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REPORT TO
THE DEPARTMENT OF EXTERNAL AFFAIRS
ON ATTITUDES TOWARD THE
CANADA - U.S. FREE TRADE AGREEMENT

AUGUST 1988

#3259

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Decima Research

DECIMA

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I. INTRODUCTION

Decima Research is pleased to present this report to the Department of External Affairs (DEA)) on the results of a nation-wide survey conducted between August 25 and August 29, 1988. The survey probed attitudes and perceptions regarding the Canada-U.S. Free Trade Agreement (FTA) among a disproportionate, randomly selected sample of 1,500 Canadian adults. The disproportionate sample was used so that a minimum of 100 interviews would be conducted in each province of the country. This would facilitate interprovincial comparisons of Canadians' attitudes on the various issues relating to Canada-U.S. free trade explored in the survey.

The report is structured in the following manner. Following the Introduction, Chapters II and III present a discussion on Canadians' overall levels of awareness, understanding and familiarity with the Agreement, together with an analysis of the current levels of support and opposition to the Agreement. Sections IV and V discuss Canadians' perceptions of various economic and socio-political effects of the FTA. The next section explores the opinions of how the federal government is perceived to have handled the issue of free trade.

Section VII analyses views on which opinion leaders people are relying on most with respect to free trade. This is followed by a discussion of Canadians' attitudes toward the effects of the Free Trade Agreement on Canada's fresh water resources. Preceding the "Summary and Conclusions" segment of the report, Chapter IX presents an overview of the major demographic differences in opinion regarding each of the issues explored in the survey.

A regional analysis of the data has been completed and the significant differences are noted where appropriate.

Reference is made throughout the report to results from previous surveys of Canadians' attitudes toward the FTA conducted for the Department by Decima Research. This structure permits the identification and analysis of the differences of opinion in the most recent survey results.

II. ATTENTIVENESS AND UNDERSTANDING OF THE CANADA-U.S. FTA

A. Attentiveness and Understanding

Overall, as Table 1 shows, Canadians feel free trade with the United States is a complex issue. Although almost half (46%) of the survey respondents feel that they are following the free trade discussions with the United States closely, only 28% feel that they understand the issue as well as they would like to.

Table 1

ATTENTIVENESS AND UNDERSTANDING

	JUNE 1987 %	AUGUST 1987 %	OCTOBER 1987 %	MAY 1988 %	AUGUST 1988 %
FOLLOWING DISCUSSIONS ON FREE TRADE					
Closely	41	42	56	46	46
Not closely	59	59	44	53	54
UNDERSTAND THE ISSUE AS WELL					
Yes	24	25	N/A	28	28
No	76	75	N/A	72	71

Note: Numbers may not add to 100% due to rounding.

Table 1 also shows that over the past 14 months, Canadians have become only marginally more attentive to the discussions about free trade with the United States. Only the October 1987 survey, when the deal was first signed, records a greater proportion of the respondents indicating that they were following the discussions closely (56%). Results from both the May 1988 survey and this survey show that the percentage of respondents who say that they are following the free trade discussions closely has fallen 10% since October 1987.

One possible reason for this apparent lack of attentiveness to the free trade discussions may be that many Canadians are uncomfortable with their present level of understanding of free trade. As has been stated above, only 28% of respondents feel that they

understand the issue as well as they would like to. While there has a been a slight increase since June 1987 in the percentage of respondents who do feel they understand the issue as well as they would like to, there has been virtually no change since the last sounding taken in May.

Not surprisingly, Canadians who say they understand the issue are more likely than average to say they are following the discussions closely (63%).

The only area of the country in which respondents' opinions appear to differ from the Canadian average with respect to these responses is Toronto. A higher than average percentage of Torontonians claim to be following the discussions on free trade very closely (22%), and feel they understand the issue of free trade as well as they would like to (36%).

III. FAMILIARITY AND SUPPORT

A. Familiarity With the Contents of the Deal

The August survey results continue to show that a high percentage of Canadians are unfamiliar (70%) with what is contained in the Free Trade Agreement with the United States.

As Table 2 illustrates, this situation has not improved over the past year, and there is some indication that familiarity with the contents of the FTA has actually deteriorated. This deterioration is most notable in terms of the intensity of opinion. One-in-five Canadians now say that they are "not familiar at all" with the contents of the deal compared to only one-in-ten (11%) who indicated this in October of 1987.

Table 2

FAMILIARITY WITH THE CONTENTS OF THE CANADA-U.S. FREE TRADE AGREEMENT

* Key: I) Wave I Nov 12-19, 1987 II) Wave II Nov 25-Dec 4, 1987
III) Wave III Dec 8-16, 1987

	OCTOBER 1987 %	NOVEMBER/DECEMBER I %	II %	III %	MAY 1988 %	AUGUST 1988 %
FAMILIARITY WITH WHAT IS CONTAINED IN AGREEMENT						
Very familiar	5	4	3	2	3	4
Familiar	31	31	28	28	28	27
Not familiar	52	53	55	55	51	50
Not familiar at all	11	12	14	14	17	20

* Key applies to all tables throughout report.

Consistent with the May results, those respondents who indicate that they are familiar with the contents of the free trade deal are more supportive (60%) of the deal and are more intense in their support (17%, strongly support) than are those who are not familiar with the deal's contents.

B. Support/Opposition to the Free Trade Agreement

The overall support levels for the FTA have remained unchanged since December 1987. As Table 3 illustrates, the variations in support levels have occurred on the regional level as opposed to the aggregate national level. Among Canadians overall, the real movement has been among those who oppose the deal.

