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Report on American attitudes and  
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Report on  
American Attitudes and Perspectives  
Toward Canada

Prepared for:  
The Embassy of Canada  
Washington, D.C.

Dept. of External Affairs  
Min. des Affaires extérieures

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Executive Summary of Findings  
and Conclusions

The overall purpose of the Market Opinion Research survey conducted from November 29th through December 9, 1984, was to examine fundamental American attitudes and beliefs about Canada and to analyze these attitudes in the context of the public's views toward international trade issues generally.

- o A primary objective underlying this study was to identify the comparative Canadian constituency and sources of support in the United States.
- o Another central objective was to compare American views about Canada with the views of key demographic groups about free trade and protectionism.
- o A third objective of the study was to highlight the profile of these attitudes and beliefs about Canada in light of Americans' factual understanding of Canada's economic importance to the U.S.

The survey clearly demonstrated that Canada is viewed to be among America's strongest friends and supporters, most important trading partners and most trusted military allies.

The Comparative Measures

When asked which nations were "our closest friend and supporter", Americans divided America's allies and economic partners into two groups with Canada and Great Britain ranked in the first tier (by 35% and 36% respectively).

Japan is ranked first among the "most important trading partners of the United States", but again, Canada and Great Britain are ranked in the first tier (average scores of 7.61, 7.00 and 6.36 respectively).

Canada received the highest measure of support in agreement with the statement that Canada is "the most reliable and trustworthy military ally of the United States".

The Canadian Constituency

The comparative measures provide a framework for examining the ratings of the demographic subgroups. There is an observable difference between those who most favor Canada and those who select Great Britain as the U.S.'s closest friend and supporter or Japan as the U.S.'s most important trading partner.

The comparative Canadian constituency is at the lower end of the socio-economic scale. More educated and more affluent Americans tend to view Great Britain and Japan more favorably or as being more important to U.S. interests.

Free Trade and Protectionism

The recent prosperity and era of good feelings has tempered U.S. concerns with economic issues. Even so, there is strong support for the notion that the U.S. should do more to "protect against unfair trade" (74% to 16% agree).

Significantly, among Canada's strongest supporters, protectionist sentiment is even more intense. Economic issues continue to be most important to lower end socio-economic groups and protectionism is supported by majorities of 83% to 5%.

Support for protectionism, however, is not clear cut. Americans are divided, but a majority supports the view that international competition is good because it forces American industry to improve their products (60% to 31%). Americans disagree with the statement that Americans should purchase only American-made products even if they cost more than foreign products (71% to 32%).

But at the same time, Americans believe that America should do more to protect its companies against foreign competition (67% to 25%). Lower end groups are even more supportive of the view that America should take action to protect against foreign economic challenges.

In light of these cross currents and potential sources of support for barriers to the U.S. market from the same constituency that is Canada's strongest supporter, important communications strategy questions are posed for Canada.

Should Canada develop a more aggressive communications program so that Americans are more conscious of the importance of Canadian-American trade and economic relations to future prosperity in both nations? If the answer to this and similar questions is yes, then the issue for Canada to consider is what type of a communications program should be developed?

- o How should a nation appropriately develop a communications presence without seeming to be the purveyor of a slick commercial message seeking to "sell" Canada as if it were a product?
- o To whom should the message be directed?
- o Does Canada need to rally its closest friends or to educate and persuade a broader audience to be more supportive?

To answer these questions, it is important to understand the profile of American attitudes outlined above and to give special attention to the factual background understanding that Americans bring to the questions inherent in Canadian-American relations.

Factual Background

o Familiarity

- 43% of the American people state they are not very familiar with Canada; although 49% state they are somewhat familiar.

o Image

- 49% believe that Canada is best characterized as a friendly nation.

o Visitors

- 56% of the American people have visited Canada but, of this group, 70% have done so more than 3 years ago; additionally, 91% of the trips to Canada have been pleasure rather than business trips.

o Canadian friends

- 38% of the American people say that they have Canadian friends or acquaintances.

o Prosperity

- 40% believe that the Canadian economy is as prosperous as the American economy.

o Importance of the Canadian market

- Nearly two-thirds of the American people believe that Canada is an average market as compared with European nations.

o Sources of information

- The vast majority of the American people receive their information about Canada from American newspapers and television.

o Awareness of advertising

- Nearly two-thirds of the American people do not remember seeing any commercials or ads about Canada.
- Of those who do recall advertising, a sizable majority (68%) remember advertising about tourism.

This profile demonstrates that Canada, while well liked, is not very well understood by a majority of Americans. Some of the measures of American understanding, as for example, the recall of recent events in Canada, are not out of line with the knowledge of Americans of similar events in the U.S. that have received limited publicity. But even if the factual results are not too surprising in

light of the limited attention given to Canadian issues by the popular media in the U.S., the objective measures of American knowledge and attitudes do raise questions for Canada.

In the current environment, Canada's most supportive constituency in America is most likely to support U.S. government protectionist actions irrespective of their regard for Canada as the closest friend and ally. Should Canada be confident that its considerable economic interests in the U.S. will be protected? The implications of this study of American attitudes and knowledge about U.S.-Canadian relations are that Canada's economic security would be best protected by facing and resolving the strategy questions inherent in developing an effective communications and education program.

FOREWORD

Objectives

This national survey was commissioned by the Embassy of Canada in the United States. The objectives of the study:

- \* To measure U.S. public opinion and perceptions of the national agenda and direction of the country.
- \* To determine public attitudes toward the principal U.S. allies and trading partners.
- \* To measure public attitudes about foreign trade and international relations particularly as they relate to Canada.
- \* To ascertain the awareness of Canada and its image within the United States.
- \* To analyze various communications strategy alternatives for Canada.

Research Design

Sample/Field

Twelve hundred (1200) telephone interviews were administered to a clustered, probability-proportionate-to-size random sample of registered U.S. voters, 18 years old or older living in the continental United States. The

interviewing was conducted between November 30th and December 4th, 1984.

### Sample Design

The sample was stratified by the nine U.S. Census regions.

### Sample Weights

The sample was checked against census data and previous survey results. The sample was found to have under-representations of blacks and older women. Adjustment weights were applied by age within sex and by race within region. The weights were applied to the program used in the subsequent analysis, i.e. fractional/machine weighing. The weighted N for the sample is twelve hundred (N=1200). The sample error for a simple random sample (N=1200) is at the 95% level of confidence. This means that ninety-five out of one hundred simple random samples will have their sample estimate within plus or minus 2.8% of the population value.

### Data Processing

The interviews were conducted, validated and edited in MOR's telephone facilities in Detroit, Southfield, and

Dearborn, Michigan. The completed interviews were coded and keyed and the data run in the home office of Market Opinion Research, Detroit, Michigan.

Special Analysis Measures in the Report

"Status Groups" in the analysis tables refers to the following data:

	<u>Education</u>				
	<u>Less than H.S. Grad</u>	<u>H.S. Grad</u>	<u>Some College</u>	<u>College Grad</u>	<u>Post Grad</u>
<u>Family Income</u>					
< \$15,000	LOWER END				INTELLIGENTSIA
\$15-30,000		MIDDLE CLASS			
> \$30,000	HIGH INCOME				

The above classification excludes blacks and Hispanics. The latter groups are coded separately in the scale and are shown in the analysis table where there are enough cases for reliable analysis.

The status group segmentation of the population yields socio-economic groups that have proven to be an effective segmentation for the purpose of analyzing demographic difference in public opinion.

1. High Income: This group is composed of adults residing in households having a total family income in 1984 over \$30,000. Income is the only criteria for inclusion.
2. Intelligentsia: This group is composed of adults having a college education but incomes under \$30,000.
3. Middle Class: This group is composed of adults having some college education and incomes under \$30,000. It also includes high school graduates in the \$15,000-\$30,000 income category.
4. Lower End: This group is composed of adults having no college education and incomes under \$30,000.



SECTION I:

ISSUE ENVIRONMENT

Introduction

This report outlines the responses of Americans to a public opinion survey of attitudes toward Canada conducted between November 29th and December 4th, 1984. This survey is the first national analysis of the attitudes of Americans toward America's northern neighbor with whom the United States shares the longest undefended border in the world and with whom the U.S. shares extensive common economic interests.

The survey was divided into five sections. The first section gathers background information about the attitudes of those interviewed. The final section concerns demographic data. The three central sections of the survey sought key perceptions and insights about American attitudes toward Canada:

- o First, how do Americans view Canada in comparison with their view of other allies and economic partners?
- o Second, what are Americans' specific attitudes toward Canada measured in terms of whether the U.S. should develop a special relationship with Canada?
- o Third, what is the basic factual background that Americans have about Canada that may bear upon their perceptions of the U.S. relationship with Canada?

The Public Issue Environment

The initial questions in the survey were asked to obtain a broad perspective on the mood of the country. This background is important in understanding the relative intensity of attitudes toward Canada, particularly those concerning the relative importance of international relations. American views toward the U.S. economy and the condition of the country in general have improved substantially during the past two years. A majority (61%) feel that things are going in the right direction now and only 30% feel that things have pretty seriously gotten off on the wrong track. This positive orientation is a reversal of the tendency of Americans to view the general environment negatively, a view which had existed for more than a decade. As noted in other surveys, the new era of good feelings is a recent phenomenon that may offer new opportunities for Canadian-American relations.

When Americans are asked for their view of the most important issue facing the United States today, the current leading concern is with foreign affairs. Nearly a third of the responses (31%) mentioned foreign affairs. Only a quarter referred to the economy or economic problems. This also represents a change from the tendency to rank economic

problems highest which would have been evident more than a year ago.

Yet, even today, not all groups within the United States rank public issues similarly. Among the intelligentsia, there is greater concern with foreign affairs (41%) and less comparative concern with economic problems (17%). High income, middle class, and lower end Americans ranked foreign affairs and economic issues in terms (31% to 24%) that showed less dramatic contrasts.

The previous ranking of the importance of public issues was based upon volunteered choices. A different way of measuring the concerns of Americans is to force a choice among a list of selected public issues. When Americans selected preferences from among the list of forced choices the ranking changed. The highest concern from the list was reducing government spending and reducing the rate of unemployment. In the focused list, guaranteeing national security and improving international relations were viewed as less important. In other words, Americans raised their concern with international rather than domestic economic affairs first, thus demonstrating an expanding horizon of priorities as the economy has gained strength. But, given a second opportunity to rank choices from among a limited list, economic concerns were more important and national

security and international relations less so. The era of renewed confidence and good feelings indicated by the initial answers is closely followed by underlying economic concerns, particularly among lower end groups.

MARKET OPINION RESEARCH

Question 1.1

Do you feel things in this country are generally going in the right direction or do you feel things have pretty seriously gotten off on the wrong track?

	<u>Total</u>
Right direction	61%
Wrong track	30
Other	<u>9</u>
	100%
Number of Cases	(1200)

MARKET OPINION RESEARCH

Question 1.2

What do you feel is the most important issue facing the United States today?

