

*Contributions to the Kyoto Debate, No. 9:*  
The Credibility Wars take a Bizarre Turn  
(December 5, 2002)

by  
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*Overview*

During the week of December 2 an unusual story was reported in the media, involving a group called the Canadian Coalition for Responsible Environmental Solutions (CCRES), as well as the Investment Dealers Association of Canada (IDA). A letter drafted by someone acting on behalf of the CCRES, addressed (but not sent) to the Prime Minister of Canada, and purported as being from the chairman of the IDA, was leaked both to a reporter and to the Canadian Alliance Party. The IDA immediately denied any knowledge of the letter or involvement in its drafting. However, neither the CCRES, nor any of the business association members it represents, has provided the public with an explanation for its actions with respect to the preparation of this letter. I am calling upon both the CCRES and its coalition members to provide a satisfactory explanation to the Canadian public.

*The Story*

On Monday morning, 2 December 2002, the main front-page headline in *The Calgary Herald* read: "Kyoto faces U. S. backlash." The story, written by senior reporter Don Martin, opened with the following paragraphs:

Canada's leading investment dealers have secretly warned the prime minister of a powerful Wall Street backlash against Canadian ratification of the Kyoto protocol. The Investment Dealers Association of Canada surveyed 53 top equity analysts and portfolio managers in late October. Two-thirds warn that implementing the international climate-

control treaty will harm the Canadian economy and cause Wall Street to rethink energy-sector investments north of the border.

But in a confidential letter to Prime Minister Jean Chrétien, dated last Thursday and obtained by the Herald on the weekend, association chairman Terrance Salman implicated the PM in his plan to keep the survey under wraps, fearing its release would raise public anxiety against the contentious accord. “While the IDA has serious concerns about the economic impact of the Kyoto protocol on the Canadian economy, we will not be releasing the results of this survey publicly,” Salman wrote to the prime minister.... Salman urged Chrétien to halt the ratification debate until a full implementation plan has been developed.

The same story appeared that day on the front page of *The National Post*. It became the subject of many other media reports and was referred to in the House of Commons debates that day. The CTV.ca website repeated some of the quotations attributed to Mr. Salman.

Later on Monday the Investment Dealers Association of Canada’s press release stated:

An article by Southam News reporter Don Martin states that IDA chair Terry Salman wrote a letter to the Prime Minister concerning a survey of U.S. analysts regarding the potential impact of the Kyoto Protocol on Canada. In fact, no such letter was sent by Mr. Salman, or by anyone else at the IDA. The survey was not commissioned or paid for by the IDA,... We have never seen the letter described in the article and no such letter was drafted by the IDA.

Unfortunately, Canadian Alliance MPs were unaware of the IDA press release when they rose in the House that day during Question Period to berate the government. One of them, James Rajotte, stated that he had a copy of the letter and insisted on tabling it, but he did not get unanimous consent to do so. The two federal ministers who replied for the government, David Collenette and David Anderson, already knew about the IDA disclaimer.

The next day the following notice appeared as a “Correction” on page 2 of the *Post*:

A story that appeared in yesterday’s *National Post* incorrectly stated that the chair of the Investment Dealers Association of Canada, Terry Salman, had written a letter to Jean

Chr tien, the Prime Minister, about a survey of U.S. equity analysts and portfolio managers on the impact of the proposed ratification by Canada of the Kyoto Protocol. The story also incorrectly stated that the IDA had conducted the survey in question.

In fact, the Canadian Coalition for Responsible Environmental Solutions (CCRES) commissioned the survey and subsequently invited the IDA to take part in its dissemination, which the IDA was willing to consider. The CCRES drafted a letter to the Prime Minister but neither Mr. Salman nor anyone else at the IDA signed it, and it was not sent. The *Post* regrets the errors.

Curiously, the *Herald* appears not to have printed a correction. Its editorial that day simply attributed the survey to the CCRES, which is indeed the organization that commissioned it.

Also on Tuesday, December 3, Don Martin published an opinion column in the *Herald*, which was reprinted on the editorial page of the *Post*, in which he said:

Now the bloody “secret” letter sits on my desk looking like some paper-thin bovine patty with the Prime Minister’s name at the top, the name of the Investment Dealers Association chairman at the bottom and a thick slab of bull in-between.... The Canadian Coalition for Responsible Environmental Solutions decided to generate some serious gas discharges of its own and dreamed up the letter, pretended it was crafted by the investment dealers’ chairman, addressed it to 24 Sussex Drive and pledged to keep the whole ugly American investor reaction to Kyoto under tight wraps for fear it would spook the Canadian market.

Martin also wrote a separate article for the *Herald* on December 3, reprinted in *The Ottawa Citizen*, about the IDA’s reaction to the CCRES caper:

The Investment Dealers Association of Canada is accusing an anti-Kyoto business coalition of ethical misconduct after it drafted an unauthorized letter to the prime minister under its chairman’s name.... The move infuriated the IDA, which had not been consulted on any cover letter for the survey results, says president Joe Oliver. “A lawyer wouldn’t talk about a forgery unless there was pen to paper. But it’s clearly unethical for whomever wrote that letter,” he fumed Monday.

In this story Martin quotes a man named Doug Black, described as the “steering chairman” of the CCRES: “Mr. Black refused to identify the author of the letter. ‘We have people who do

this kind of thing.’” If there was any irony in his remark, it was probably unintended. It appears that the notorious letter was never sent to the Prime Minister. But if the other quotation attributed to Mr. Black – in a December 3 *Toronto Star* story by Peter Calamai and Les Whittington – is accurate, we at least have a glimpse of the deep strategic thinking that lay behind the CCRES caper: “‘We thought the IDA would be a more credible source for it (the letter) to come from,’ said coalition spokesperson Doug Black.”