Table 3

SUPPORT FOR FREE TRADE BY REGION

	JUNE 1987 %	AUGUST 1987 %	OCTOBER 1987 %	NOV/DEC 1987 I %	NOV/DEC 1987 II %	NOV/DEC 1987 III %	MAY 1988 %	AUGUST 1988 %	CONFIDENCE INTERVAL ±%
GOOD IDEA/ SUPPORT FREE TRADE AGREEMENT									
National average	50	50	48	46	46	51	51	50	3.4
British Columbia	63	52	57	62	59	64	45	50	8.7
Prairies	47	50	49	44	49	50	50	46	5.8
Ontario	41	37	37	33	32	35	40	39	5.8
Balance of Ontario	38	34	35	33	32	32	39	39	6.8
Toronto	47	43	42	33	32	42	42	39	10.3
Quebec	52	64	59	56	55	65	67	64	5.8
Atlantic region	51	45	49	48	48	49	51	48	5.0

Opposition to the FTA has declined from 43% in May to 39% in August, while support is unchanged. While this decline does not represent a major shift in public attitudes toward the deal, it does appear to indicate that the volatility of the opposition to the deal is somewhat greater than is the support. The current drop in opposition has not lead to an increase in support for the deal, but has meant that a greater number of respondents in August as compared to past surveys appear to have taken a more neutral stand on the FTA. This situation is indicated by the increase of 5% since May 1988 in the number of people who say they have no opinion about the FTA.

Notably, there has been no change in the percentage of respondents who strongly oppose (11%) the FTA despite the decline in the overall opposition.

As has been the case in the results from past surveys, there are a number of distinct regional variations in the support level for the FTA. The distinctions, however, have remained for the most part unchanged over the past few months.

Notable changes in the regional levels of support for the deal are as follows:

o After an apparent steep decline in the levels of support for the FTA in British Columbia was recorded from December 1987 to May 1988 (64% to 45%), an increase in the support levels has emerged in this survey (50%). Although this level of support is still not what it was in late 1987, it does represent somewhat of a rebound toward previously recorded levels.

o There has been a slight decline since May in the support levels for the Free Trade Agreement in the Prairies; however, this has occurred mainly in Manitoba (36% vs 43% in May) and to a lesser degree in Saskatchewan (41% versus 45% in May). A higher than average level of no opinion exists in both provinces (16% and 17% respectively). The majority of respondents in Alberta still support the FTA (59%).

o Support for the FTA in Newfoundland continues to decline. Since June of 1987 support for the FTA in the province has dropped from 64% to just 49%.

o Quebec residents continue to be the most supportive (64%) of the deal, while Ontarians are still the least supportive (39%).

C. Likelihood of Changing Present Opinion of the FTA

When asked how likely they think it would be that they would change their current opinion on the FTA, 58% of respondents indicate that they are "not likely" to change their view. More than one-in-five respondents indicate that it is "not likely at all" that they would change their opinion of the deal. The percentage of Canadians who indicate that they are likely to change their present opinion has declined slightly since May (37% in August vs 41% in May). Overall, however, the likelihood of Canadians changing their opinion of the FTA has remained unchanged since May.

As in May, current survey results appear to show that the supporters of the deal continue to be more likely than the opponents to change their opinion of the deal. In reality, however, and as has been suggested above, this has not been the case since May. The results would suggest that in fact the opposite is the case, as opposition to the deal has declined (causing an increase in the percentage of respondents with no opinion on the FTA), while support has remained unchanged from May.

D. Likelihood of Supporting the FTA if it Benefits Canada More Than it Does Your Own Province

Consistent with the May results, it would appear that Canadians have become more self-interested over the past year, at least with respect to the potential effects of the FTA. Support for the deal, if respondents were told it would benefit Canada more than their own province, is lower than it was in June of 1987 (44% in August 1988 versus 51% in June 1987). As Table 4 shows, this self-interest is more prominent in some provinces than it is in others.

Table 4

FREE TRADE SUPPORT IF AGREEMENT BENEFITS CANADA MORE THAN YOUR PROVINCE

	JUNE 1987 %	MAY 1988 %	AUGUST 1988 %
Canada	51	41	44
British Columbia	63	54	44
Prairies	52	46	49
Ontario	54	44	51
Quebec	44	30	32
Atlantic	50	36	36

The regional analysis identifies Quebec respondents as the most self-interested of Canadians in the above context. Although they remain the most supportive (64%) of the deal overall, they would be least supportive (32%) of the deal if it were to benefit Canada more than Quebec. Atlantic Canadians seem to display similar levels of self-interest.

Also of note is that Ontario respondents, who are the least supportive of the FTA, appear to be the least self-interested, with 51% supporting the deal if it were to benefit the rest of the country more than than it would Ontario.

E. Perceived Importance of Passing the FTA Legislation Before January 1st, 1989

Results for a question asking how important it is that the FTA legislation be passed before the January 1, 1989 deadline, have a distribution that is very similar to that of the basic support and opposition question. Overall, Canadians appear to be only slightly more likely to say that it is important (53%) to meet the deadline as they are to say it is not important (46%).

Not surprisingly, 72% of those who support the deal believe that passing the bill before the deadline is important, while 67% of those who oppose the bill feel it is not important.

IV. ANTICIPATED EFFECTS OF FREE TRADE

A. General Views

Respondents' views as to the anticipated effects of the FTA were probed through the presentation of a series of statements presenting possible consequences of the FTA. Respondents were asked to indicate their level of agreement or disagreement with each statement on a scale between -5 and +5, where +5 meant that they strongly agree with the statement and -5 meant they strongly disagreed with the statement.

The aggregate results for two of these statements appear in Table 5.

Table 5

GENERAL PERCEPTIONS OF THE FTA

	PERCENTAGE AGREE		GAMMA CORRELATION	
	May %	August %	May	August
Canada may become more like the States in some areas, but Canadians themselves will not become like Americans as a result of free trade	66	66	.576	.539
The Canada-U.S. Free Trade Agreement is nothing more than an economic agreement between the two countries	--	56	--	.472

As Table 5 suggests, a majority of Canadians (66%) continue to agree that the FTA will not mean that Canadians will become like Americans. This result is unchanged from the May 1988 finding. Only 25% of respondents disagree with this statement, and concomitantly, these respondents are considerably more likely to oppose (64%) the FTA.

August survey respondents were asked whether they agree or disagree that the Canada-U.S. FTA is only an economic agreement between the two countries. A small majority (56%) of Canadians agree that this is indeed the case.