	<u>Total</u>
<u>Top Four Categories (Multiple Mentions)</u>	
Foreign affairs	31%
Economy/Economic problems	24
Government spending (too much)	17
Unemployment/Recession	<u>13</u>
Number of Cases	(1200)

MARKET OPINION RESEARCH

Question 1.2

What do you feel is the most important issue facing the United States today? (MULTIPLE MENTIONS)

		<u>Status Groups</u>			
	<u>Total</u>	<u>High Income</u>	<u>Intelli- gentsia</u>	<u>Middle Class</u>	<u>Lower End</u>
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Foreign affairs	31%	31%	41%	32%	30%
Economy/Economic problems	24	26	17	27	22

TABLE 1.2  
 MOST IMPORTANT PROBLEMS

	<u>% of Mentions</u>
Foreign Affairs	31%
o Nuclear war/Arms control	
o Peace/World peace/Stay out of wars/Fear of war	
o Foreign affairs/Policies	
o Soviet Union/Causing trouble on other countries/Their military power/Russian relationship/Communist	
o El Salvador/Central America	
o Involvement in foreign countries	
o Mideast problems/Egypt/Iran/Israel	
Economy/Economic Problems	24%
o Economy	
o Recession/Depression	
o Loss of business/industry	
Government spending (Too much)	17%
o Need to balance the budget-national debt/Budget deficit needs reducing	
o Government spending - too much	
o Foreign aid - too much	
o Welfare - too much/Fraud	
o Too much spending on defense/Need cuts on defense	

Unemployment/Recession/Imports

138

- o Unemployment/Lack of jobs
- o Recession of jobs

MARKET OPINION RESEARCH

Question 1.3

Now, I am going to read you a list of issues that are of concern to some people today. Can you tell me which you feel is the most important issue facing the country and should be our highest national priority?

Which should be our second highest priority?

	<u>Highest</u>	<u>Second</u>
Reducing government spending	23%	20%
Reducing the rate of unemployment	23	22
Guaranteeing our national security	19	16
Improving international relations	16	15
Simplifying our tax system	9	12
Protecting the environment	7	11
Other	<u>3</u>	<u>4</u>
	100%	100%

Americans Views Toward International Affairs

Focusing on international affairs specifically, a majority of Americans (54%) believe that the United States is maintaining its strong position as the world's leading economic power. A sizable minority (38%) feels, however, that other nations are overtaking us.

When this confidence in American stature is examined in terms of socio-economic status groups, high income Americans (59%) and intelligentsia (54%) appear to have more confidence in the U.S.'s ability to maintain our strong international position than do lower end (49%) and minority groups (38%). Lower end Americans are more evenly divided than are other groups on the position the United States. A large minority of 43% believe that other nations are overtaking us. In the case of black Americans, a majority of 47% believe that other nations are overtaking us. Only 38% of blacks believe that the United States is maintaining its strong position, the only demographic group for whom the perception of a decline of U.S. influence is the majority view.

A corollary attitude to the concern of Americans with slippage of U.S. influence has been the popular support for

a bolder assertion of U.S. influence internationally. When asked whether the U.S. should assert its power and worry less about consequences measured in terms of international perceptions, only 41% of Americans agree. Support for U.S. assertion of power may be declining with growing confidence in international relationships. A majority of 50% disagree with the view that supports greater U.S. nationalism. Throughout the survey, among a wide variety of demographic groups and types of Americans, optimism toward America's economic position, tolerance of foreign interests and a moderation of traditional nationalistic views were recurring themes of consensus.

Question 2.1

The United States has long been the world's leading economic power. Do you believe that we are maintaining our strong position or are other nations overtaking us?

	Status Groups						
	Total	High Income	Intelligentsia	Middle Class	Lower End	Black	Hispanic
Total	100%	100%	100%	100%	100%	100%	100%
Number of Cases (1200)	(308)	(111)	(281)	(159)	(118)	(47)	
Maintaining strong position	54%	59%	52%	58%	49%	38%	53%
Other nations overtaking us	38	35	38	35	43	47	40
Other	8	6	11	6	8	14	6

Question 2.2

Some people say that the United States should assert its power and spend less time worrying about what other nations think of us. Do you agree or do you disagree with these people?

	<u>Total</u>
Agree	41%
Disagree	50
Other	<u>9</u>
	100%
Number of Cases	(1200)

Views About America's Closest Friend  
and Supporter

A series of questions were asked to measure the relative attitudes of Americans toward allies and economic partners. The exact scores of questions may not be critical as they are necessarily an artificial measure of a comparison that has no standing in international commerce. But the relative views of key segments of public opinion offers a framework for understanding comparative constituencies.

In the initial question that sought to measure U.S. attitudes toward other nations, Americans were given a list of nations and asked which one did they consider to be "our closest friend and supporter". Two tiers of nations are outlined by the answers. Canada and Great Britain had an indistinguishably small numerical difference separating their scores. Thirty-five percent of the American people believe that Canada is our closest friend and supporter while 36% believe that Great Britain is the closest friend and supporter of the U.S. The other nations offered as choices were all ranked in distant second place with Japan and West Germany leading this latter group.

Comparing the scores given to Canada and Great Britain by Americans living in different regions of the country, Canada received its strongest support from those living along the Canadian border. Great Britain received comparatively stronger support among Americans living farther from Canada, in the Pacific, Mountain and Deep Southern regions.

Examining the comparison between those who favored Canada rather than Great Britain, educational levels highlight even clearer differences. While the overall scores of the two nations were virtually a tie on the basis of the national average, college graduates show a significant preference toward choosing Great Britain rather than Canada as the nation that is our closest friend and supporter. Less educated Americans are more likely to choose Canada. The lower end groups on the educational scale are also more likely to be undecided or to choose another nation.

When asked for more detail about why Canada was selected as our closest friend and supporter, those who chose Canada mentioned geographical proximity. The second and third most frequently mentioned reasons were similar U.S. and Canadian views on defense and the similarity of culture and lifestyle. Trade relations was a distant fourth

category of reasons given for believing that Canada is our closest friend and supporter. The strong perception of Canada's geographic proximity is an important and fundamental characteristic of U.S.-Canadian relations. Mexico, although similarly sharing a border with the United States, is not perceived as a close friend and ally and geographic proximity was less frequently mentioned.

Question 2.3

Thinking about the allies of the United States, which nation do you think is our closest friend and supporter?

	<u>Total</u>
Canada	35%
Great Britain	35
France	1
Mexico	1
Australia	2
Japan	6
West Germany	5
Other	<u>14</u>
Total	100%
Number of Cases	(1200)

MARKET OPINION RESEARCH

Question 2.3.A

Thinking about the allies of the United States, which nation do you think is our closest friend and supporter?

	Political Regions							
	Pacific	Mountain	East North Central	West North Central	Deep South	Border	Mid-Atlantic	New England
Total	100%	100%	100%	100%	100%	100%	100%	100%
Number of Cases	(162)	( 62)	(223)	( 90)	(305)	( 92)	(199)	( 68)
Canada	33%	31%	42%	39%	27%	38%	40%	41%
Great Britain	37	39	34	34	39	32	32	43

Question 2.3

Thinking about the allies of the United States, which nation do you think is our closest friend and supporter?

	Total	Education			
		Less Than High School	Vocational/High School	Some College	College Graduate
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(152)	(406)	(311)	(323)
Canada	35%	32%	35%	37%	36%
Great Britain	36	24	35	35	<u>43</u>
Other nations	15	19	13	16	13
Other	14	24	18	12	7

MARKET OPINION RESEARCH

Question 2.4

Why do you say Canada is our closest friend and supporter? (Combined)  
(Multiple Mentions)

	<u>Total</u>
Close to us geographically/Closest neighbor	47%
Same views on defense/Would stand by us/ Always first to help us	20
Similar culture/Lifestyles/Same interests	16
Trade relations	<u>6</u>
Number of Cases	(1200)

TABLE 2.4  
CANADA AS OUR CLOSEST FRIEND AND ALLY

	<u>% of Mentions</u>
Neighbor mentions	47%
o Close to us/Geographically close	
o Our closest neighbor/They are our neighbors	
Same views on defense	20%
o They are supportive of U.S./Would stand by us/ Always first to help/Helped us in the past	
o What happens to us happens to them	
o Went to Lebanon/Good to us when we had our hostages/Iran crisis	
o Would help us in war/Will support us militarily/Our friend in case of war	
o Depend on one another/Depend on them as much as they depend on us	
o They are dependent on us/Have more to lose if something happens to us	
Similar culture	16%
o Have same interests that we do/Lifestyles are the same/Have the most in common	
o Close in views/Democracy is like ours/ Government policies/Canada supports U.S. policy	
o Close in cultural background/Have cultural exchange/Have common culture	

Capability Mentions 16%

- o Good relations with them/Get along fine with them/No disagreement with them
- o Our closes friends/Always maintained friendly ties with them

Trade Relations 6%

- o Good trade relations/Do trading with them/Imports and exports
- o Same econo-structure

TABLE 2.4  
GREAT BRITAIN

	<u>% of Mentions</u>
Two Countries Similar	47%
o Have alot in common/Have common goals/Our goals are similar	
o Policies are alike/Same viewpoints	
o Always been friends	
o Get along with people of Great Britain/They like Americans/Same viewpoints on economy	
o Have same problems/Same problems that we have	
Allies	26%
o Strong alliance with them/Good relations/They will stick with us/Have been close to us	
o Oldest of our allies/Had ties since U.S. began/Have historically been close	
o Always supported us/Helped U.S. for a long time	
o Supported during WWII	
o Thatcher very pro-American/Gets along with Washington/Works closely with Reagan	
o Always there when you need them/Always been there	
o Same ideas on foreign policies/Think the same on foreign policies	
o Falkland Island issue	

Heritage - Past

15%

- o Heritage/Alot of descendants from Great Britain/Same type of government/Same democracy
- o Our mother country/We originated there
- o Common language
- o We are close in culture
- o Lifestyle like U.S.

Trade Relations

2%

- o Trade alot with them/Done alot of business with them

Closest Trading Partner

Canada is also selected in the first rank of nations when Americans are asked who they view to be our closest trading partner. However, in the case of trade, Japan is selected first. Perceptions of the strongest trading partner were measured on a zero to ten point scale instead of forcing a choice from a list of nations. Thus, it was possible to choose Japan and Canada and Great Britain. West Germany is not far behind these lead rankings. Those who might have made judgments on the basis of personal prejudices rather than more objective economic conditions were able to select both nations.

When economic perceptions are examined in terms of regional differences, the West Coast gives Japan its strongest score, although Japan is selected as the most important trading partner in every region of the country. Among status groups, the intelligentsia give Japan a significantly higher score than do other groups. Also, no other nation receives such a sharply delineated reaction as Japan. In comparison with all other nations, it can be seen that far fewer people are neutral about Japan. A sizable majority (77%) ranked Japan in the top ranges of the scale. Those not choosing Japan were less likely to be neutral. Perceptions were less distinctly divided in the case of

Canada and Great Britain than in the case of Japan. While such relative rankings do not necessarily demonstrate conclusions that have policy-making significance, they do define a comparative image of Japan. For whatever reason, whether because of the comparatively higher number of Japanese consumer products having brand identification, the relatively more recent growth in Japanese trade or the comparatively lower level of harmony in U.S.-Japan trade, Americans rank Japan differently than they rank Canada and Great Britain. Japanese trade is viewed to be comparatively more important than is trade with Canada.

