

Think tank leads corporate-funded campaign to sway Canadians on Chinese trade

By Robert Fife and Steven Chase

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An Ottawa-based think tank, with ties to corporate Canada and the federal government, is spearheading a campaign to persuade Canadians to embrace a free-trade deal with China.

As Canada's negotiators ready for a third round of exploratory trade talks with China, the Public Policy Forum (PPF) is embarking on a two-year effort, bankrolled by major corporations, to change Canadians' minds about bilateral trade with the world's second-biggest economy.

Public-opinion surveys, conducted in April by Nanos Research for The Globe and Mail, found nearly nine in 10 Canadians are "uncomfortable" with the idea of China's large, government-controlled businesses gaining more access to Canada's economy – an almost inevitable aspect of any free-trade deal. The poll also found that 66 per cent of respondents want Ottawa to link human rights to trade talks.

The first quarterly meeting of the PPF'S Consultative Forum on China takes place in Ottawa on Wednesday and includes executives doing business with China, leading pro-free-trade advocates from academia as well as the head of the Canada China Business Council. Ian Shugart, deputy minister of Foreign Affairs, will address the gathering. Two high-ranking federal civil servants sit on the board of the PPF, an organization that advocates policies to promote good governance.

The conference is closed to the media. Edward Greenspon, a former editor-in-chief of The Globe, was in a "flurry of meetings" and unable to comment, according to spokesman Carl Neustaedter.

"The discussion might be a bit different if there were media in the room, but that doesn't mean at some point there wouldn't be," Mr. Neustaedter said. "But I think the group will probably talk about how will its findings and discussions be communicated."

Even before it opened exploratory talks on a free-trade deal with Beijing, the Trudeau government had expressed concern in briefing notes, prepared by the department of Global Affairs last year, that Canadians are "ill-informed and negatively biased" in their understanding of China.

The PPF, which recently completed a federally commissioned report on the state of the media, laid out its plans for China in a background paper about the need to "write a more sophisticated narrative for Canadians" to catch up with Australia and New Zealand, which have signed free-trade agreements with Beijing.

"They have forged ahead with free-trade agreements and secured competitive advantages for their economies, universities and workers. Now, Canada is looking at following their path," the PPF paper said.

"As part of any effort the Canadian government must gain a firm grip on Canadian views toward China. Any [free-trade] agreement with China will require a broad social and political consensus built on a solid foundation of support from different quarters."

Mr. Neustaedter said the forum wasn't trying to shape public opinion in favour of free trade with Beijing, but rather was seeking ways to engage with China on areas as diverse as the training of judges and the environment.

“I wouldn’t characterize it as everybody is for pro-free trade,” he said. “It is really about a wide engagement, a more nuanced engagement [rather than] simply pro or con, or human rights versus trade kind of thing.”

All of the people on Wednesday’s speakers’ list are known to be supporters of greater economic ties with China.

But Conservative MP Tony Clement said Canadians should be skeptical of the PPF’s efforts on behalf of Canada’s business establishment and the federal government.

“This organization is corporate Canada plus the Liberal Party in another guise,” Mr. Clement said. “They have a corporate and political agenda to have free trade with China, almost at any cost. I fear if they get their way, any complaints we have about human rights would be tucked under the carpet.”

The “prime” audience for the initiative is “the roughly half of Canadians who have not made up their minds and are open to weighing the arguments,” the background PPF paper said, while noting the challenges of overcoming Canadian apprehension about China. “For Canada to muster persuasive arguments at home in an age where elites do not enjoy a monopoly means facing up squarely to the obstacles to a full flowered relationship while working to mitigate them.”

Among the companies funding the China effort are Teck Resources, Bank of Montreal, Manulife, Canada Pension Plan Investment Board, Canadian National, Ernst & Young, TimberWest and Canpotex.

The PPF background paper cited a number of surveys that suggest Canadians are open to free trade.

One of them was an Abacus Research survey conducted in 2016 that showed 46 per cent of Canadians said they could be persuaded to support a closer relationship with China. The poll was paid for by Teck Resources, a Vancouver-based mining company with significant investment from a Chinese sovereign wealth fund that answers to the Communist government. A wholly owned subsidiary of China Investment Corp. owns 17.8 per cent of Teck’s Class B shares and has control over 7.5 per cent of shareholder votes. A member of the National People’s Congress of China, Quan Chong, sits on the Teck board of directors.

Other polls cited were conducted for the Asia Pacific Foundation, which has published articles in favour of free trade with China.

China’s new envoy to Canada Lu Shaye has called on Canada’s corporate elite to “actively introduce and explain to the Canadian public” the benefits to the country of signing a free-trade deal.

In speeches to business groups, Mr. Lu has expressed concern about negative Canadian public opinion and media editorials about opening up the Canadian economy to China, especially state-owned enterprises that often act in the interests of Beijing and are known to steal high technology.