One-in-three Canadians disagree that the deal is only an economic agreement, a result that perhaps bellies the concerns of these people about the deal's potential effects on Canadian sovereignty. In fact, those who disagree with this statement are disproportionately found among the respondents who oppose (61%) the deal.

B. Overall Economic Effects

As has been stated in previous research, Canadians' opinions about the FTA are centred around two criteria: the perceived economic effects of the deal; and the expectations of the deal's effects on Canada's independence and sovereignty. The results for the August survey indicate that these continue to be the main determinates of support or opposition to the FTA.

One of the ways in which the perceived economic effects are probed is through a series of questions which seek to determine the respondents' perceptions of the effects of the deal on the national and provincial economies, as well as on individuals' own economic well-being. Aggregate results for these questions from November 1987 through August 1988 appear in Table 6.

Table 6

PERCEIVED ECONOMIC EFFECTS OF CANADA-U.S. FREE TRADE

THE FREE TRADE AGREEMENT IS A GOOD THING FOR...	PERCENTAGE SAYING GOOD THING: Nov/Dec I %	Nov/Dec II %	Nov/Dec III %	May 1988 %	August 1988 %	Current Gamma* Correlation %
The Canadian economy	53	56	58	58	59	.904
Your provincial economy	53	55	57	57	59	.902
Economic well-being of you and your family	56	55	59	60	58	.898

* The larger the Gamma statistic the more closely associated the two attributes, with a perfect correlation being +1.0 or -1.0. The plus/minus sign indicates the direction of association.

The results show that there continues to be a consistent majority of respondents who feel that the effect of the Agreement will be positive for the national economy (59%), their provincial economy (59%) and for the economic well-being of themselves and their family (58%). These results have remained virtually unchanged since December 1987.

As has been reported in the findings from previous waves of the research, these perceived economic effects of the deal are strongly related to support and opposition to the Agreement. Illustrating this association are the high Gamma (FN for WP) measures (indicated in Table 6) that were obtained for the association between those who support or oppose the Agreement and expectations as to the deal's effects on the Canadian economy (.904), the respondents' provincial economy (.902), and the respondents' personal economic well-being (.898). As these Gamma measures suggest, there is almost a perfect relationship between perceptions of economic effects of the Agreement and support or opposition to it.

Regional differences do exist in the above results. Those respondents living in Ontario and Quebec exhibit the greatest variance from the average. Quebec respondents are considerably more optimistic about the deal's effects on the national economy (74% say deal would be good) and on their provincial economy (72%). In terms of the FTA's effects on personal economic well-being, 70% of Quebecers feel that the deal will be a good thing. Alberta residents also show a greater likelihood of saying that the free trade deal will be good thing for the Canadian (68%), and their provincial economy (71%), as well as their own personal economic well-being (69%).

The area of the country in which respondents appear to have remained less than convinced that the deal will be a good thing economically is Ontario. An equal number of Ontarians indicate that the deal will be a bad thing (48%) for the national economy as indicate it will be a good thing (48%). Ontarians are also more likely to say that they feel that the deal will be a bad thing for both their provincial economy (47%) and their own economic well-being (42%).

While none of the above regional variations is a new finding (similar results exist in each of the previous waves), there is one area of the country where some "new" variations in

respondents' opinions have occurred. In Manitoba, the number of respondents who now believe that the deal will be good for either the nation's economy (48%) or for their provincial economy (35%) has dropped since May (from 55% and 57% respectively).

Despite this drop in the percentage of respondents who feel that the deal will be a good thing, there has not been an increase in the number of respondents who feel the deal will be a bad thing for either the national or their provincial economies or for themselves. Instead, a large number of Manitoba respondents have "no opinion" to each of the three questions dealing with expectations of economic effects. This finding seems to be in line with the increase in no opinion found to exist on the ballot question for free trade as indicated earlier. It also further underlines the linkage between the anticipated economic effects of free trade and support or opposition for the deal.

C. Securing Canada's Future

One of the new questions that was tested in May 1988 asked respondents whether or not they agreed that the FTA will help secure Canada's economic future. As Table 7 below suggests, a slim majority of respondents in both May and August agree with the statement. Not surprising is the fact that fully three-quarters of those who agree with this statement are also supporters of the Canada-U.S. Free Trade Agreement.

Table 7

THE FTA AND CANADA'S ECONOMIC FUTURE

	PERCENTAGE AGREE	
	May 1988 %	August 1988 %
Over the long run, the Canada-U.S. free trade deal will help to secure Canada's economic future	52	56

Overall, a slim majority of Canadians have positive perceptions of the deal's general economic effects on a national, provincial and personal scale and tend to agree that it will help Canadians, economically, in the future. Regionally, Ontarians continue to be less optimistic of the deal's potential effects, while Quebecers remain more likely to believe the effects will be economically beneficial.

D. Specific Anticipated Effects

While a majority, albeit a slim one, anticipate positive general effects of the FTA, perceptions of specific possible outcomes or consequences of free trade are not, in every case, so positive. As in May, and in previous surveys respondents were asked to consider a number of possible outcomes or consequences of free trade and asked to indicate the extent to which they feel these outcomes are likely to occur. The responses to these statements appear in Table 8, which also includes data from previous surveys conducted over the past year.