Question 2.5

I am going to read you a list of nations which are often considered to be the most important trading partners of the United States, that is, the nations with whom our economic interests are most closely tied. Could you please rate them on a scale of 0 to 10, where 10 means "an extremely important trading partner" and 0 means "not an important trading partner at all"? Of course, you may choose any number between 0 and 10. (Average Scores)

	<u>Total</u>
Japan	7.61
Canada	7.0
Great Britain	6.36
West Germany	6.19
Mexico	5.41
France	5.35
China	5.33
Australia	5.01
South Korea	4.80
Soviet Union	4.06

Question 2.5.A

I am going to read you a list of nations which are often considered to be the most important trading partners of the United States, that is, the nations with whom our economic interests are most closely tied. Could you please rate them on a scale of 0 to 10, where 10 means "an extremely important trading partner" and 0 means "not an important trading partner at all"? Of course, you may choose any number between 0 and 10. (Average score)

Census Regions

	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Japan	7.61	7.61	7.54	7.59	7.74	7.85
Canada	7.00	7.01	7.25	6.94	6.73	7.26
Great Britain	6.36	6.26	6.49	6.58	5.93	6.30

MARKET OPINION RESEARCH

Question 2.5.B

I am going to read you a list of nations which are often considered to be the most important trading partners of the United States, that is, the nations with whom our economic interests are most closely tied. Could you please rate them on a scale of 0 to 10, where 10 means "an extremely important trading partner" and 0 means "not an important trading partner at all"? Of course, you may choose any number between 0 and 10. (Average score)

	----- Status Groups -----				
	<u>Total</u>	<u>High Income</u>	<u>Intelli- gentsia</u>	<u>Middle Class</u>	<u>Lower End</u>
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Japan	7.61	7.94	8.01	7.88	6.92
Canada	7.00	7.09	7.09	6.98	7.04
Great Britain	6.36	6.59	6.48	6.34	6.11

Question 2.5

I am going to read you a list of mentions which are often considered to be the most important trading partners of the United States, that is, the nations with whom our economic interests are most closely tied. Could you please rate them on a scale of 0 to 10, where 10 means "an extremely important trading partner" and 0 means "not an important trading partner at all"? Of course, you may choose any number between 0 and 10.

	<u>Total</u>	<u>Important Trading Partner</u>	<u>Neutral</u>	<u>Not Important Partner</u>	<u>Other</u>	<u>Number of Cases</u>
Canada	100%	66%	15%	11%	8%	(1200)
Great Britain	100%	57	20	15	9	(1200)
France	100%	39	24	28	10	(1200)
Mexico	100%	42	20	29	10	(1200)
Australia	100%	30	22	34	15	(1200)
Japan	100%	77	7	10	7	(1200)
West Germany	100%	57	16	17	10	(1200)
Soviet Union	100%	28	12	50	10	(1200)
South Korea	100%	31	19	38	12	(1200)
China	100%	41	18	33	9	(1200)

Comparative U.S. Interests

To gain perspective on the relative ranking of American views of U.S. interests in trade, military and investment objectives, these three values were compared.

Overall, Americans believe that it is important to maintain friendly relations with foreign nations for a broad variety of reasons. Majorities ranging from nearly two-thirds to more than three-quarters believe that it is very important to maintain close ties with foreign nations. Adding together those who believe that it is important and very important to maintain close ties achieves a virtual unanimous score. With such overwhelming support for maintaining close economic ties and friendly relations, these measures only establish broad relative priorities. But in this broadest sense, it is interesting to note that military objectives -- helping to defend the free world and maintaining good military allies -- are the highest priority. The second highest priority, in terms of the strength of American support, are business objectives -- having good markets for U.S. goods and being friendly with nations that welcome American business. The third level of support is given to less direct business and consumer interests -- nations who supply raw materials and sell goods that we need here in the United States.

MARKET OPINION RESEARCH

Question 2.15

Would you say that it is important to the United States' interests to maintain close economic ties and friendly relations with foreign nations who . . . or would you say that it is unimportant? Is that very (important/unimportant) or somewhat (important/unimportant)?  
(Ranked on "very important")

	<u>Total</u>
Help America defend the free world	79%
Are good military allies	78
Are good markets for U.S. goods	74
Welcome American business	70
Are important suppliers of raw materials	69
Sell us things we need here in the U.S.	62

Protectionist Views

A number of questions were asked to measure the degree to which fundamental protectionist sentiment exists today within the United States. If prior questions measured popular attitudes toward achieving international objectives in a positive sense, the questions about protectionism were measures of negative feeling, that is, support for defending threatened U.S. interests.

Americans give overwhelming support to the notion that the U.S. government should do more than it does now to protect against unfair trade. Nearly three-quarters (74%) somewhat agree or strongly agree that the U.S. government should be doing more. Only 15% disagree and 10% are uncertain.

When this protectionist sentiment is examined in terms of status groups, high income and intelligentsia give the proposition somewhat less support than do lower end groups. High income Americans agree with the statement that the U.S. government should do more by a strong majority (70%-23%); the intelligentsia is also strongly in agreement although it is least favorable among status groups (65%-24%). Middle class Americans agree with a majority of three-quarters

(75%-16%) and lower end Americans are even more protectionist (83%-5%) in their sentiment.

Examining this support for greater action by the U.S. government to protect against unfair trade on a regional basis demonstrates differences across the country. The Pacific region (77%), the East North Central region (75%), the Deep South (76%) and the Southern Border states (78%) are stronger than the national average in their agreement with the need for action. The Mountain states (60%), West North Central states (70%), the Mid-Atlantic (73%), and New England states (66%), as well as states on the Canadian border (67%), are less supportive than the national average of the notion that the U.S. government should do more. From the perspective of Canada, regions of the country that are farthest removed from the Canadian border are the regions that are comparatively more supportive of increased government action to protect against unfair trade.

When the support for U.S. action to protect against unfair trade is examined in terms of educational groups, there is a clear increase in support for protectionism among less educated groups of Americans. Americans having less than a high school education support increased government action to protect against unfair trade by a majority of 83% to 3%. Those with only vocational high school or high

school training are second most supportive followed by those with some college. College graduates support increased action by a majority of 65% to 24%. Notably, even the most educated group is strongly supportive of increased government action to protect against unfair trade although there is a less clear-cut consensus among free trade and protectionist views in the case of more educated Americans.

Question 2.21

Do you agree or disagree that the U.S. government should do more than it does now to protect against unfair trade? Would that be strongly (agree/disagree) or just somewhat (agree/disagree)?

	Status Groups				
	Total	High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Strongly agree	50%	43%	41%	47%	<u>63%</u>
Just somewhat agree	24	27	24	28	20
Just somewhat disagree	11	<u>17</u>	14	11	4
Strongly disagree	5	6	<u>10</u>	5	1
Other	10	8	12	9	11

## Question 2.21

Do you agree or disagree that the U.S. government should do more than it does now to protect against unfair trade?  
Would that be strongly (agree/disagree) or just somewhat (agree/disagree)?

	Political Regions									
	Total	Pacific	Mountain	East North Central	West North Central	Deep South	Border	Mid- Atlantic	New England	States on Canadian Border
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(162)	( 62)	(223)	( 90)	(305)	( 92)	(199)	( 68)	
Agree	74%	77%	60%	75%	70%	76%	78%	73%	66%	67%
Disagree	16	14	24	15	20	13	14	17	21	18
PDI	58	63	36	60	50	63	64	56	45	49

PDI: Percentage Difference Index=% "Agree" minus % "Disagree."

MARKET OPINION RESEARCH

Question 2.21

Do you agree or disagree that the U.S. government should do more than it does now to protect against unfair trade? Would that be strongly (agree/disagree) or just somewhat (agree/disagree)?

	Total	Education			
		Less Than High School	Vocational/ High School	Some College	College Graduate
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(152)	(406)	(311)	(323)
Agree	74%	83%	80%	72%	65%
Disagree	16	3	12	18	24
PDI	58	80	69	54	41

PDI: Percentage Difference Index = % "Agree" minus % "Disagree."

MARKET OPINION RESEARCH

Question 2.22

I'm going to read you a list of nations which are often considered to be the most reliable and trustworthy military ally of the United States. On a scale of 0-10, could you rate these nations where 10 means that this nation should be considered among the most reliable and trustworthy allies of the United States and 0 means that it is among the least reliable and trustworthy of the U.S. allies? Again, you may pick any number between 0 and 10. (Average score)

	Avg.	Less Reliable (0-4)	Neutral (5)	More Reliable (6-10)	Other
Total	100%	100%	100%	100%	100%
Canada	8.24	6	5	85	4
Great Britain	8.00	7	7	82	4
West Germany	6.96	12	12	70	6
Australia	6.88	12	15	65	8
France	6.30	18	18	60	4

MARKET OPINION RESEARCH

Question 2.22

I'm going to read you a list of nations which are often considered to be the most reliable and trustworthy ally of the United States. On a scale of 0-10, could you rate these nations where 10 means that this nation should be considered among the most reliable and trustworthy allies of the United States and 0 means that it is among the least reliable and trustworthy of the U.S. allies? Again, you may pick any number between 0 and 10. (Average score)

	Status Groups				
	Total	High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Canada	8.24	8.48	8.28	8.44	7.99
Great Britain	8.00	8.46	8.24	8.08	7.71

Question 2.22

I'm going to read you a list of nations which are often considered to be the most reliable and trust-worthy military ally of the United States. On a scale of 0-10, could you rate these nations where 10 means that this nation should be considered among the most reliable and trustworthy allies of the United States and 0 means that it is among the least reliable and trustworthy of the U.S. allies? Again, you may pick any number between 0 and 10.

	Political Regions								
	Total	Pacific	Mountain	East North Central	West North Central	Deep South	Border	Mid-Atlantic	New England
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(162)	( 62)	(223)	( 90)	(305)	( 92)	(199)	( 68)
Canada	8.24	8.24	8.22	<u>8.56</u>	8.25	8.06	8.09	8.09	<u>8.73</u>
Great Britain	8.00	8.01	8.03	<u>8.29</u>	<u>8.42</u>	7.91	7.91	7.63	<u>8.27</u>

MARKET OPINION RESEARCH

Question 2.22

I'm going to read you a list of nations which are often considered to be the most reliable and trustworthy military ally of the United States. On a scale of 0-10, could you rate these nations where 10 means that it is among the least reliable and trustworthy of the U.S. allies? Again, you may pick any number between 0 and 10.

