

flood the Canadian market leading to lay-offs in the Ontario automotive industry. The communications challenge here is to first, at the appropriate time, define how, if at all, the Ontario cars and car parts sectors will be affected by free trade. As well, the reasons presented in the groups by those concerned about possible negative effects on the industry betray the fact that they perhaps have an incomplete or insufficient understanding of the structure of the North American automobile manufacturing industry as established by the 1965 Canada-U.S. Auto Pact.

On agriculture, those who had a view on the potential impact of free trade on the sector had very clear and firm views, expecting a very negative impact. Overall, however, a majority of participants in the Ontario groups did not have very clear or informed views about what the effect on the agricultural sector might be.

The main reasons why people did expect agriculture and farming to be worse off relate to certain perceived comparative advantages of the American industry. Issues such as the longer American growing season, the volume of production in U.S. agriculture and associated surpluses in various products, plus the existence of U.S. government subsidies, were all pointed to as likely to lead to the sector being worse off. These serious competitive pressures were in some cases seen to be threatening the viability of certain Ontario producers, particularly in the dairy and poultry sectors.

#### 1. Nova Scotia and British Columbia

Halifax participants thought the Canadian fish and fish products sectors would be better off; however, there were concerns expressed about possible increased American fishing in Canadian waters and the effect of this on the Canadian industry. As for shipbuilding, free trade was seen to likely have a positive effect on the sector. While the Canadian industry was seen as competitive in operational terms, there were some concerns about the sector's ability to compete with the American industry given its size and production volume.

As for British Columbia, participants in the Vancouver group overall felt the lumber and mining sectors would benefit, as would service industries in the province.