Table 8

ANTICIPATED EFFECTS OF FREE TRADE -- AGGREGATE RESULTS

	PERCENTAGE SAYING SOMEWHAT LIKELY/VERY LIKELY						
	August 1987 %	October 1987 %	November/ December I %	II %	III %	May 1988 %	August 1988 %
Whether we will be able to maintain current government programs such as UI and health insurance	66	72	69	67	71	67	68
Whether Canadian businesses will be capable of taking advantage of any opportunity that free trade with the States offers	--	--	--	--	--	--	68
Whether prices for most consumer goods in Canada will generally be lower	66	71	66	69	71	66	63
Whether our economy will become so closely tied to the U.S. economy that we gradually lose our ability to make our own decisions	68	63	64	63	59	62	59
Whether overall there will be more jobs gained than lost in Canada	54	51	47	50	51	49	49
Whether many American companies will close their plants in Canada	41	38	41	41	39	39	40
Whether Canadians will have higher incomes than they do now	32	26	23	27	24	26	26
The poorer regions of the country would be better off under the FTA than they otherwise would be	--	--	--	--	--	40	42

This table presents a number of results that have remained for the most part constant over the past year. It also shows the results to a new statement used for the first time in this survey. The major findings of note are as follows:

o Concerns over whether current social programs such as unemployment insurance and health insurance continue to be minimal, as 68% of respondents feel that these programs are likely to be maintained.

o Although no previous survey results are available to make comparisons against, a clear majority (68%) of respondents feel that it is likely that "Canadian businesses will be capable of taking advantage of any opportunities that free trade with the United States offers."

o As in previous surveys, about two-thirds of all Canadians believe the prices of consumer goods will likely fall under free trade.

o On the less positive side, Table 8 shows that a majority of Canadians (59%) are concerned about the likelihood of the Canadian economy being so closely tied to the American economy that Canada's independence will gradually erode.

o There remains an equal division between those who think it is likely (49%) and those who think it is unlikely (48%) that the number of jobs which are produced by free trade will be greater than the number of jobs that will be lost.

o A slight majority (54%) of Canadians feel that it is unlikely that the free trade deal will mean that "the poorer regions of the country will be better off than they otherwise would be." This result has for the most part remained unchanged since the May survey.

o Finally, most respondents do not see either American branch plants in Canada closing as a result of the Free Trade Agreement as a likely (40%) outcome of the deal or that they will have a higher incomes (26%).

To determine whether or not respondents' impressions of the likely or unlikely results of the free trade deal have a major or minor impact on their overall assessment of the FTA, a statistical analysis technique know as multiple regression analysis was applied. Table 9

identifies the correlation between the perceived likelihood of each consequence and support or opposition to the deal. Also listed are the Gamma correlations for each consequence which have been obtained from the crosstabular analysis.

Table 9

ANTICIPATED EFFECTS OF FREE TRADE -- CORRELATION ANALYSIS

	CORRELATION GAMMA						CORRELATION COEFFICIENT					
	Oct. 1987	Nov./Dec I	II	III	May 1988	Aug. 1988	Oct. 1987	Nov./Dec. I	II	III	May 1988	Aug. 1988
Whether we will be able to maintain current government programs such as UI and health insurance	.459	.551	.525	.550	.574	.577	.069	.179	.123	.092	.106	.109
Whether prices for most consumer goods in Canada will generally be lower	.324	.320	.306	.336	.389	.427	.076	.079	.060	.046	.083	.110
Whether our economy will become so closely tied to the U.S. economy that we will gradually lose our ability to make our own decisions	-.648	-.708	-.702	-.739	-.715	-.685	-.201	-.200	-.205	-.258	-.253	-.256
Canadian businesses will be capable of taking advantage of any opportunities that free trade with the U.S. offers	--	--	--	--	--	.530	--	--	--	--	--	.097
The poorer regions of the country would be better off under the FTA than they would otherwise be	--	--	--	--	.609	.649	--	--	--	--	.135	.114

Table 9 -- Continued

	CORRELATION GAMMA						CORRELATION COEFFICIENT					
	Oct. 1987	Nov./Dec. I	II	III	May 1988	Aug. 1988	Oct. 1987	Nov./Dec. I	II	III	May 1988	Aug. 1988
Whether overall there will be more jobs gained than lost in Canada	.622	.662	.630	.632	.690	.699	.181	.224	.174	.175	.176	.248
Whether many American companies will close their plants in Canada	-.292	-.337	-.388	-.427	-.331	-.374	NS	***	***	***	***	-.085
Whether Canadians will have higher incomes than they do now	.462	.534	.560	.526	.537	.504	.057	.109	.153	.145	.061	.063

* Each issue statement was correlated with overall support for the Free Trade Agreement. The larger the Gamma statistic, the more closely associated the two attributes.

** The standardized regression co-efficient indicates the nature of the relationship between each possible consequence and overall support for the Free Trade Agreement. The larger the number, the more closely associated that particular variable is to attitudes toward the Free Trade Agreement.

*** Indicates that the relationship between the independent variable and attitudes about the Free Trade Agreement is statistically insignificant.

The data in Table 9 reveal a continuation of the strength of association between those who support or oppose the deal and those perceived economic and independence effects of the Agreement which had been reported in previous surveys. Other observations of note from the table are as follows:

o As has been the case in the past, the most important consequence for the public in terms of their assessment of the free trade deal, is whether it would tie Canada's economy so close to the U.S. economy that Canada would gradually lose its ability to make its own decisions.

- The second most important consideration of the public in assessing the FTA appears to be the concern over whether there will be more jobs gained than lost in Canada as a result of free trade with the U.S. The strength of this consideration as a determinant of support and opposition to the FTA appears to have taken on a greater degree of importance since May.

- Concern over whether or not the country's poorer regions will be better off under the FTA than they otherwise would be has also become a major consideration for the public in their assessments of the Agreement.

The strength of association of most/of the other consequences with support or opposition to the FTA has remained basically unchanged from the previous survey.

E. Regional Differences in Anticipated Effects

The main regional differences in respondents' perceptions of the likelihood of the above anticipated effects exist mainly in Quebec and Ontario. Some Prairie residents also express different perceptions of the likelihood of certain consequences than do Canadians on average.

A summary of the major differences of opinion in these areas are listed below:

Ontario -- As has been the case in each of the surveys, Ontarians display a greater degree of pessimism about the deal's possible economic effects:

- While the percentage of Canadians who think that there will be more jobs gained than lost as a result of free trade has remained relatively constant since October 1987, the percentage of Ontario residents feeling this way has steadily grown (from 39% to 44%). Although this is still less than the national average, it does represent a narrowing of the "gap" between Ontario residents' opinions and those of Canadians on average.

- o The intensity with which Ontario residents express their perceptions of the possible results of the FTA differ in a number of cases from those of Canadians overall. While 31% of Canadians on average think that higher Canadian incomes are a very unlikely outcome of the Free Trade Agreement, 44% of Ontario residents feel this way.