	Education				
	<u>Total</u>	<u>Less Than High School</u>	<u>Vocational/ High School</u>	<u>Some College</u>	<u>College Graduate</u>
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(152)	(406)	(311)	(323)
Canada	8.24	7.87	8.23	8.31	8.39
Great Britain	8.00	7.08	8.05	8.08	8.34

MARKET OPINION RESEARCH

Question 2.27

Do you agree or disagree with the statement that our allies provide the right amount of support for U.S. foreign policy? Would that be strongly (agree/disagree) or somewhat (agree/disagree)?

	<u>Total</u>
Strongly agree	10%
Somewhat agree	25
Somewhat disagree	33
Strongly disagree	20
Other	<u>12</u>
	100%
Number of Cases	(1200)

## Question 2.28

I am going to read you a series of statements that some people have made about the international economic goals of the United States. When I read each statement, would you please tell me whether you agree or disagree? Would you say you strongly (agree/disagree) or just somewhat (agree/disagree)?

	Total	Strongly Agree	Somewhat Agree	Somewhat Disagree	Strongly Agree	Other	Number of Cases
<u>Special Arrangements</u>							
The United States should try to develop special arrangements with nations that sell goods we need to buy.	100%	45%	41%	7%	3%	3%	(1200)
We should be economically independent and self-sufficient and we should not rely on other nations to fulfill our economic needs.	100%	42	20	19	15	3	(1200)
The United States should make special arrangements with some key nations to be sure that we have stable markets for U.S. products.	100%	58	30	6	2	4	(1200)

Special Arrangements to Protect U.S. Interests

If Americans have growing concerns with protecting their interests, the next logical question concerns the views of Americans toward the most effective ways to do so. If there is general sentiment for more protection and potential distrust of the allies in general, should there be special arrangements with certain nations?

Americans were asked whether the U.S. should develop special arrangements to protect U.S. economic interests. An overwhelming proportion of the American people (86%) agree with the statement that the United States should develop special arrangements with nations that sell goods we need to buy. A significant majority (62%) agree with the statement that the U.S. should be economically independent and self-sufficient and should not rely upon other nations to fulfill our economic needs. Finally, a majority of 88% of Americans believe that the U.S. should make special arrangements with some key nations to be sure that we have stable markets for U.S. products. To the extent that the relative strength of these commonly held views is a comparative measure of their importance, Americans appear to be most concerned with having markets for U.S.-produced goods; secondly, with having access to products; and third with achieving economic independence.

After asking whether Americans supported establishing special arrangements with selected foreign nations, Americans were asked whether Canada was a nation with whom we should seek such special economic arrangements to protect U.S. interests. An overwhelming majority (85%) felt that Canada was one such nation with whom the United States should have special economic relations.

The question of whether a special economic relationship should exist between Canada and the U.S. was, in one sense, the bottom line question to the survey. The primary concerns of the study turn on American views of the type of relationship that the U.S. should have with Canada.

The bottom line question, should there be a Canadian-U.S. special arrangement, was asked twice. The first time the question was asked, it followed the discussion of Canada's relative ranking among foreign nations, trading partners and military allies of the United States. The question was asked again at the end of the survey after Americans had had an opportunity to discuss what they knew about Canada.

In the first mention of the question, support was overwhelming (85%) for establishing special relations with Canada. The second time that the special arrangements

question was asked, there was some attrition in the support for the concept (76% agreed). Even in the second case, however, three-quarters of the American people supported the notion of the U.S. seeking a special economic relationship with Canada. In some cases, the attrition may have resulted from greater levels of uncertainty after the factual questions were asked. A few who supported a special arrangement the first time changed their view to opposition in the second case.

Another interesting dimension of the change in views between the first time that Americans were asked about special arrangements with Canada and the second time the question was asked, concerned the specific types of arrangements that were selected as most appropriate. To follow up on the central issue of whether there should be a special arrangement, subsequent questions examined types of special arrangements with Canada that were favored most by different segments of the American people. Four choices were offered asking people to define what they meant by special arrangements: completely free trade; free trade in selected areas; consolidation of the U.S. and Canada into one market area; or negotiation of treaties that would protect U.S. interests.

There is a group of Americans that supports each of the four types of arrangements. Overall, the more cautious choice of "free trade in selected areas" was the most popular choice (30%-35%) both times the questions was asked. In the second instance, the selected free trade was more popular. Completely free trade (28%-25%) and treaties that protected our U.S. interests (25%-24%), which were the more extreme free trade/protectionist views, were second and third choices. The fourth choice, consolidation of Canada and the U.S. into one market area was the least popular choice (12%-10%) by a considerable margin.

From these follow up questions, the supporters of free trade were identifiable. Those who chose to support a special arrangement with Canada and then selected free trade as the preferred option and those who opposed a special arrangement with Canada entirely because they preferred evenhandedness toward all nations represent the core constituency for free trade. At the same time, free trade was clearly seen to be a minority view. A clear majority of Americans favor establishing a special arrangement with Canada that includes freer trade in selected areas or treaties that protect U.S. interests. This moderately protectionist, but favorable to Canada constituency, was an American perspective that was identified in the Business

Leader Survey as well. This may be the key constituent group of interest to Canada.

MARKET OPINION RESEARCH

Question 2.31

Is Canada a nation with whom we should seek special economic arrangements to guarantee the U.S.-Canadian partnership?

	<u>Total</u>	<u>Total</u>
Yes	85%	76%
No	9	14
Other	<u>6</u>	<u>9</u>
	100%	100%

Analysis of Time 1 v. Time 2

<p>85% special arrangement with Canada (1st time)</p>	<p>-----&gt;</p> <p> -----&gt;</p> <p>-----&gt;</p>	<p>30% more trade in selected areas</p> <p>28% completely free trade</p>
<p>76% special arrangement (2nd time)</p>	<p>-----&gt;</p> <p> -----&gt;</p> <p>-----&gt;</p>	<p>35% more trade in selected areas</p> <p>25% completely free trade</p>
	<p>-----&gt;</p>	<p>9% No Canada not a nation with whom we should seek special arrangements.</p>

MARKET OPINION RESEARCH

Question 2.31

Time 1 v. Time 2

Which of the following kinds of special arrangements do you think the United States should establish with Canada?

	<u>T1</u> <u>Total</u>	<u>T2</u> <u>Total</u>
Completely free trade	28%	25%
Selected areas	30	35
Consolidation into one market	12	10
Protect our interests	25	24
Other	<u>5</u>	<u>4</u>
	100%	100%
Number of Cases	(1015)	(913)

Do you feel that the United States should be evenhanded toward all our trading partners or do you feel that we should make special arrangements but not with Canada?

	<u>Total</u>	<u>Total</u>
Evenhanded toward all	67%	71%
Make special arrangements, but not with Canada	<u>17</u>	<u>13</u>
	100%	100%
Number of Cases	(108)	(170)

Reliable and Trustworthy Military Ally

When Americans are asked to rate their feelings toward Canada, Great Britain, France, Australia and Germany as reliable and trustworthy allies, again, a clear first tier and second tier of nations selected. Canada and Great Britain occupy the first tier. The other three nations ranked second. All five nations are viewed as reliable and trustworthy allies of the United States by a majority of Americans. But in the case of the military score as opposed to the earlier more general ranking in which Canada and Great Britain ranked first, Canada's average ranking (8.24), clearly established its lead over Great Britain (8.0).

In regional terms, Canada is perceived to be the most reliable and trustworthy military ally by Americans in every region except one. The East North Central region ranked Canada first and the West North Central region viewed Great Britain first, although these differences are close distinctions. Interestingly, New England, in selecting Canada as the most reliable military ally, reversed that region's view of Canada and Great Britain in the more general terms of "closest friend and ally". In short, the military dimension as opposed to the dimension of cultural affinity appears to be a stronger area of potential support in the perception of the American people.

The views of the status groups toward Canada's role as a reliable and trustworthy military ally also reflects a reversal of the earlier perception of the relative ranking of Canada and Great Britain. The high income and intelligentsia groups both selected Canada over Great Britain. This comparison is also reflected in the educational segmentation. College graduates and those with some college ranked Canada higher than Great Britain as a military ally. This comparative ranking was reversed from the earlier case of the "closest friend and supporter" question. Thus, the relative ranking of Canada and Great Britain appears to favor Canada when the comparison is framed in terms of military alliance.

To put the questions about strongest military friend and ally in perspective, Americans were asked whether the allies of the U.S. provide the right amount of support for the United States foreign policy. Few Americans (10%) strongly agree that the allies provide the right amount of support. Only a third even somewhat agree that the allies provide the right amount of support for U.S. foreign policy. A majority of Americans disagree with the statement that the allies provide the right amount of support for U.S. foreign policy.

The Image of Canada

Americans were asked what image came to mind when they thought of Canada. Forty-nine percent of the responses were that Americans thought of Canada as a friendly neighbor. The second most frequent response concerned Canada's natural resources. The friendly neighbor and natural resource images were both cited quite often. Less frequent responses concerned Canada's role as an ally of the United States and facts concerning its economic strength. In sum, the image of Canada noted in the vast majority of cases concerns general rather than specific and soft rather than hard characteristics. Canada's importance as a trading partner is not a widely noted aspect of Canada's image.

TABLE 3.1

When you think about Canada, what image comes to your mind?

% of  
Mentions

- 49%      Friendly neighbors
- o Friends - Friendly/Friendly people/  
Friendship/Strong friends/Our friends/  
Good friends
  - o Neighbors - North neighbors/Good neighbors/  
Friendly neighbors
  - o Like America/Similar to United States/  
Just like another state/Extension of our  
country/Part of the U.S.
  - o Friendly border nation/Close to United  
States
  - o Canadians - Good dependable people/  
Wonderful people/Solid people/Independent  
people
  - o French/French-speaking people/French  
culture/Lots of French people
  - o Good country - well-organized country/  
Nice country
  - o Tourism/Nice place to visit/Great resort  
areas/Place to have a nice time/Vancouver/  
Northwest Territory/Hudson Bay/Calgary  
Bay/Quebec
  - o British/English - strong English culture/  
Mostly English-speaking people/Strong  
British traditions
  - o Similar/Similar needs/Cities same as ours/  
Somewhat like ourselves/Society much like  
ours

- o Like Canada/Delightful/Love it/My honeymoon
- o Neutral country

37% Natural Resources

- o Wilderness/Lakes/Trees/Open country/Green land/Water/Mountains/Wildlife/Forests/Free rivers/Peaceful
- o Snow/Cold
- o Beautiful country/Beautiful landscape
- o Natural resources/Lot of resources/Resource-rich nation/Fuel/Coal/Oil/Forests/Water
- o Clean - clean air/Cities with clouds
- o Large country - underpopulated
- o Niagara Falls/Vacation resort
- o Fishing/Hunting/sportsman's paradise
- o Hockey/Canadian mounties - their police
- o Nation with unlimited potential - frontier/Young nation/Growing
- o Their flag/Maple leaf
- o Skiers/Skiing

8% Close ally

- o Ally - Close ally/Friendly ally/Firm ally/Canada gives us support/Close relationship with us/Strong in aid if needed
- o Helped us with Iranian hostages/Helped during Iranian crisis

7% Economic strength

- o Economic strength - economy is stable
- o Same economic value as United States
- o Industry/Manufacturing - good wood/Forestry products/Paper products/Make cars
- o Disciplined country/They are not aggressive
- o Farming - wheat
- o Trade - We should trade more/They have good products
- o Canadian money/Our dollar goes further

6% Governmental

- o Freedom - free nation/Free world diplomacy/ Equal rights to all/Democratic society
- o Independent/Independence - they are self-supporting/Self-sustaining government
- o Interesting form of government - political problems/Similar political concerns as ours
- o Prime Minister/Former Prime Minister Trudeau
- o Good sociable programs/Reasonable health insurance

1% Economic Weakness

- o Economically weak - underdeveloped economically
- o Underdeveloped industrially/Not as industrialized as the U.S.

