

Canada's Competitiveness

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cifically on the question of competitiveness — that have been detailed in *Trade Competitiveness Study—Final Report*, prepared for External Affairs and International Trade Canada by Angus Reid Group Inc.

The national sample for the telephone survey — the numbers were randomly generated by census division — included 1,500 Canadians, 18 years of age or older. The survey results are accurate within +/- 2.5 per cent at the 95 per cent confidence level.

Other findings among those polled were factors that most help Canada be competitive. They were:

- natural resources (21%);
- the quality of Canadian goods (9%);
- the value of the Canadian dollar (8%);
- Canada's relationship with the rest of the world (7%); and
- Canada's 'good reputation' internationally (7%).

On the other hand, a number of factors were identified as hindering Canada's competitiveness. They were:

- wage rates (8%);
- federal government (7%);
- lack of confidence (7%); and
- lack of risk taking (7%).

Very strong support (5.7 on a scale of 1 to 7) was registered for the suggestion that Canadian products are "as high quality as the products of our competition", while moderate support (5.0) was registered for the suggestion that "Canadian businesses are becoming more aggressive in selling to other countries", and comparatively less support (4.5) went to the assertion that Canadian businesses charge competitive prices in the international marketplace.

On structural issues in the economy (such as what we trade and how it affects our country's environment), respondents strongly (5.1) advocated a reduction in the export of natural resources in order

to preserve those resources for Canada's future use. (Notably, residents of resource-rich provinces were less agreeable to a reduction in the export of natural resources).

On labour issues, respondents strongly (5.2) believe that Canadian workers must work harder in order for Canada to be more competitive. As well, over two-thirds of the respondents (68%) said that businesses must spend more money themselves to sell their products internationally. However, when it comes to research

Eastern Europe offers Canada the greatest opportunities for selling our goods and services — with the ranking of manufactured goods (52%), natural resources (42%), and technology (24%) as the most effective potential exports to international markets.

Canada's greatest competition, the respondents noted, currently comes from the United States (47%) and Japan (37%), but 10 years from now, they predict a significant change, with the greatest international competition coming from Japan (33%), United States (25%), and Europe (23% — comprising Western Europe 15%, the Soviet Union and Eastern Europe 8%).

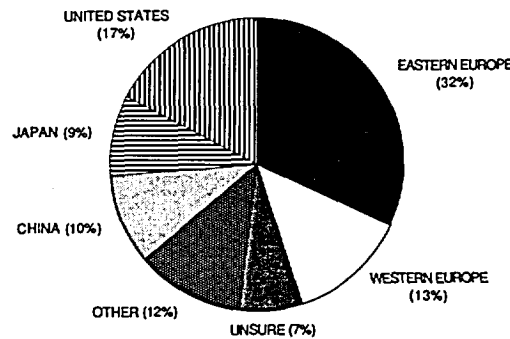
Interestingly, Canadians (56%) are more likely to feel that Canadian business and industry, rather than government, should take the lead in developing international trade opportunities. As well, two-thirds of Canadians believe, either strongly (25%) or moderately (42%) that, because of changes in the global economy, governments — including Canada — have less and less control over their individual economies, regardless of what they try to do.

As to the Free Trade Agreement, the survey shows that it is supported by a slim majority (50%) and opposed by 44% of those surveyed. "This figure," the study notes, "represents an increased support for the Free Trade Agreement in comparison to previous Angus Reid Group Poll results."

While relatively few (9%) Canadians feel there has been any benefit to date from the FTA, they feel that, over the long term, the FTA will benefit (44%) rather than hurt (40%) Canada.

In conclusion, the survey found that a majority (86%) believes that international trade may result in greater foreign ownership of the Canadian economy and that tight controls on foreign ownership are necessary to retain control of our economy — regardless of any benefits we might accrue (76%).

Countries Perceived to Provide the Greatest Opportunity in the Future for Canadian Exports



and development, about half (46%) felt that the government should provide subsidies for businesses to produce new and better products.

To remain internationally competitive, those polled said they would accept as either "somewhat necessary" or "completely necessary" the following changes (listed in increasing order of necessity) in current working conditions and benefits:

- keeping wage demands down (65%);
- changes in government social programs (71%);
- job relocation to another city (79%); and
- job retraining (94%).

While most Canadians (69%) view the United States as our current major trading partner, 32% believe that, in the future,