- o Ontario residents are also more apt than Canadians overall to indicate that it will be very likely (45% vs. 34%) that the free trade deal will mean that the Canadian economy will become so closely tied to the American economy that Canada will gradually lose its ability to make its own decisions.

Quebec -- The residents of Quebec continue to be the most optimistic about the effects of the Free Trade Agreement. The percentage of Quebecers who feel that it will be likely that there will be more jobs gained than lost as a result of the Agreement remains higher than average (56% vs. 49%). Quebecers are also more apt to feel that the FTA will likely (32%) bring about higher incomes for Canadians.

Prairies -- Similar to the results of the most recent surveys, a higher than average number of Prairie respondents say they believe that it will be unlikely (64%) that U.S. plants in Canada will close. At the same time, eight-in-ten Prairie residents -- compared to only seven-in-ten Canadians -- feel that it will be unlikely that the Agreement will result in higher Canadian incomes.

V. ECONOMIC AND INDEPENDENCE ISSUES

A. Overview

As indicated above, the past surveys have shown that the public is swayed by two main determining factors when deciding to support or oppose the FTA. These two considerations are:

1. Economic effects -- the perceived effects of the Agreement on the Canadian and provincial economies and in particular the possible effects on jobs in Canada; and

2. Canadian Independence and Identity Concerns -- whether Canadians will retain their ability to make their own decisions.

This section of the report discusses the results of the questions that probed the various perceived effects of the free trade deal on Canadian economics and independence.

B. Jobs versus American Influence

One of the questions that has been asked of respondents in each of the surveys conducted over the last year probed the public's perceptions on whether the jobs that may be produced by the Agreement are more important than limiting the degree of American influence on the Canadian economy.

The results for this question over the past year are displayed in Table 10.

Table 10

JOBS AND AMERICAN INVESTMENT

	JUNE 1987 %	AUGUST 1987 %	OCTOBER 1987 %	NOV./DEC. I %	NOV./DEC. II %	NOV./DEC. III %	MAY 1988 %	AUGUST 1988 %
The jobs which may be created by increased American investment in Canada are <u>not as important</u> as limiting American influence in the Canadian economy	41	41	39	38	35	35	34	38
The jobs created by increased American investment in Canada are <u>more important</u> than limiting American influence in the Canadian economy	59	57	59	58	62	62	56	56

* No opinion not shown.

A perusal of Table 10 would suggest that the public is more likely (56%) to feel that the jobs that are potentially going to result from free trade are more important than restricting American influence on the Canadian economy. This opinion has remained relatively constant over the past year. It would appear that the number of Canadians who feel that the jobs created by increased investment by American companies as a result of free trade are not as important as restricting American influence on the Canadian economy.

Not surprising, those who feel that jobs are more important than restricting American influence on the country's economy are also more supportive of the FTA. At the same time, opponents of the deal are more likely to believe that jobs are not as important as restricting the American influence in this country.

Although the past surveys have shown some major regional differences in the way respondents answered this question, these differences appear to have largely dissipated. Previously, the number of Atlantic Canadians who felt that the jobs which may be created by free trade are more important than restricting American influence was

disproportionately high. The current results show, however, that this trend has only continued in Newfoundland (67%). Residents of Metro Toronto continue to be more likely to believe that the jobs which may be created by free trade are not as important (52%) as restricting American influence on the Canadian economy.

Given that the current unemployment rate in the country is highest in Newfoundland and lowest is in Toronto, the above results are not unexpected.

C. Free Trade and Canadian Independence

To further ascertain Canadians' opinions about how they feel the FTA will affect Canada's independence, the survey asked respondents whether or not the FTA would strengthen or weaken Canada's ability to play an independent role in the world. As Table 11 illustrates, Canadians' opinions on this issue have not changed to any great degree over the past year or so.

Table 11

FREE TRADE AND CANADIAN INDEPENDENCE

	OCTOBER 1987 %	NOV./DEC. I %	NOV./DEC. II %	NOV./DEC. III %	MAY 1988 %	AUGUST 1988 %
INDEPENDENCE						
The Free Trade Agreement will...						
Strengthen Canada's economy and thus enable it to continue to play an independent role in the world	43	38	40	42	42	45
Tie Canada so closely to the U.S. that it will weaken our ability to play an independent role in the world	56	61	59	58	56	53

These data show that the public is split fairly evenly on this matter. Slightly less than half (45%) of Canadians feel that the deal will enable Canada to continue to play an independent role in the world by strengthening its economy. Just over half (53%) of Canadians think that the deal will weaken Canada's ability to act independently in the world as the country will be tied so closely to the United States.

Consistent with the results of previous surveys, views on this question are strongly related to overall support for the deal. Fully eighty percent (80%) of those who feel that the deal will strengthen Canada's role in the world also support the deal. Two-thirds of those who feel that the Agreement will weaken the country's ability to play an independent role in the world oppose the agreement.

D. Effect of the FTA on the Canadian Identity

The extent to which the public is concerned about the Agreement's effects on Canadian identity was measured by asking respondents whether they feel that:

1. We should not have free trade because it will mean the end of those government measures that protect Canadian identity; or,

2. We should be confident enough about the FTA because Canada's identity is now strong enough that it no longer needs as much protection through government measures.

The aggregate results are shown in Table 12.

Table 12

EFFECT OF THE FTA ON CANADIAN IDENTITY

	OCTOBER 1987 %	MAY 1988 %	AUGUST 1988 %
We should not have free trade because it will mean the end of some of those government measures which protect Canada's identity and make us different from the U.S.	44	45	43
Other people say that we should be confident enough about the Free Trade Agreement because Canada's identity is now strong enough that we no longer need as much protection though government measures	56	53	55
No opinion	--	2	2

The results are once again split similar to basic support and opposition for the deal. Those who believe that Canada's identity is strong enough that the deal will not affect it are more likely (76% versus 50%) to support the deal. One the other hand, those who think the Agreement will mean the end of those measures that keep our identity strong being more likely (74% versus 40%) to oppose the deal. The results also exhibit the same degree of stability as the support and opposition numbers have over the past few surveys. These results further underline the strong relationship between perceptions of the FTA's effects on Canadian independence and support or opposition to the deal.