Canada's Share of the Defense Burden

A plurality of 47% of the American people believe that Canada does its share to help defend the free world. A much smaller group (28%) stated that Canada did less than its share. This encouraging conclusion may be offset by the fact that more than a fifth (22%) of Americans found the question difficult to answer and stated that they did not know. Nonetheless, in every region of the country, Americans clearly felt that Canada does its share to defend the free world. In general, states closest to the Canadian border were stronger in their assertion that Canada does its share. When the response of Americans is analyzed in terms of status groups, it can be seen that across the board among all socio-economic groupings Americans are supportive of Canada's effort to do its share.

MARKET OPINION RESEARCH

Question 3.7

Do you feel that Canada does its share to help defend the free world or does it do less than its share or more than its share?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Does its share	47%	46%	52%	43%	47%	53%
Does less than its share	28	27	25	28	33	27
Does more than its share	3	5	1	4	4	2
Other	22	22	22	26	15	18

MARKET OPINION RESEARCH

Question 3.7

Do you feel that Canada does its share to help defend the free world or does it do less than its share or more than its share?

	Status Groups				
	Total	High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Does its share	47%	50%	50%	48%	50%
Does less than its share	28	33	27	29	25
Does more than its share	3	3	2	2	2
Other	22	15	21	21	24

Question 3.8

Do you believe that Canada today has as prosperous an economy as the United States?

	<u>Census Regions</u>					
	<u>Total</u>	<u>North-east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>	<u>Canadian Border</u>
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Yes	40%	35%	44%	43%	37%	36%
No	43	49	40	38	47	50
Other	17	16	16	18	16	14

Canadian Prosperity

Americans are closely divided over whether they believe that Canada today has as prosperous an economy as the United States. A narrow plurality (43% to 40%) believes that Canada is not as prosperous as the United States. As with many factual questions about Canada, there is a high proportion of undecided respondents. Across geographic regions of the country, there is considerable variation. In the Northeast and in the West, significantly more Americans believe that Canada is not as prosperous as the United States. In the North Central region and in the South, however, Americans believe that Canada is as prosperous as the United States.

Recent Events in Canadian History

Among the more interesting factual questions about Canada were those concerning the awareness of recent events in Canada. The survey was conducted not long after the election of the new government. To the extent that awareness of Canada is a rough measure of American interest in policy matters affecting American and Canadian economic relations, this was important question.

A sizable majority of Americans stated that they were not aware of any events that have taken place in Canada recently that have caused Canada to be in the news (66%). Nearly one-third of Americans (32%) stated that they were aware of such events. This may be a respectable percentage in terms of measuring awareness. In a typical political statewide poll concerning a relatively unknown Senator, an awareness level of 25-35% would represent a low, if not unsurprising, measure. Awareness of more prominent American public figures might be expected to range from 40-60%. Also, Americans are not aware of public issues concerning reasonably important events affecting their own lives. A year following the breakup of AT & T, for example, half of the American people believed that their phone company was still owned by AT & T. These comparative measures are offered as a perspective from which to evaluate the meaning of the observation that two-thirds of Americans were unaware of events taking place in Canada recently.

While the conclusion is unsurprising, there should be no question that awareness of the new government in Canada is shared among relatively few American households. Awareness of events in Canada does vary among status groups, however. Those who are aware of recent events in Canada tend to be the upper end status groups who have been seen to be marginally less favorable to Canada. High income and

intelligentsia groups tended to be more aware (38% and 42%) than were middle class and lower end groups (24% and 33%). When the comparison is made among census regions, the Northeast and North Central regions were relatively more aware of events in Canada (38% in both cases) than were the Southern and Western regions (25% and 29%, respectively).

When those who were aware of current events in Canada were pressed to give further specifics, 47% of the responses mentioned the new Prime Minister. In more than a fifth of the cases (22%), economic events were cited. A variety of other events that have caused Canada to be in the news were also cited suggesting that of the 32% of the American people who were aware of events causing Canada to be in the news, a limited number, perhaps only half, focused on the Prime Minister's election as an event that made them recall Canada.

Question 3.10

Are you aware of any events that have taken place in Canada recently that caused Canada to be in the news?

	Status Groups				
	Total	High Income	Intelli-gentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Yes	32%	38%	42%	24%	33%
No	66	60	56	75	66
Other	2	1	2	1	2

MARKET OPINION RESEARCH

Question 3.10.B

Are you aware of any events that have taken place in Canada recently that caused Canada to be in the news?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Yes	32%	38%	38%	25%	29%	40%
No	66	60	59	73	71	56
Other	2	3	2	2	1	4

TABLE 3.11  
Awareness of Current Events in Canada

% of  
Mentions

47% New Prime Minister

- o Changing prime ministers - new prime ministers was elected/Electing new prime minister
- o Election - recent election/National election/General election/New election
- o New prime minister/New premier
- o Change of government - last election went conservative/Stand for conservative upset of election

22% Economic

- o Auto strike - GM strike/UAW strike/Union strike/Labor agreement
- o Quebec province - wants to break away from Canada/Wants to form their own government
- o Fishing laws - fishing treaties convention/Fishing rights
- o Strike (unspecified)
- o Bilingual controversy - teaching the French their language
- o Lotto
- o Currency evaluation - Canadian below the U.S. dollar
- o Potato industry underselling U.S.

10% Events

- o Papal visit - visit of Pope
- o Queen's visit - visit from the queen
- o Michael Jackson concert - Jackson visited

7% Trudeau

- o Trudeau - Trudeau retired/Prime Minister  
Trudeau stepped down
- o Trudeau's divorce

4% Environment Mentions

- o Acid rain - blaming U.S. for acid rain/Ash  
pollution falling Canada

1% Ally Mentions

- o Taking in draft dodgers/Defectors welcomed with  
open arms/People leaving U.S. and going to  
Canada for asylum

When Americans were reminded that a Prime Minister had recently been elected and that a new government had come into office, a narrow plurality believed that the change would not matter to the United States (34% to 29%). Interestingly, more than a third (35%) were undecided about the effect that the change in government was likely to have. Across the census regions, a plurality in each case believed that the election of the Prime Minister would not matter to the United States.

In the case of those states sharing a border with Canada, the narrow plurality was reversed and a larger share of Americans believed that the effect of the Prime Minister's election would be positive (34% to 29%). Examining perceptions across status groups shows that among high income Americans a narrow plurality believed that the result would be positive. In all other cases, most believed that the change in government would not matter to the United States. As in each of the questions concerning the new Prime Minister, a sizable number of Americans were undecided about the potential significance to them of future directions of the new government.

When those Americans (29%) who believed that the election of the Prime Minister and the change in government would be positive were asked why they believe this to be the

case, a sizable percentage (48%) of the responses concerned the general feeling that the two nations had close relations and a similar outlook. A quarter of the responses contained a specific reference to conservative government or the new Prime Minister himself. Few Americans believed that the election would have a negative consequence for the United States.

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Positive	29%	31%	28%	30%	28%	34%
Will not matter to U.S.	34	38	32	33	36	29
Negative	2	2	2	1	2	2
Other	35	29	37	35	34	33

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	Status Groups				
	Total	High Income	Intelli- gentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Positive	29%	33%	29%	28%	28%
Will not matter to U.S.	34	31	32	34	36
Negative	2	2	4	1	2
Other	35	34	36	27	34

MARKET OPINION RESEARCH

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	<u>Total</u>	<u>Number of Cases</u>	<u>Positive</u>	<u>Will not matter to U.S.</u>	<u>Negative</u>	<u>Other</u>
Total	100%	(1200)	29%	34%	2%	35%
Pacific	100%	(162)	28%	38%	2%	32%
Mountain	100%	( 62)	27%	31%	3%	39%
East North Central	100%	(223)	29%	34%	2%	36%
West North Central	100%	( 90)	27%	29%	2%	42%
Deep South	100%	(305)	31%	32%	1%	35%
Border	100%	( 92)	25%	35%	1%	38%
Mid-Atlantic	100%	(199)	29%	38%	2%	32%
New England	100%	(68)	37%	37%		26%

TABLE 3.13  
Positive Reading of the New Prime Minister

% of  
Mentions

48% Similar/Close relations

- o Good relations with Canada/Better relations/They work closer with the U.S./They want closer ties with the U.S./Help each other
- o Just a feeling/I am an optimist/Change is usually for the better
- o Closely related to American thinking/Same ideas as U.S./Their beliefs are like ours/Policies are more consistent/Their government will be more agreeable with our policies/Sentiments closely aligned with ours
- o Would be in our best interests/Positive impact on the U.S.
- o They are close by/We are neighbors/Close neighbors/Next door neighbors

25% Conservative Government

- o New Prime Minister is conservative/More conservative like Reagan/Both men are conservative
- o Prime Minister has same beliefs as Reagan/Prime Minister's policies coincide with Reagan's
- o He's pro-U.S./Pro-U.S. attitude/Pro-American/Positive attitude toward U.S.
- o New Prime Minister/Change in Prime Ministers

43 Not Trudeau

- o Trudeau wasn't aggressive/Trudeau didn't have the power
- o Improve economy
- o Will establish better trade

TABLE 3.13  
Negative Reading of the New Prime Minister

% of  
Mentions

25% Prime Minister Mentions

- o Less favorable than with Trudeau
- o Prime Minister doesn't know what he's doing

15% Corporate/Economic Mentions

- o Support of American policies is limited
- o Corporate interests may be hurt

Relative Size of the Canadian Market

Americans were asked about the relative size of the Canadian-U.S. economic relationship. A sizable majority of Americans believe that Canada is an average market for U.S. goods and services as compared with the nations of western Europe (62%). Only a fifth of Americans believe that Canada is a major market (20%), while others are undecided or believe that it is a minor market. This perception differs somewhat across the geographical regions of the country as only 54% of New Englanders believe that Canada is an average market as compared with European nations. But nearly two-thirds of those in the North Central region (64%), the South (65%), and the West (62%) believe that Canada is an average market.

