’s not surprising. The Alger novels were among young Francis McKenna’s favourite books. In later years, he would write inspiring messages to himself. A typical example, dated January 1, 1987, cited in *Frank*, Philip Lee’s 2001 biography of the man: “Goals: Confidence, toughness, effective use of time, peace of mind. I must do better tomorrow.” His list is so unabashedly, earnestly adolescent (though he wrote it when he was 39 years old), so Catholic (“tomorrow” is always the time to do better) and so utterly free of irony (the ability to see oneself as ridiculous is not a strong suit among politicians or businessmen). Even today, he can seem the very picture of probity. His guiding philosophy is this: “I believe in dogged determination and doing the right thing. With respect to the latter, I strongly believe that you should have

the courage of your convictions even when they're unpopular. More often than not, your honesty is rewarded." Horatio Alger couldn't have said it better.

As premier of New Brunswick, he set the standard for his government and the civil service, arriving earlier than anyone else, staying later, missing to a large extent the joys of being a father (he has three children, adults now with children of their own). He would go anywhere and speak to anyone who might move a plant or a franchise to the province. He set up a toll-free line, 1-800-MCKENNA, that he'd answer personally if a company called with jobs. He fought with unions, had a brush with death in an emergency plane landing, dealt, not too expertly, with the constitutional paroxysm that was Meech Lake, modelled some of his education and welfare-to-work initiatives on what then-governor Bill Clinton was doing in Arkansas (though the two didn't meet until 2001), kept the Liberals in power for the whole decade and then, two years after his resignation, saw the Tories under Bernard Lord sweep to power with a landslide victory.

He withdrew from public life, working as a lawyer and accepting seats on corporate boards ranging from Air Canada to Canwest to GM of Canada (as Steve Staples, president of the left-wing think-tank the Rideau Institute, put it, "He's never met a corporate board he didn't like"). In 2005, he accepted an invitation from Paul Martin to become the country's 21st ambassador to the United States, a position he held for less than a year, resigning in the wake of Stephen Harper's election victory. He joined TD Bank, at Ed Clark's invitation, in May 2006, though Clark says he had had his eye on McKenna for years.

As premier and as our ambassador, he met and, it seems, impressed everyone who mattered. He was invited to join the Canadian Advisory Board for the Carlyle Group, a private equity investment firm with billions in assets, which put him in close contact with some of the most powerful people in the United States, including President George H. W. Bush. The other Canadians on the advisory included Peter Lougheed, the former premier of Alberta; Paul Desmarais of Power Corp.; Bombardier's Laurent Beaudoin; and Allan Gotlieb, the former ambassador to the U.S. Other directors and management figures have included the former British prime minister John Major, the former U.S. secretary of state James A. Baker III and Fidel Ramos, the former president of the Philippines—a rogues' gallery if ever there was one. The Carlyle Group's connections to the American military-industrial complex and the arms industry led Staples to publish a paper that questioned the propriety of appointing McKenna ambassador to the U.S. without a parliamentary review.

"The board was not very active," McKenna says. "We only had a couple of meetings over a period of two or three years. It wound up after several years of relative inactivity." McKenna is not currently involved with Carlyle and dismisses Staples's criticisms: "I was the wrong person to go to Washington because I had too many relationships there? The premise is

ridiculous because you want someone who has contacts to go to Washington. They opened a lot of doors for me.”

The Carlyle connection sparked the kind of initiative that McKenna loves and believes is one of his strengths: the ability to bring people and groups together to forge new relationships and make common causes of crucial issues. In the summer of 2001, he organized an informal gathering at his New Brunswick home, featuring Paul Martin as guest speaker and a guest list made up principally of Maritime politicians and businessmen. It’s been held every year since, around the end of July, has grown considerably and is known as Fox Harb’r, after the Nova Scotia resort where it now takes place. He brings together business types, academics and politicians to golf, relax, network and interact with such speakers as George Bush Sr., John Major, Bill Clinton (twice), Wayne Gretzky (McKenna is a big hockey fan) and, last summer, Bush Jr.

Toronto got a mini-version of its own last May, minus the golf, when McKenna moderated a “discussion” between Bush and Clinton at the Metro Toronto Convention Centre. TD Financial Group was the sponsor (the three men sat in the same green leather club chairs that appear in TD ads). “The idea appealed to us,” McKenna says, “because it would provide a Toronto audience with a historic opportunity to hear two former presidents discuss global affairs—they had never participated in a forum like this before. It fit with our ongoing interest in hosting events that encourage discussion and debate on issues that matter to Canadians.” (By all accounts, it was a tedious evening of mutual log-rolling, the low point surely coming when Clinton thanked Bush for his AIDS drug program in Africa—while neglecting to mention that administration’s fierce opposition to encouraging safer sex through condom use.)