Of note on a regional basis is that Quebec respondents are more likely (65% versus Canadians on average 55%) to say that "we should be confident enough about the FTA because Canadian identity is now strong enough that it no longer needs so much protection through government measures." One half of Ontario residents feel that free trade will mean the end of government safeguards of our identity.

VI. FEDERAL GOVERNMENT MANAGEMENT

Perceptions of how the public views the federal government's handling of the free trade issue were determined by obtaining their opinions on a number of issue statements. The responses give an indication of how the public feels the government has handled the negotiations, prepared for the changes the Agreement may bring, and kept the public informed.

Table 13 presents the aggregate results for those respondents who agree with the issue statement presented to them. The table also presents Gamma correlation values for these statements and support of or opposition to the deal.

Table 13

PERCEPTIONS OF FEDERAL GOVERNMENT MANAGEMENT
AND OBJECTIVES REGARDING FREE TRADE

	PERCENTAGE AGREE					GAMMA CORRELATION				
	Nov/Dec I %	Nov/Dec II %	Nov/Dec III %	May 1988 %	August 1988 %	Nov/Dec I	Nov/Dec II	Nov/Dec III	May 1988	August 1988
I see the free trade deal with the Americans as part of a general effort by the government to improve Canada's trade situation with countries around the world.	63	59	63	63	65	.676	.647	.689	.511	.717
From what I've heard or read, Canada gave away too much to the Americans in the Free Trade Agreement	63	60	57	58	52	-.591	-.670	-.641	-.573	-.658
I'm concerned that free trade is only going to increase tensions among regions and groups in Canada	59	58	56	58	53	-.524	-.615	-.615	-.463	-.564
I am satisfied that the government will provide an appropriate amount of assistance to those harmed by the effects of free trade	--	--	--	39	45	--	--	--	.609	.717
The important thing now is to start planning on how to take advantage of the new opportunities the Free Trade Agreement can provide.	--	--	--	72	75	--	--	--	.674	.656
The federal government has provided the Canadian people with enough information about the Free Trade Agreement	--	--	--	26	28	--	--	--	.474	.561

There continues to be a general perception held by about two-thirds of Canadians, that the Canadian government has entered into this trade deal with the United States in a general effort to improve Canada's trade situation around the world. This fact is important in that it shows that even some of those Canadians who oppose the deal believe that the government's motive for entering into a deal is a positive one.

There is, on the other hand, a slim majority of Canadians who still feel that the government is giving away too much to the Americans in the FTA, although the number of Canadians who feel this is the case has dropped 10% since November 1987 and 6% since May. Similarly, the number of Canadians who agree that the free trade deal is going to increase tensions among different regions in the country has declined 5% since May (from 58% to 53%).

A large majority of Canadians still disagree (65%) that the federal government has provided the Canadian people with enough information about the Free Trade Agreement. This is by far the lowest rating the government receives with respect to its management of the FTA.

People are still more likely disagree with the statement that the federal government will provide those harmed by the effects of free trade with enough assistance. The gap between the number who feel this and those who agree that the government will provide an appropriate amount of assistance has narrowed since May. In fact, almost an equal number of respondents currently agree (45%) as disagree (47%) that the federal government will provide enough assistance to those harmed by the effects of the Agreement.

Finally, fully three-quarters of the respondents agree that "the important thing now is to start planning on how to take advantage of the new opportunities the Free Trade Agreement can provide." This is significant in that it indicates that even some of those who oppose the deal realize the importance of preparing to take advantage of it. It may also indicate a willingness by many Canadians to begin to phase out the debating of the Agreement and carry on with its implementation.

The important point for the government to remember in this regard is something that both past quantitative and qualitative research has shown -- that while most Canadians may want to begin preparing to take advantage of the Agreement's opportunities, they also appear to feel that the continuing debate over the deal should not be unduly restricted.

Regionally, Quebec respondents are the only ones to give significantly different responses to any of the above statements. In particular, they are more apt to agree (53%) that the federal government will provide enough assistance to those harmed by the effects of free trade and more likely to agree (35%) that the federal government has provided the Canadian people with enough information about the Agreement.

VII. FREE TRADE OPINION LEADERS

This survey and past research has clearly indicated that Canadians do not feel that they have been provided with enough information about the Free Trade Agreement from the federal government. To obtain the further information that they need, Canadians are turning to other authoritative sources of opinion on the Agreement. In August as in previous conducted surveys, people were asked the following question: "Thinking about the various people whose opinions you respect on the Free Trade Agreement, whose opinion are you relying on most in making up your mind about the Free Trade Agreement since it was signed?" Results for this question appear in Table 14.

Table 14

FREE TRADE OPINION LEADERS

OPINION RELYING ON MOST IN MAKING UP MIND ABOUT THE FREE TRADE AGREEMENT	AUGUST 1987 %	OCTOBER 1987 %	NOV./DEC. I %	NOV./DEC. II %	NOV./DEC. III %	MAY 1988 %	AUGUST 1988 %
Economists and other specialists	40	25	23	22	21	22	20
Business leaders	20	15	14	13	15	15	16
News media	13	29	32	30	32	31	31
Federal government leaders	9	11	9	10	12	10	12
Provincial government leaders	6	11	11	12	11	7	10
Labour leaders	8	6	6	6	6	9	7

The results for this survey show no shifts in who Canadians say they are relying on most to help make up their minds about the FTA. As has been the case since October of 1987, the news media and economists are being relied on most for the information and opinions on the FTA.

Thirty-one percent (31%) of respondents cite the media as the group they rely on most for opinions on the FTA. Economists and specialists continue to be identified by 20% of respondents as the most relied upon source of information and opinion on the

Agreement. Given the complexity of many of the arguments, both for and against the deal, which economists have developed and which have been articulated, it is not surprising that the average person is more likely to turn to the media for information on free trade.