MARKET OPINION RESEARCH

Question 4.1

Do you believe that Canada is a major market for U.S. goods and services as compared with say, the nations of western Europe, Canada is a minor market, or Canada is about average in importance?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Major market	20%	23%	18%	18%	20%	26%
Average	62	54	64	65	62	57
Minor market	11	13	12	10	10	11
Other	7	10	6	7	8	5

Political Criticism

Americans are not overly sensitive to criticism from Canada. A significant majority of Americans (65% to 19%) believe that when the Canadians complain about acid rain or fishing rights or foreign investments that they are acting reasonably from their point of view. This viewpoint is even more strongly held by high income and intelligentsia (70% and 77%, respectively) and nearly that strongly held (68%) by middle class Americans. Only the lower end Americans have a bare majority that believe that Canada is acting reasonably (52%). But, even low income are more supportive than critical of political and policy criticisms emanating from Canada.

A series of questions concerning Canadian trade and investment practices were asked to further assess public attitudes toward Canada from a political perspective. These questions were selected to establish a comparison with elite attitudes that had been investigated in the earlier Market Opinion Research Business Leaders Survey. In general, Americans tended to disagree with the statement that Canada practices unfair trade by dumping low cost products into the U.S. market and disagreed with the notion that imports from Canada take jobs away from U.S. workers. While disagreeing that the economic threat of Canadian competition is serious,

Americans supported the notion that without the Canadian market many American jobs would be lost. The notion that Canada is an important and reliable source of energy supplies for the United States was also accepted by a majority of Americans. Thus, Americans currently appear to support the positive elements of Canadian economic relations with the United States and to downplay the potential negative aspects.

When asked whether they agreed with the statement that Canadians are basically socialist-leaning, a clear plurality disagreed, although the divisions were not as clear cut on this political, rather than an economically-oriented question. In the earlier business leaders survey, the business leadership also disagreed with the characterization of Canada as a socialist-leaning country. Hence, while American criticism of earlier Canadian governments may have used such epithets, the common U.S. perception does not seem to have associated these views with their image of Canada.

Finally, a bottom line question relating to American concerns over Canadian-American economic relations was whether Americans believed that there is too much Canadian investment in the U.S. Nearly two-thirds of the American people believe that there is not too much investment. Very small numbers of Americans (9% on average) believe that

there is too much investment. This perception that Canadian investment is not too high is shared across all political regions of the nation.

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MARKET OPINION RESEARCH

there is too much investment. This perception that Canadian investment is not too high is shared across all political regions of the nation.

Question 4.2

Do you believe that when the Canadians complain about acid rain or fishing rights or foreign investments that . . .

	Status Groups				
	Total	High Income	Intelli-gentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Canada is acting reasonably from their point of view	65%	70%	77%	68%	52%
Canada is blaming the United States for their own problems	19	17	14	19	30
Other	16	14	10	13	19

MARKET OPINION RESEARCH

Question 4.3

Attitudes Toward Canada Summary

	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>
Canada practices unfair trade by dumping low cost products into the U.S. market.	17%	2%	54%
Without the Canadian market, many American jobs would be lost.	51	2	33
Imports from Canada take jobs away from U.S. workers.	33	2	53
Canada is an important and reliable source of energy supply for the United States.	55	2	24
The problem with the Canadians is that they are basically socialist leaning.	25	3	45

Question 4.8

Do you think that there is too much Canadian investment in the U.S.?

	Political Regions								
	Total	Pacific	Mountain	East North Central	West North Central	Deep South	Border	Mid-Atlantic	New England
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(162)	( 62)	(223)	( 90)	(305)	( 92)	(199)	( 68)
Yes	9%	9%	13%	6%	8%	11%	15%	6%	4%
No	<u>66</u>	67	63	69	60	61	59	70	74
Other	<u>25</u>	23	24	25	32	28	26	24	22

TABLE 4.14  
Description of Commercials or Ads Seen Recently

% of  
Mentions

68% TOURISM

- o Tourism/Tour groups/Tours/Travel for vacation/Vacationing
- o Vacation ads for tourists/Travel commercials/Tourist ads
- o Vacation in Canada/Vacation in Manitoba/Toronto/Quebec
- o Visit Canada/Come see Canada/Promoting the country
- o Beautiful terrain/Wildlife and beautiful country/Woods/Mountains
- o Inviting tourists to visit Canada/Telling tourists to come visit Canada
- o Send for vacation brochures/Travel brochures/Travel Magazine
- o Promoting tourism in Montreal/Travel to Montreal/Vacation in Montreal
- o Vacation spots/vacation areas
- o Canada hot spots/Tourist attractions

11% Specific Location

- o Sporting activities - Skiing trips/Hunting/Fishing
- o Come see Ontario/Visit Ontario/Vacation in Ontario
- o Niagara Falls

6% Product Identification

- o Beer ads/Beer commercials
- o Restaurant ads/Food commercials
- o Canada Dry Ginger Ale

5% Election

- o The election in Canada/The election

\* Media

(\* = Percent less than .5)

Canadian Advertising and Tourism

When asked whether they recalled seeing any Canadian advertising, 37% of the American people recalled having seen advertising from Canada. Nearly half of the ads that were recalled were tourist-related.

Tourism is an important part of U.S. perceptions of Canada. More than half (56%) of all Americans have visited Canada. Most (91%) of these visits were largely for personal reasons, many of them took place longer than three years ago. Thirty-eight percent of the American people stated that they know or are friends with Canadians.

Conclusions, A Final Note

In conclusion, the factual profile of American understanding of Canada denotes only a moderate understanding of the factual circumstances of the Canadian economic situation or U.S.-Canadian relations. Yet, warm feelings and high tolerance of Canadian national intentions prevail. The limited factual understanding is not being offset by a particularly high degree of contact or an awareness of recent events. Establishment of a deeper understanding might serve as a basis for a network of support for Canada in case such support was needed in a

political, economic or diplomatic context. Among status groups within the United States, those groups that on margin were most supportive of Canadian interests, the lower end, were also those most likely to support protectionist actions. This fundamental orientation of Canada's constituency may be one of the most serious hidden threats in the Canadian-American relationship. Without a greater level of understanding of the importance of the Canadian-U.S. economic relationship among the Canadian constituency, problems that appear today to be minor could become exaggerated. Canada's economic interests in U.S.-Canadian relations are quite substantial and, at present, this high stake is being wagered on a general pool of good feeling but limited hard core support.

Thus, while it is important in itself that Americans gave Canada the highest score as the closest friend and military ally, Americans nonetheless do not feel that the allies of the U.S. support of American foreign policy interests.

The Character of  
American Protectionism

A final note should be made of the study's findings with respect to free trade and protectionist views. Three further questions were asked to identify divisions in American opinion with respect to international trade. First, Americans were asked whether they supported the argument that international trade offers competition that forces American business to improve their products. A majority (60%-31%) supports this consumerist viewpoint. Yet, because of the size of the minority opposing this view, it can be seen that this is one of the core questions dividing American attitudes.

Second, a majority disagreed with the statement that Americans should purchase only American-made products (61%-32%). Seemingly, this answer, while again demonstrating strong divisions, showed a rejection of protectionist sentiment. But in a third question, a strong majority (67% to 25%) agreed with the statement that America should do more to protect its companies against foreign competition.

Clearly, there is increasing support for the protectionist, as opposed to free trade, view when the notion of government action is introduced. Even more

important, the demonstrable support for protectionist action would appear to be stronger when policy choices are posed in abstract terms. Government action and American protection are supported. Specific programs and their consequences may not be.

MARKET OPINION RESEARCH

Question 5.1

Let me read you a series of statements and tell me whether you agree or disagree with these statements.

	<u>Agree</u>	<u>Neither Agree Nor Disagree</u>	<u>Disagree</u>	<u>Other</u>
We should allow foreign imports into the U.S. because the competition forces American industry to improve their products.	60%	4%	31%	4%
Americans should purchase only American-made products even if they cost more than foreign products.	32	5	61	3
America should do more to protect its companies against foreign competition	67	4	25	4
The United States government should do more to protect against environmental damage even if this means that some business interests may be hurt in the process.	79	4	12	6
Do you agree or disagree that the U.S. government should do more than it does now to protect against unfair trade? Would that be strongly (agree/disagree) or just somewhat (agree/disagree)?	74	--	16	10

In this light, the lack of awareness of Americans about Canada and its economic importance clarifies the character of the protectionist threat to Canadian economic interests. Canada's strongest supporters are drawn from the same groups that support protectionism in general. Thus, it is important to consider what this group and other American audiences know about Canada. The final section of the study focused upon the profile of American knowledge about Canada.

MARKET OPINION RESEARCH



SECTION II:

FACTUAL BACKGROUND

The Image of Canada

Americans were asked what image came to mind when they thought of Canada. Forty-nine percent of the responses were that Americans thought of Canada as a friendly neighbor. The second most frequent response concerned Canada's natural resources. The friendly neighbor and natural resource images were both cited quite often. Less frequent responses concerned Canada's role as an ally of the United States and facts concerning its economic strength. In sum, the image of Canada noted in the vast majority of cases concerns general rather than specific and soft rather than hard characteristics. Canada's importance as a trading partner is not a widely noted aspect of Canada's image.

TABLE 3.1

When you think about Canada, what image comes to your mind?

% of  
Mentions

49%

Friendly neighbors

- o Friends - Friendly/Friendly people/  
Friendship/Strong friends/Our friends/  
Good friends
- o Neighbors - North neighbors/Good neighbors/  
Friendly neighbors
- o Like America/Similar to United States/  
Just like another state/Extension of our  
country/Part of the U.S.
- o Friendly border nation/Close to United  
States
- o Canadians - Good dependable people/  
Wonderful people/Solid people/Independent  
people
- o French/French-speaking people/French  
culture/Lots of French people
- o Good country - well-organized country/  
Nice country
- o Tourism/Nice place to visit/Great resort  
areas/Place to have a nice time/Vancouver/  
Northwest Territory/Hudson Bay/Calgary  
Bay/Quebec
- o British/English - strong English culture/  
Mostly English-speaking people/Strong  
British traditions
- o Similar/Similar needs/Cities same as ours/  
Somewhat like ourselves/Society much like  
ours

- o Like Canada/Delightful/Love it/My honeymoon
- o Neutral country

37% Natural Resources

- o Wilderness/Lakes/Trees/Open country/Green land/Water/Mountains/Wildlife/Forests/Free rivers/Peaceful
- o Snow/Cold
- o Beautiful country/Beautiful landscape
- o Natural resources/Lot of resources/Resource-rich nation/Fuel/Coal/Oil/Forests/Water
- o Clean - clean air/Cities with clouds
- o Large country - underpopulated
- o Niagara Falls/Vacation resort
- o Fishing/Hunting/sportsman's paradise
- o Hockey/Canadian mounties - their police
- o Nation with unlimited potential - frontier/Young nation/Growing
- o Their flag/Maple leaf
- o Skiers/Skiing

8% Close ally

- o Ally - Close ally/Friendly ally/Firm ally/Canada gives us support/Close relationship with us/Strong in aid if needed
- o Helped us with Iranian hostages/Helped during Iranian crisis

7% Economic strength

- o Economic strength - economy is stable
- o Same economic value as United States
- o Industry/Manufacturing - good wood/Forestry products/Paper products/Make cars
- o Disciplined country/They are not aggressive
- o Farming - wheat
- o Trade - We should trade more/They have good products
- o Canadian money/Our dollar goes further

6% Governmental

- o Freedom - free nation/Free world diplomacy/Equal rights to all/Democratic society
- o Independent/Independence - they are self-supporting/Self-sustaining government
- o Interesting form of government - political problems/Similar political concerns as ours
- o Prime Minister/Former Prime Minister Trudeau
- o Good sociable programs/Reasonable health insurance

1% Economic Weakness

- o Economically weak - underdeveloped economically
- o Underdeveloped industrially/Not as industrialized as the U.S.

