

# ON THE EVE OF SECRETARY OF STATE CONDOLEEZZA RICE'S VISIT TO OTTAWA, CANADIANS ASSESS HER PERCEIVED MOTIVES AND THE SOFTWOOD LUMBER TRADE DISPUTE



**Ipsos Reid**

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## ON THE EVE OF SECRETARY OF STATE CONDOLEEZZA RICE'S VISIT TO OTTAWA, CANADIANS ASSESS HER PERCEIVED MOTIVES AND THE SOFTWOOD LUMBER TRADE DISPUTE

**Toronto, ON** – With Prime Minister Paul Martin set to play host to U.S. Secretary of State Condoleezza Rice as she makes her first official visit to Canada, a new CanWest News Service/Global News Ipsos Reid poll shows that most Canadians (60%) think her visit is really just a “public relations exercise” and not a genuine effort on behalf of the United States’ government to show that they care about trade and energy issues affecting our two countries (33% believe it shows a genuine effort to resolve these issues).

As context to the survey respondents were told that since May 2002, the United States has imposed about \$4 billion in tariffs on softwood lumber from Canada after producers there complained Canadian provinces charge companies below-market rates to harvest government-owned forests. In August, a North American Free Trade agreement panel ruled that the tariffs imposed by the United States violate the laws of the trade agreement between the two countries. But the United States is refusing to pay the tariffs back to Canadian companies affected and recently Prime Minister Paul Martin hinted to Americans in his speech to the Economic Club of New York that if the decision of the panel is not honoured and the money not repaid by the US government, Canada may start restricting oil and gas shipments to the United States and instead start providing it to other world market countries like China and India.

In support of Mr. Martin’s speech:

- Three in four (77%) Canadians indicate that Canada should restrict energy exports to the United States if the government there does not abide by the panel’s ruling; and



- 78% agree “the Canadian government should actively look for other markets like India and China for our softwood lumber and energy exports even though government officials in the United States say it could further damage the trade relationship between our two countries”.

Further, eight in ten (81%) disagree with the statement that “the U.S. is our best friend and a very secure market for our goods, and we should let them keep the \$4 billion and move on to other issues” (59% strongly disagree).

But despite the hard-line Canadians take when considering the trade panel’s ruling, they are dead split when it comes to accepting the U.S. government’s calls to the negotiating table. Half (48%) believe that, despite the ruling, Canada should sit down at the negotiating table and work something out for the sake of the two countries’ broader relationship. The other half (48%) feels that the Canadian government should refuse to negotiate and if the United States does not comply with the ruling we should take retaliatory trade actions against them even if it means damages to the overall relationship between our two countries.

Meanwhile, when Canadians are asked to consider Canada’s relationship with their neighbour to the south: 35% think Canada should have “ closer more friendly ties with the U.S.” (35%, -4 points from 39% in April 2004), 31% think there should be “no change to the relationship as it exist at all” (-1 point), and 31% think Canada should “have a more distant, more independent relationship with the U.S.” (+4 points).

Seventy-two percent agree that “I value and respect the United States and its Citizens – it’s just that I disagree fundamentally with their government” (48% strongly agree). Agreement with this statement is essentially unchanged from a November 2004 survey (70% agreed at that time).



*These are the findings of an Ipsos Reid poll conducted for CanWest/Global and fielded from October 18<sup>th</sup> to October 20<sup>th</sup> 2005. For the survey, a representative randomly selected sample of 1001 adult Canadians were interviewed by telephone. With a sample of this size, the aggregate results are considered accurate to within  $\pm 3.1$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within each sub-grouping of the survey population. These data were weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 2001 Census data.*

### ***Six In Ten Canadians (60%) Believe Ms. Rice's Visit Is Only A Public Relations Effort...***

When asked to consider the context of Ms. Condoleezza Rice's visit to Canada, the majority of Canadians (60%) say they believe that her "visit is just a big public relations exercise and President Bush and Ms. Rice really don't care about resolving issues between our two countries". One-third (33%) are less sceptical and feel that her visit is really a "genuine effort on behalf of President Bush to show that the United States government cares about issues such as trade and energy affecting our two countries and really wants to resolve them". The remaining 8% "don't know".