Those with vested interests in the outcome of the free trade debate -- political leaders and labour leaders -- continue to be seen as the least credible sources of information.

Residents of Metro Toronto are less likely to claim they rely on the news media than are other Canadians (22% vs. 31% respectively) and more likely to rely on economists and specialists (25% vs. 20% respectively).

VIII. CANADIAN WATER RESOURCES AND THE FTA

A. Inclusion of Water in the FTA and Amendments to the Agreement

Since the time of the last survey, one issue that seems to have grown in salience is that of Canada's fresh water resources and the effects free trade will have on them. To measure Canadians' perceptions of the FTA's effects on water, a number of new questions were posed. Respondents were asked the following:

- o To the best of your knowledge, are Canada's fresh water resources included or not included in the Canada-U.S. Free Trade Agreement?

- o Have you seen, read or heard anything about the federal government changing the free trade legislation currently before Parliament to deal with the issue of fresh water exports to the United States?

- o Some people say that these amendments ensure that Canada's fresh water resources are not included in the Agreement.

  Other people say that these amendments do nothing to protect Canada's fresh water and that water is included in the Agreement. Thinking of these two points of view, which one best reflects your own?

Table 15 reveals Canadians' opinions on whether fresh water resources are included in the Agreement.

Table 15

WATER RESOURCES AND THE FTA

	AUGUST 1988 %
ARE CANADA'S FRESH WATER RESOURCES INCLUDED OR NOT INCLUDED IN THE CANADA-U.S. FTA?	
Not included	52
Included	35
No opinion	13
AWARENESS OF FEDERAL GOVERNMENT'S AMENDMENTS TO FTA LEGISLATION TO DEAL WITH ISSUE OF FRESH WATER EXPORTS TO THE U.S.	
Yes	35
No	64
No opinion	1

While just over half (52%) of the population believe that Canada's fresh water resources are not included, 35% of Canadians believe that the fresh water resources are indeed included in the Agreement. A number of Canadians are not really sure of whether or not water is included in the Agreement, which is reflected in the 13% of respondents who have no opinion to this question.

Those respondents who feel that water is included in the Agreement are more likely to oppose (49%) the Agreement than are Canadians on average (39%).

Table 15 also gives the aggregate results for the question that probed awareness of the federal government's amendments to the agreement regarding water. Just over one-third (35%) of the public are aware of these amendments, while a full two-thirds (64%) are unaware of these amendments. This low level of awareness among Canadians, despite the wide media coverage of the amendments, may be representative of the difficulties that Canadians have in keeping up with the events surrounding the passing of the free trade legislation.

Of interest in terms of regional variations in the awareness, Toronto residents are more likely (48%) than average (35%) to say they are aware of the amendments to the FTA legislation.

After being told that in fact the federal government had amended the free trade legislation to prohibit the export of of fresh water to the United States, respondents were then asked whether they think:

1. These amendments ensure that Canada's fresh water resources are not included in the Agreement; or

2. These amendments do nothing to protect Canada's fresh water and that water is included in the Agreement.

The aggregate results for this question appear below in Table 16.

Table 16

VIEW ON WATER RESOURCES AND THE FTA WHEN
INFORMED OF AMENDMENTS TO FTA ENABLING LEGISLATION

	PERCENTAGE
These amendments ensure that Canada's fresh water resources <u>are not</u> included in the Agreement	50
These amendments do nothing to protect Canada's fresh water and that water <u>is</u> included in the Agreement	43
No opinion	7

The data show that once respondents are told of the amendments to the free trade bill regarding Canada's fresh water resources, they actually became more likely to say that water is included in the deal. The increase in the number of respondents who say that water is included in the deal is largely due to the decline in the number of respondents who have no opinion when asked for a second time if water is included in the FTA. The reasons for this movement are not forthcoming. It may reflect continued public uncertainty and confusion in the face of the complexity of the deal and the difficulty in comprehending the exact meaning of many of the deal's terms.

IX. MAJOR DEMOGRAPHIC DIFFERENCES

Sex, education and age continue to account for the main demographic differences on opinions regarding the Canada-U.S. Free Trade Agreement. Below is a summary of these differences.

A. Sex

The sex gap that had been evident in the results of previous surveys that suggested that women were generally both less supportive of and more pessimistic about the deal than men continues to exist. The major differences are as follows:

- The difference between the percentage of women who support (42%) the FTA and the percentage of men who support (57%) the deal has actually increased between May and August. This is mainly done to a 4% drop in the number of women who support the deal. However, the decline in the number of women who support the Agreement does not result in an increase in the number women who oppose the deal. Instead, there is an increase in the number of women who have no opinion (8% in May to 14% in August).

- Men continue to be more positive about the Agreement's potential effects on the national and provincial economies, as well as the anticipated effects it will have on their own economic well-being. Two-thirds of the men surveyed feel that the Agreement will be a good thing for the national economy, their province's economy, and for their own personal economic situation. Only about half of women indicate similar optimism.

- Women continue to be less likely than men to indicate that they feel there will be more jobs gained than lost as a result of free trade. They are also more likely (57%) than men (47%) to agree that "Canada gave away too much to the Americans" in negotiating the FTA."

o While seven-in-ten men believe that the prices of consumer goods will likely decrease under free trade, only 58% of women feel that this will likely be the case. Women are also less likely (62% vs. 73% of men) to say that Canadian businesses will be able to take advantage of any opportunities that free trade with the United States offers.

o As in the past, women (36%) continue to be more likely than men (25%) to rely on the media in forming up their opinions of the FTA.

o Finally, women are less likely (57%) to have heard of the government's amendments to the FTA legislation than are men (71%).

B. Age

Canadians age 65 and over continue to be less optimistic about the deal's effects on Canada and are, as such, less supportive of the deal overall. Specific differences include the following:

o Current support and opposition levels for the FTA among those 65 years of age and older constitute a reversal of the overall results, with 43% supporting the deal and 51% opposing.

o Not surprisingly, the concern of the elderly over the possible loss of social programs under free trade remains focal. Only 54% of those 65 years of age and over feel that it will be likely that Canada will maintain the current government social programs under free trade compared to 68% of Canadians who feel this way.

o Illustrative of the hesitance of the elderly to enter into the Free Trade Agreement, is that only 59% of those 65 years older over feel that the "important thing now is to start planning on how to take advantage of the new opportunities that free trade agreement can provide." Fully three-quarters of Canadians feel that this is important.

o Although young respondents in the past surveys had been consistently more optimistic about the effects of the FTA, the current data show that they are currently no more optimistic than Canadians on average.