Canada's Share of the Defense Burden

A plurality of 47% of the American people believe that Canada does its share to help defend the free world. A much smaller group (28%) stated that Canada did less than its share. This encouraging conclusion may be offset by the fact that more than a fifth (22%) of Americans found the question difficult to answer and stated that they did not know. Nonetheless, in every region of the country, Americans clearly felt that Canada does its share to defend the free world. In general, states closest to the Canadian border were stronger in their assertion that Canada does its share. When the response of Americans is analyzed in terms of status groups, it can be seen that across the board among all socio-economic groupings Americans are supportive of Canada's effort to do its share.

MARKET OPINION RESEARCH

Question 3.7

Do you feel that Canada does its share to help defend the free world does it do less than its share or more than its share?

	Census Regions					Canada Bornc
	Total	North- east	North Central	South	West	
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Does its share	47%	46%	52%	43%	47%	5
Does less than its share	28	27	25	28	33	27
Does more than its share	3	5	1	4	4	1
Other	22	22	22	25	15	1

MARKET OPINION RESEARCH

Question 3.7

Do you feel that Canada does its share to help defend the free world or does it do less than its share or more than its share?

	Total	Status Groups			
		High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Does its share	47%	50%	50%	48%	50%
Does less than its share	28	33	27	29	25
Does more than its share	3	3	2	2	2
Other	22	15	21	21	24

Question 3.8

Do you believe that Canada today has as prosperous an economy as the United States?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Yes	40%	35%	44%	43%	37%	36%
No	43	49	40	38	47	50
Other	17	16	16	18	16	14

Canadian Prosperity

Americans are closely divided over whether they believe that Canada today has as prosperous an economy as the United States. A narrow plurality (43% to 40%) believes that Canada is not as prosperous as the United States. As with many factual questions about Canada, there is a high proportion of undecided respondents. Across geographic regions of the country, there is considerable variation. In the Northeast and in the West, significantly more Americans believe that Canada is not as prosperous as the United States. In the North Central region and in the South, however, Americans believe that Canada is as prosperous as the United States.

Recent Events in Canadian History

Among the more interesting factual questions about Canada were those concerning the awareness of recent events in Canada. The survey was conducted not long after the election of the new government. To the extent that awareness of Canada is a rough measure of American interest in policy matters affecting American and Canadian economic relations, this was important question.

A sizable majority of Americans stated that they were not aware of any events that have taken place in Canada recently that have caused Canada to be in the news (66%). Nearly one-third of Americans (32%) stated that they were aware of such events. This may be a respectable percentage in terms of measuring awareness. In a typical political statewide poll concerning a relatively unknown Senator, an awareness level of 25-35% would represent a low, if not unsurprising, measure. Awareness of more prominent American public figures might be expected to range from 40-60%. Also, Americans are not aware of public issues concerning reasonably important events affecting their own lives. A year following the breakup of AT & T, for example, half of the American people believed that their phone company was still owned by AT & T. These comparative measures are offered as a perspective from which to evaluate the meaning of the observation that two-thirds of Americans were unaware of events taking place in Canada recently.

While the conclusion is unsurprising, there should be no question that awareness of the new government in Canada is shared among relatively few American households. Awareness of events in Canada does vary among status groups, however. Those who are aware of recent events in Canada tend to be the upper end status groups who have been seen to be marginally less favorable to Canada. High income and

intelligentsia groups tended to be more aware (38% and 42%) than were middle class and lower end groups (24% and 33%). When the comparison is made among census regions, the Northeast and North Central regions were relatively more aware of events in Canada (38% in both cases) than were the Southern and Western regions (25% and 29%, respectively).

When those who were aware of current events in Canada were pressed to give further specifics, 47% of the responses mentioned the new Prime Minister. In more than a fifth of the cases (22%), economic events were cited. A variety of other events that have caused Canada to be in the news were also cited suggesting that of the 32% of the American people who were aware of events causing Canada to be in the news, a limited number, perhaps only half, focused on the Prime Minister's election as an event that made them recall Canada.

MARKET OPINION RESEARCH

Question 3.10

Are you aware of any events that have taken place in Canada recently that caused Canada to be in the news?

	Status Groups				
	Total	High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Yes	32%	38%	42%	24%	33%
No	66	60	56	75	66
Other	2	1	2	1	2

Question 3.10.B

Are you aware of any events that have taken place in Canada recently that caused Canada to be in the news?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Yes	32%	38%	38%	25%	29%	40%
No	66	60	59	73	71	56
Other	2	3	2	2	1	4

MARKET OPINION RESEARCH

TABLE 3.11  
Awareness of Current Events in Canada

% of  
Mentions

47% New Prime Minister

- o Changing prime ministers - new prime minister was elected/Electing new prime minister
- o Election - recent election/National election/General election/New election
- o New prime minister/New premier
- o Change of government - last election went conservative/Stand for conservative upset of election

22% Economic

- o Auto strike - GM strike/UAW strike/Union strike/Labor agreement
- o Quebec province - wants to break away from Canada/Wants to form their own government
- o Fishing laws - fishing treaties convention/Fishing rights
- o Strike (unspecified)
- o Bilingual controversy - teaching the French their language
- o Lotto
- o Currency evaluation - Canadian below the U.S. dollar
- o Potato industry underselling U.S.

10% Events

- o Papal visit - visit of Pope
- o Queen's visit - visit from the queen
- o Michael Jackson concert - Jackson visited

7% Trudeau

- o Trudeau - Trudeau retired/Prime Minister  
Trudeau stepped down
- o Trudeau's divorce

4% Environment Mentions

- o Acid rain - blaming U.S. for acid rain/Ash  
pollution falling Canada

1% Ally Mentions

- o Taking in draft dodgers/Defectors welcomed with  
open arms/People leaving U.S. and going to  
Canada for asylum

When Americans were reminded that a Prime Minister had recently been elected and that a new government had come into office, a narrow plurality believed that the change would not matter to the United States (34% to 29%). Interestingly, more than a third (35%) were undecided about the effect that the change in government was likely to have. Across the census regions, a plurality in each case believed that the election of the Prime Minister would not matter to the United States.

In the case of those states sharing a border with Canada, the narrow plurality was reversed and a larger share of Americans believed that the effect of the Prime Minister's election would be positive (34% to 29%). Examining perceptions across status groups shows that among high income Americans a narrow plurality believed that the result would be positive. In all other cases, most believed that the change in government would not matter to the United States. As in each of the questions concerning the new Prime Minister, a sizable number of Americans were undecided about the potential significance to them of future directions of the new government.

When those Americans (29%) who believed that the election of the Prime Minister and the change in government would be positive were asked why they believe this to be the

MARKET OPINION RESEARCH

case, a sizable percentage (48%) of the responses concerned the general feeling that the two nations had close relations and a similar outlook. A quarter of the responses contained a specific reference to conservative government or the new Prime Minister himself. Few Americans believed that the election would have a negative consequence for the United States.

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	Census Regions					
	Total	North-east	North Central	South	West	Canadian Border
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Positive	29%	31%	28%	30%	28%	34%
Will not matter to U.S.	34	38	32	33	36	29
Negative	2	2	2	4	2	2
Other	35	29	37	35	34	33

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	Status Groups				
	Total	High Income	Intelli-gentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Positive	29%	33%	29%	28%	28%
Will not matter to U.S.	34	31	32	34	36
Negative	2	2	4	1	2
Other	35	34	36	27	34

Question 3.12

As you may (also) recall, Canada recently elected a new Prime Minister and a new government has come into office. Do you feel that this change will be positive or negative from the perspective of the United States or do you believe that it will not matter to the U.S.?

	<u>Total</u>	<u>Number of Cases</u>	<u>Positive</u>	<u>Will not matter to U.S.</u>	<u>Negative</u>	<u>Other</u>
Total	100%	(1200)	29%	34%	2%	35%
Pacific	100%	(162)	28%	38%	2%	32%
Mountain	100%	( 62)	27%	31%	3%	39%
East North Central	100%	(223)	29%	34%	2%	36%
West North Central	100%	( 90)	27%	29%	2%	42%
Deep South	100%	(305)	31%	32%	1%	35%
Border	100%	( 92)	25%	35%	1%	38%
Mid- Atlantic	100%	(199)	29%	38%	2%	32%
New England	100%	(68)	37%	37%		26%

TABLE 3.13  
Positive Reading of the New Prime Minister

% of  
Mentions

48% Similar/Close relations

- o Good relations with Canada/Better relations/They work closer with the U.S./They want closer ties with the U.S./Help each other
- o Just a feeling/I am an optimist/Change is usually for the better
- o Closely related to American thinking/Same ideas as U.S./Their beliefs are like ours/Policies are more consistent/Their government will be more agreeable with our policies/Sentiments closely aligned with ours
- o Would be in our best interests/Positive impact on the U.S.
- o They are close by/We are neighbors/Close neighbors/Next door neighbors

25% Conservative Government

- o New Prime Minister is conservative/More conservative like Reagan/Both men are conservative
- o Prime Minister has same beliefs as Reagan/Prime Minister's policies coincide with Reagan's
- o He's pro-U.S./Pro-U.S. attitude/Pro-American/Positive attitude toward U.S.
- o New Prime Minister/Change in Prime Ministers

4% Not Trudeau

- o Trudeau wasn't aggressive/Trudeau didn't have the power
- o Improve economy
- o Will establish better trade

TABLE 3.13  
Negative Reading of the New Prime Minister

% of  
Mentions

25% Prime Minister Mentions

- o Less favorable than with Trudeau
- o Prime Minister doesn't know what he's doing

15% Corporate/Economic Mentions

- o Support of American policies is limited
- o Corporate interests may be hurt

Relative Size of the Canadian Market

Americans were asked about the relative size of the Canadian-U.S. economic relationship. A sizable majority of Americans believe that Canada is an average market for U.S. goods and services as compared with the nations of western Europe (62%). Only a fifth of Americans believe that Canada is a major market (20%), while others are undecided or believe that it is a minor market. This perception differs somewhat across the geographical regions of the country as only 54% of New Englanders believe that Canada is an average market as compared with European nations. But nearly two-thirds of those in the North Central region (64%), the South (65%), and the West (62%) believe that Canada is an average market.