- Scepticism runs highest in British Columbia, where 67% believe her visit is just a PR effort, followed by Atlantic Canada (66%).
- Feelings that this is a genuine effort to resolve these bilateral issues run highest in Alberta (43%).
- Younger Canadians age 18-34 are more likely than those over the age of 35 to believe this visit is just a PR campaign (66% vs. 58%).



***Three-Quarters (77%) Feel Canada Should Restrict Energy Exports To The United States If That Government Does Not Abide By The Trade Panel's Ruling...***

Three-quarters (77%) agree with the statement that “Canada should restrict energy exports to the United States if the government there does not abide by the panel ruling and pay back the almost four billion owing to the softwood lumber industry in Canada” (53% strongly agree). One in five (20%) disagree with this statement.

- Agreement with this statement is relatively stable across the regions.

***Eight In Ten (78%) Agree That Even Though It Could Further Damage Our Trade Relations With U.S., We Should Look For Alternative Markets For Our Energy And Lumber Exports...***

Eight in ten (78%) agree with the statement that “the Canadian government should actively look for other markets like India and China for our softwood lumber and energy exports even though it could further damage the trade relationship between our two countries” (48% strongly agree). Nineteen percent disagree with this statement (9% strongly).

- Agreement with this statement is highest in British Columbia (84%), Atlantic Canada (83%), and Quebec (80%).
- Disagreement is highest in Saskatchewan/Manitoba (28%).

***Eighty-one Percent Don't Think That We Should Let The U.S. Keep The \$4 Billion And Move On To Other Issues...***

A strong majority of 81% disagree with the statement that “The U.S. is our best friend and a very secure market for our goods, and we should let them keep the \$4 billion and move on to other issues” (59% strongly disagree). The remaining 16% agree with this statement (6% strongly agree).

- Disagreement is highest in Alberta (88%) and British Columbia (86%).



- Agreement is highest in Quebec (19%).
- Canadians with an annual household income of \$30,000 or more are significantly more likely to disagree with this statement (85% vs. 72% among those with less than \$30,000 in annual household income).

***But Canadians Are Split About Negotiating: Half (48%) Believe We Should Sit Down And Talk/Half (48%) Think We Should Take Retaliatory Trade Measures...***

Despite their apparent hard-line when it comes to the NAFTA panel ruling, Canadians are split as to whether we should do what the U.S. government wants for the sake of our broader relationship and sit down at a negotiating table (48%), or whether our government should take retaliatory trade actions against the U.S. even if it damages the overall relationship between the two countries (48%).

- Those most receptive to the idea of sitting down to negotiate are residents of Atlantic Canada (53%) and Quebec (52%).
- Those most likely to believe we should take retaliatory trade actions are residents of British Columbia (56%).
- Men are more likely than women to believe we should take retaliatory trade actions (53% vs. 43%).

***Three Types Of Canadians: Those Who Want Closer Relations With U.S. (35%), Those Who Want No Change To Our Relationship (31%), And Those Who Want A More Distant/Independent One (31%)...***

When Canadians are asked to consider Canada's relationship with their neighbour to the south:



- One-third (35%) think Canada should have “ closer more friendly ties with the U.S.” (35%, -4 points from 39% in April 2004),
- 31% think there should be “no change to the relationship as it exist at all” (-1 point), and
- 31% think Canada should “have a more distant, more independent relationship with the U.S.” (+4 points).

As for demographics:

- Residents in Atlantic Canada (51%) and Saskatchewan/Manitoba (48%) are the strongest supporters of a closer more friendly relationship with the U.S.
- Residents of Quebec (36%) and Ontario (34%) would most like to keep the status quo in our relationship.
- Residents of British Columbia (39%) are the most likely to want a more distant relationship.

### ***Seventy-one Percent Agree They Value And Respect Americans, But They Disagree Fundamentally With Their Government...***

Seventy-one percent agree with the statement “I value and respect the United States and its citizens – it’s just that I disagree fundamentally with their government” (48% strongly agree). One-quarter (25%) disagree with this statement.

Level of agreement is essentially unchanged from a November 2004 survey (70% agreed at that time).

Agreement with this statement is highest:

- In British Columbia (83%), followed closely by Alberta (77%);



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- Those with a post secondary education (74% vs. 66%).

Disagreement is highest among those

- In Quebec (34%); and
- Those aged 55 and over (33% vs. 22% among those ages 18-54).

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