A Canadian Press story by James Stevenson, appearing on the December 2 Online Edition of *The Globe and Mail*, quoted Peter Menzies, editor-in-chief of *The Calgary Herald*, as follows: “‘Near as I can tell, the reporter [Don Martin] was so well plugged in, he got a copy of the letter before Salman did,’ said Mr. Menzies. ‘And the IDA had changed its mind in the meantime, or declined, or wasn’t available on the weekend or something like that.’” One might compare this attempt to put a comforting spin on the notorious episode with the reaction of the IDA itself, as represented in the quotations from its president, Joe Oliver, cited earlier. I too think that this is a bit too serious to be dismissed as just an unfortunate little misunderstanding between the CCRES and the IDA.

To recall what Mr. Black of the CCRES said, “we have people who do this kind of thing.” What kind of thing? Prepare *this type of letter* to be sent to the Prime Minister of Canada? As Don Martin put it in his original article, “association chairman Terrance Salman implicated the PM in his plan to keep the survey under wraps, fearing its release would raise public anxiety against the contentious accord.” Actually, although at first the draft letter can appear to be just a kind of silly high-school prank, it is much more serious than that. I think

that the Canadian public ought not to allow this episode to disappear too quickly into oblivion, where at least some of the parties would like to consign it.

The wording of Don Martin's original article certainly appears to suggest that the draft letter sets up a trap for the Prime Minister of Canada. Let's assume for a moment that the letter had been sent, over a different signature, if we assume (as we must) that Mr. Salman – who had no involvement in its drafting – never had any intention of signing such a letter. So the Prime Minister's staff gets the letter and the attached survey report. Government officials just prepare a briefing note for the PM, and stop there. It's not their survey, and not their job to release it. Then a few days later someone else who was involved in commissioning the survey releases it, and also "discloses" that the PM has been aware of this "very damaging" information and has not revealed it.

Now, it may be objected that this is a fanciful or even paranoid reconstruction of a possible strategy. Fine, perhaps it is, but paranoia can develop in an information vacuum. So I invite the CCRES to fill us all in a bit more on the details of what was going on within their organization, as the draft letter was being prepared. First, the CCRES could release the text of the draft letter. Then perhaps we could have answers from the CCRES to the following questions:

1. Who was involved in drafting the letter?
2. Was the draft letter prepared on the letterhead of the Investment Dealers Association of Canada?
3. Who made the decision to leak the draft letter and the survey to Don Martin?

4. Who made the decision to leak the draft letter and the survey to the Canadian Alliance?
5. Did the CCRES intend to release the survey results to the public?
6. Did the drafter of the letter intend to mislead the Prime Minister of Canada about the planned release of the survey results?
7. Has the CCRES sent any other letters of a similar nature to the Prime Minister of Canada, or to any other person?
8. Has the CCRES drafted any other letters of a similar nature on behalf of other parties, with the purpose of having those letters sent to the Prime Minister of Canada?

What is the “Canadian Coalition for Responsible Environmental Solutions”? The website at

<http://www.canadiansolution.com> lists the “coalition members” as follows:

Alberta Chamber of Resources  
Alberta Chambers of Commerce  
Atlantic Provinces Chamber of Commerce  
Chambre de commerce des provinces de l’Atlantique  
Automotive Parts Manufacturers Association  
BC Chamber of Commerce  
Building Construction Trades Department, AFL-CIO, Canadian Office  
Business Centre on Environment/  
Centre patronal de l’environnement du Québec  
Business Council of British Columbia  
Canadian Association of Geophysical Contractors  
Canadian Association of Oilwell Drilling Contractors  
Canadian Association of Petroleum Landmen  
Canadian Association of Petroleum Producers/  
Association canadienne des producteurs de produits pétroliers  
Canadian Chamber of Commerce/  
La Chambre de Commerce du Canada  
Canadian Chemical Producers’ Association/  
Association canadienne des fabricants de produits chimiques  
Canadian Council for International Business  
Canadian Council of Chief Executives/  
Conseil canadien des chefs d’entreprise  
Canadian Electricity Association/  
Association canadienne de l’électricité  
Canadian Energy Pipeline Association  
Canadian Fertilizer Institute  
Canadian Manufacturers & Exporters/  
Manufacturiers et Exportateurs du Canada  
Canadian Plastics Industry Association /

Association canadienne de l'industrie des plastiques  
Canadian Steel Producers Association/  
L'Association canadienne des producteurs d'acier  
Canadian Trucking Alliance/  
Alliance canadienne du camionnage  
Chambre de commerce du Québec  
Independent Contractors and Businesses Association of BC  
Motor Coach Canada  
Ontario Chamber of Commerce  
Petroleum Services Association of Canada  
Propane Gas Association of Canada  
The Cement Association of Canada  
Association Canadienne du Ciment  
The Vancouver Board of Trade  
The Used Car Dealers Association of Ontario

No explanation for these strange events has yet appeared in a CCRES press release or on the CCRES website. In my opinion the CCRES itself, and every one of the business associations which make up its coalition membership, owe a duty to the public to make a public statement about these events. The public deserves an answer to the eight questions posed above.

I am sending a copy of this paper to the CCRES and to each of the coalition members, and also to a selected list of print media journalists. I will report on any responses received in a future paper.

Posted at: <http://www.leiss.ca>