McKenna also presides over more intimate gatherings, held every month or so in the executive dining room on the 54th floor of the TD Centre, events calculated to display the bank’s prestige and its first-name-basis relationship with power brokers in both the business and political spheres. I attended one gathering last October, when McKenna hosted a reception for Darrell Dexter, the newly elected NDP premier of Nova Scotia (he has had most provincial premiers as a guest at one time or another). The room is not large, but two walls of floor-to-ceiling windows add an Olympian touch (and provide a splendid view of First Canadian Place, looking for all the world like a tacky old dowager who put all her money in Carrara marble and lived to regret it). The guest list featured the usual establishment suspects: broadcaster Isabel Bassett, author Peter Newman, Torstar’s John Honderich and the *National Post*’s Paul Godfrey, along with senior executives from major corporations and big-money law firms (comic relief: one-time Ontario premier Ernie Eves was there, his steel grey hair in a coif so upswept you could surf on it). The event came across as speed-dating for businessmen; there were lots of eager young pups, especially from Nova Scotia, scattered

among the heavy hitters, introducing themselves, provoking something of an orgy of business card exchanges, spending no more than a few minutes with you, and then moving on. McKenna guided Dexter adroitly through the crowd, introducing him, allowing just enough face time, finally guiding him to the lectern to position him for a brief speech. The talk was boilerplate, but the talk wasn't the point. The point was everything that happened before, and after.

That evening, for the first time, I had a sense of McKenna's character, of something true and fine in him. He and his friends make much of his Maritime roots, of his farm boy background, of his down-to-earth qualities and his Horatio Alger decency. It eventually sounds like myth at best and PR spin at worst—the man hangs with Clinton and the Bushes, parties with Matt Damon and can get Tony Blair on the telephone. But after Dexter's speech, I found myself hovering over the lavish spread on the food table, perhaps a little too eagerly. McKenna spotted me, left a group he'd been talking to, came over and asked, "Have you had enough to eat, Gerald?" I know that question. There is nothing more down-east than asking someone if they've had enough to eat, asking with a slight sense of anxiety in the voice, as if it were still conceivable that maybe you haven't. If you can still ask that question in that tone of voice, New Brunswick still lives somewhere deep inside you. It's not spin. He's not faking it.

It's clear that the opportunity for public service, unhampered by the committee-driven, stakeholder constraints of government, is the reason why McKenna is happy to work for a bank. He is TD's literacy champion, an initiative he created and which the bank funds (to the tune of \$10 million last year), and he's honorary chair of the Toronto Public Library Foundation's capital campaign. In 2008, TD donated \$47.2 million to charitable and not-for-profit organizations globally.

People close to him say that the time between his premiership and his appointment as ambassador to the U.S., that period when he worked in law and served on corporate boards, was lucrative but not personally satisfying. His son James, who runs Glenwood Kitchen, a custom cabinetry manufacturer he and Frank bought in Shediac, New Brunswick, says, "I don't think he was excited for the first few years after he left politics. I think he started getting back to his old self when he became ambassador, and then when he took the job at TD Bank, where they allow him a lot of freedom to do speaking and charity work, where he can make a difference. I think he's in a role right now where they understand his strengths. He's not a nine-to-five office kind of guy. He works for TD Bank, but he's definitely not a banker." Frank himself will tell you that he loves this job because it gives him the same thrill as his years in politics. He'll tell you that he would like to be increasingly involved in helping developing countries. And then he'll talk to you about Haiti.

In early September 2008, Haiti, the poorest country in the western hemisphere, suffered a hurricane double whammy that left thousands dead and many more thousands, especially children, at risk. OneXOne organized a rescue mission, and Frank McKenna was there, along with Matt Damon, Haitian singer Wyclef Jean and a team of seven or eight high-profile CEOs, handing out badly needed food and other necessities from the back of a truck.

They arrived by helicopter September 13 in the city of Gonaïves, and the scene, says McKenna, was devastating. The water was still high, and many people were living on the roofs of their flooded homes. The smell of death and decay was everywhere, and the stories, of babies snatched from their mother's arms by the rushing waters, were heartbreaking. In Haiti, Wyclef Jean, not Damon, was the real celebrity, provoking the most fervour from the hundreds queuing for food and fresh water. "They just wanted to touch him, because he was hope for them," says McKenna. "He was a Haitian who'd made it, and thousands listened while he spoke." Clinton saw a TV news interview with McKenna and Damon and decided to lend his support. Clinton called George W. Bush, leveraged a considerable amount of money out of the U.S. government, put the Clinton Global Initiative Foundation to work on the island and accepted the role of special envoy to Haiti. Since then, McKenna has been back, with the support of other business leaders, to talk with Haitian authorities about what can be done on a more permanent basis.

There seems little doubt that TD is a good, perhaps exemplary, corporate citizen. It is, however, a bank, and its primary mission is to make profits to divide among its shareholders. One might argue that its philanthropic and community work are merely a way of prettying up and balancing profit-driven transactions that pay slight heed to their associated human or environmental costs. I asked McKenna about that tension. He talked about the Alberta oil sands, surely one of the more controversial industries in the bank's lending portfolio. "We always have to seek balance," he said. "We work very hard at taking leadership on the environmental stewardship of our resource sector in Canada, but at the same time we have a large clientele in the oil sands sector. The bank has worked assiduously to try to find that balance. The research that we've done will be contributing to the public debate—of the impact on the country, the economy, our energy sector, but at the same time on our environmental footprint."

At the end of last October, two environmental agencies, the Pembina Institute and the David Suzuki Foundation, released a study, partly funded by TD, on the economic impact of reducing greenhouse gas emissions in Canada. The picture wasn't pretty, especially for Alberta and Saskatchewan. There has been much screaming and wailing from the resource sector since, and TD was careful to note in a press release that it does not endorse the report "or a particular target or set of policies related to GHG emissions."

That's either balance or waffling. McKenna had no hand in producing that report, and it's not clear how the bank will proceed, but I'm guessing that if anyone can keep TD on an ethical course, it's Frank McKenna.