C. Education

The third major demographic basis for differing opinions on free trade relates to the degree of education that a respondent has attained. Attentiveness and familiarity with the FTA generally increases directly with the individual's level of educational attainment.

- o The university educated appear to be following the free trade discussions more closely than are other Canadians, as 60% of university graduates compared to only 46% on average we indicate they are following the discussions closely. Half of all university educated respondents say they are familiar with the contents of the deal as opposed to only 31% of Canadians on average.

- o The percentage of respondents who feel that the FTA will be a good thing for the national economy, the provincial economies and their personal well-being increases with the amount of education completed.

- o Consistent with past survey results, only 49% of the university educated feel that the jobs created by the Free Trade Agreement are as important as restricting the amount of influence the United States has on the Canadian economy.

- o Almost half (47%) of the university educated claim they have heard of the federal government's amendments to the free trade legislation regarding Canada's water resources, compared to only 35% of Canadians on average. This fact, however, does not result in a greater proportion of university educated feeling that water is not included in the FTA.

Overall, the well-educated continue to be more optimistic about the free trade deal's effects than do other Canadians. Concerns about Canadian sovereignty and how it may be affected by the Agreement, which previously were evident, appear to have subsided to a great extent, although the well-educated still display some concerns over American influence on the Canadian economy growing as a result of free trade.

X. SUMMARY AND CONCLUSIONS

This final segment of the report presents a summary of the main findings of the survey. The sections below correspond with the manner in which the report was structured.

Attentiveness and Understanding

- The number of Canadians who are able to say that they understand the free trade deal as well as they would like to or who indicate that they are following the discussions on the Free Trade Agreement closely remains low. For a topic that has dominated public debate and media coverage over the past year, these low understanding and attentiveness ratings are on the surface surprising.

- Less than half of the population say they are following the discussions on free trade closely and only 28% say they understand the issue of free trade as well as they would like to.

Familiarity and Support/Opposition

- Representative of the low percentage of Canadians who say they understand the issue of free trade as well as they would like to and the low percentage who say they are following the free trade discussions closely, is the 70% of Canadians who say they are unfamiliar with what is contained in the Agreement.

- While the levels of support and opposition to the FTA have on the national level remained fairly stable -- 50% support and 39% oppose -- there has been an increase in the number of Canadians who say they have "no opinion" on the FTA. This may indicate that a number of Canadians are even less certain of there feelings toward free trade then they were six months ago.

- Regionally, the main differences in support and opposition continue to exist in Quebec and Ontario. Residents of Quebec continue to be the most supportive (64%) of the deal, while Ontarians continue to be the least supportive (39%). In the Prairie provinces, support for the deal has faltered among residents of both Manitoba and Saskatchewan.

- o Passing the free trade legislation before January 1, 1989 is considered important by about one-half of Canadians (53%). A fairly strong minority feel that this is not an important deadline to meet.

Anticipated Effects of Free Trade

- o Canadians in general do not feel that the FTA will mean that they will become like Americans. A small majority believe that the deal is nothing more than an economic agreement between the two countries.
- o Approximately six-in-ten Canadians feel that the FTA will be good for the national economy, for their own provincial economy, as well as for their own economic well-being.
- o A majority of Canadians believe that lower prices for consumer goods, the maintenance of current social programs, and Canadian businesses taking advantage of the opportunities that free trade with the United States has to offer are likely outcomes of free trade.
- o On a less positive note, 59% of Canadians agree that the Canadian economy "will become so closely tied to the U.S. that we will gradually lose our ability to make our own economic decisions."

Economic and Independence Issues

- o As seen in previous research, the Canadian public is more likely to say that the jobs created by free trade are more important than restricting U.S. influence on Canada's economy. A strong minority (38%), however, still hold the opinion that jobs created by the Agreement are not as important as restricting American influence.

- Relatively unchanged from the previous surveys is the number of people who say they believe the FTA will mean that Canada's ability to play an independent role in the world will be weakened (53%). At the same time, 53% of respondents feel that "we should be confident enough about the Free Trade Agreement because Canada's identity is now strong enough that it no longer needs as much protection through government measures."

Federal Government Management

- Although about two-thirds of Canadians believe that the federal government has entered into this free trade deal as part of a general effort to improve Canada's trading situation in the world, there remains a majority of Canadians who feel that Canada is giving too much away to get the Agreement.

- Perhaps the most negative result of the survey for the federal government is the fact that 65% of adult Canadians think they have not been provided with enough information about the FTA.

- Fully three-quarters of the public surveyed agree that the "important thing now is to start planning on how to take advantage of the new opportunities the free trade deal has to offer." This is a belief which transcends support and opposition lines.

Free Trade Opinion Leaders

- Canadians continue to turn to a variety of sources for their information about free trade, but still rely on certain sources to help make up their minds on the free trade deal.

- Just under one-third of the population say they rely on the media most to help make up their minds about the Agreement. Only 20% turn to economists or other specialists to help form their opinions on the FTA. Both of these results are unchanged from the results of the past year.

- o Those with obvious vested interests in the outcome of the free trade deal are seen as less credible sources of information, with only one-in-ten respondents saying they are relying most on each of federal government leaders (12%) and provincial government leaders (10%) in forming their opinions on free trade.

Canadian Water and the FTA

- o Slightly more than half (52%) of Canadians believe that Canada's water resources are not included in the FTA. Only 35% of respondents are aware of the government's amendments to the Agreement, which are intended to restrict the export of Canadian water to the United States.

- o When respondents are asked whether or not water is included in the deal (after they are informed of the government's amendments to the deal), a higher percentage say that water is included in the FTA.

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