

3.5 The Canada-U.S. Free Trade Agreement

Respondents were asked to give their impressions concerning the implementation of the Canada-U.S. Free Trade Agreement -- its short term impacts, consequences and longer term effects.

Generally, respondents believe that it is too soon to tell as to whether or not the Free Trade Agreement will be a net benefit or net loss. Most respondents believe that a 3-5 year time frame is needed to form an opinion. However, while it appears that judgementally, the "jury is out" during this time of "transition", many believe that there is a "good news vacuum" -- that more profile has been given to job loss and plant closures than to opportunities and Canadian businesses taking advantage of the new Canada-U.S. trade relationship. In this regard, the "measuring stick" for respondents tended to be local as opposed to national in nature.

It was noted that there appeared to be tangible regional respondent variations in terms of how respondents viewed the FTA a year after its implementation -- with the Maritimes in a "wait and see mode"; Montreal believing that Quebec would ultimately benefit from the FTA through economic self assurance, and that, on the whole, the effect had been balanced; Toronto respondents believing that the Free Trade Agreement was one, if not the most, negative elements for the future economy of Ontario and Canada -- with nothing but plant closures and a "slide-south" on "every front"; and in Vancouver, where a modestly negative view was tempered with a positive sense that Pacific rim trade opportunities would balance off most negative effects.

On the whole, while respondents acknowledged that the FTA in the longer term could yield some positive net results, it could also have deeper impacts on Canadian society, with the spectre that social programs could still be at stake.