Question 4.1

Do you believe that Canada is a major market for U.S. goods and services as compared with say, the nations of western Europe, Canada is a minor market, or Canada is about average in importance?

	Census Regions					Can- adian Border
	Total	North- east	North Central	South	West	
Total	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(263)	(313)	(400)	(224)	(215)
Major market	20%	23%	18%	18%	20%	26%
Average	62	54	64	65	62	57
Minor market	11	13	12	10	10	11
Other	7	10	6	7	8	6

Political Criticism

Americans are not overly sensitive to criticism from Canada. A significant majority of Americans (65% to 19%) believe that when the Canadians complain about acid rain or fishing rights or foreign investments that they are acting reasonably from their point of view. This viewpoint is even more strongly held by high income and intelligentsia (70% and 77%, respectively) and nearly that strongly held (68%) by middle class Americans. Only the lower end Americans have a bare majority that believe that Canada is acting reasonably (52%). But, even low income are more supportive than critical of political and policy criticisms emanating from Canada.

A series of questions concerning Canadian trade and investment practices were asked to further assess public attitudes toward Canada from a political perspective. These questions were selected to establish a comparison with elite attitudes that had been investigated in the earlier Market Opinion Research Business Leaders Survey. In general, Americans tended to disagree with the statement that Canada practices unfair trade by dumping low cost products into the U.S. market and disagreed with the notion that imports from Canada take jobs away from U.S. workers. While disagreeing that the economic threat of Canadian competition is serious,

Americans supported the notion that without the Canadian market many American jobs would be lost. The notion that Canada is an important and reliable source of energy supplies for the United States was also accepted by a majority of Americans. Thus, Americans currently appear to support the positive elements of Canadian economic relations with the United States and to downplay the potential negative aspects.

When asked whether they agreed with the statement that Canadians are basically socialist-leaning, a clear plurality disagreed, although the divisions were not as clear cut on this political, rather than an economically-oriented question. In the earlier business leaders survey, the business leadership also disagreed with the characterization of Canada as a socialist-leaning country. Hence, while American criticism of earlier Canadian governments may have used such epithets, the common U.S. perception does not seem to have associated these views with their image of Canada.

Finally, a bottom line question relating to American concerns over Canadian-American economic relations was whether Americans believed that there is too much Canadian investment in the U.S. Nearly two-thirds of the American people believe that there is not too much investment. Very small numbers of Americans (9% on average) believe that

there is too much investment. This perception that Canadian investment is not too high is shared across all political regions of the nation.

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## MARKET OPINION RESEARCH

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MARKET OPINION RESEARCH

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Question 4.2

Do you believe that when the Canadians complain about acid rain or fishing rights or foreign investments that . . .

	Status Groups				
	Total	High Income	Intelligentsia	Middle Class	Lower End
Total	100%	100%	100%	100%	100%
Number of Cases	(1200)	(308)	(111)	(281)	(159)
Canada is acting reasonably from their point of view	65%	70%	77%	68%	52%
Canada is blaming the United States for their own problems	19	17	14	19	30
Other	16	14	10	13	19

MARKET OPINION RESEARCH

Question 4.3

Attitudes Toward Canada Summary

	<u>Agree</u>	<u>Neutral</u>	<u>Disagree</u>
Canada practices unfair trade by dumping low cost products into the U.S. market.	17%	2%	54%
Without the Canadian market, many American jobs would be lost.	51	2	33
Imports from Canada take jobs away from U.S. workers.	33	2	53
Canada is an important and reliable source of energy supply for the United States.	55	2	24
The problem with the Canadians is that they are basically socialist leaning.	25	3	45

Question 4.8

Do you think that there is too much Canadian investment in the U.S.?

	Political Regions								
	Total	Pacific	Mountain	East North Central	West North Central	Deep South	Border	Mid-Atlantic	New England
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of Cases	(1200)	(162)	( 62)	(223)	( 90)	(305)	( 92)	(199)	( 68)
Yes	9%	9%	13%	6%	8%	11%	15%	6%	4%
No	<u>66</u>	67	63	69	60	61	59	70	74
Other	<u>25</u>	23	24	25	32	28	26	24	22

TABLE 4.14  
Description of Commercials or Ads Seen Recently

% of  
Mentions

68% TOURISM

- o Tourism/Tour groups/Tours/Travel for vacation/Vacationing
- o Vacation ads for tourists/Travel commercials, Tourist ads
- o Vacation in Canada/Vacation in Manitoba/Toronto/Quebec
- o Visit Canada/Come see Canada/Promoting the country
- o Beautiful terrain/Wildlife and beautiful country/Woods/Mountains
- o Inviting tourists to visit Canada/Telling tourists to come visit Canada
- o Send for vacation brochures/Travel brochures/Travel Magazine
- o Promoting tourism in Montreal/Travel to Montreal/Vacation in Montreal
- o Vacation spots/vacation areas
- o Canada hot spots/Tourist attractions

11% Specific Location

- o Sporting activities - Skiing trips/Hunting/Fishing
- o Come see Ontario/Visit Ontario/Vacation in Ontario
- o Niagara Falls

MARKET OPINION RESEARCH

6% Product Identification

- o Beer ads/Beer commercials
- o Restaurant ads/Food commercials
- o Canada Dry Ginger Ale

5% Election

- o The election in Canada/The election

\* Media

(\* = Percent less than .5)

Canadian Advertising and Tourism

When asked whether they recalled seeing any Canadian advertising, 37% of the American people recalled having seen advertising from Canada. Nearly half of the ads that were recalled were tourist-related.

Tourism is an important part of U.S. perceptions of Canada. More than half (56%) of all Americans have visited Canada. Most (91%) of these visits were largely for personal reasons, many of them took place longer than three years ago. Thirty-eight percent of the American people stated that they know or are friends with Canadians.

Conclusions, A Final Note

In conclusion, the factual profile of American understanding of Canada denotes only a moderate understanding of the factual circumstances of the Canadian economic situation or U.S.-Canadian relations. Yet, warm feelings and high tolerance of Canadian national intentions prevail. The limited factual understanding is not being offset by a particularly high degree of contact or an awareness of recent events. Establishment of a deeper understanding might serve as a basis for a network of support for Canada in case such support was needed in a

political, economic or diplomatic context. Among status groups within the United States, those groups that on margin were most supportive of Canadian interests, the lower end, were also those most likely to support protectionist actions. This fundamental orientation of Canada's constituency may be one of the most serious hidden threats in the Canadian-American relationship. Without a greater level of understanding of the importance of the Canadian-U.S. economic relationship among the Canadian constituency, problems that appear today to be minor could become exaggerated. Canada's economic interests in U.S.-Canadian relations are quite substantial and, at present, this high stake is being wagered on a general pool of good feeling but limited hard core support.



U.S. Economic Opinion

Leader Analysis

Prepared for:

The Embassy of Canada

Not to be released without the joint permission of  
Market Opinion Research and  
The Embassy of Canada

October, 1984  
Job #WB4001

Economic Opinion

Leader Analysis

Introduction

This paper presents the results of a study of the attitudes of American economic leaders toward the Canadian business environment. Market Opinion Research (MOR) conducted 65 interviews with American business and economic leaders in mid-April, 1984. The interviews were selected to be broadly representative of economic leaders from industries having interests in trade and investment in Canada. The sectors from which the interviews were drawn included:

- o electronics
- o communications
- o energy
- o natural resources and agriculture
- o services and finance, and
- o manufacturing industries.

The Canadian Ambassador to the United States, The Honorable Allan Gottlieb, wrote to the Chief Executive Officers of a randomly selected list of companies and trade associations explaining that Market Opinion Research was conducting research for the Embassy and requested their cooperation. As a result of the Ambassador's letter, the

-2-

65 interviews contained a high number of Chief Executive Officers for a survey of this kind. Others who responded to the survey included a range of senior executives, such as Vice Presidents in charge of Canadian subsidiaries and the Vice President for Public Affairs or Government Relations. The executives who were interviewed addressed a number of important, long-term issues of significance for U.S./Canadian relations. Had the results been more tied to specific, narrow issues, the results might have been dated and the findings would be less applicable to solving issues after the new government took office. But the issues raised suggest that while there is overall strong support for Canada as a business environment, economic leaders do have a number of concerns and they tend to be fundamental ones.

Purpose of the Survey

The broad purpose of the survey of American economic leader's attitudes was to examine two broad issues:

- o First, are the attitudes of American business leaders toward Canada positive or negative?

- o Second, what is the character of both positive and negative attitudes? To the extent that there are negative attitudes, are they based upon underlying prejudice and deep-seated attitudes and beliefs? Or are negative views apparently caused by shorter institutional issues, such as the Canadian regulatory practices and administrative actions?

The underlying reason for seeking this information was to identify communication strategies that might be employed by Canadian policy makers to improve the U.S./Canadian economic relationship. Canadian economic objectives, as described by the broad range of Canadian officials who were interviewed for this study may range from encouragement of American investment in Canada (possibly in specific economic sectors and under specific conditions) to improvement of trade relations to enhancement of Canadian interests in diplomatic and legislative forums within the United States to improvement of tourist interest in visiting Canada and many other reasons. Irrespective of the specific policy objectives whether related to investment, trade, political or commercial, the purpose of this study of American economic leaders was to identify potential communications targets. Having defined targets, the goal of the research is to improve understanding of the cost effectiveness of alternative channels of communication.

Underlying Issues and the Context of the Study

Underlying this study are issues that have been a subject of debate in the United States and in Canada for some time. The Canadian/American business relationship represents the largest trade partnership in the world as the Canadian and American border is the longest unguarded border. Yet, while these two nations are close in terms of their shared interests in an economic and broader sense, each nation has its own economic traditions that have been shaped by its independent pattern of historical development. The relationship suggests certain basic strategy questions. Given the simultaneous closeness and independence, should Canada's strategy for advancing its economic objectives be to reinforce its relations with its traditional friends, such as those who advocate free trade? Or, should a communications program to improve investment and trade relations be targeted at interests within the United States that have opposed generalized free trade but might welcome a special economic relationship with Canada? These strategic policy questions establish a theme that underlies the examination of attitudes contained in this study of American economic leaders.

Objectives

The objectives of the study are:

- o to measure attitudes of American business leaders and their perceptions of the character of trade and investment relations with Canada;
- o to measure the strength of American business attitudes toward Canada in comparison with other nations;
- o to identify the perceptions of American economic leaders' attitudes toward political and economic factors that may affect Canadian/American economic relations; and
- o to analyze the factors that may influence these attitudes.

Research Design Sample/Field

Sixty-five interviews were conducted by telephone with business leaders randomly selected from Business Week's annual list of American corporations. Interviews were concentrated on key sectors of interest to Canadian/American relations.

Sample Design

The sample error for a simple random sample (n=65) is + or - 12.5% at the 95% level of confidence. This means that 95 out of 100 simple random samples will have their sample estimate within + or - 12.5 of the population value. Thus, it should be clear from both the statistical confidence and the character of the sample itself that the value of a study of this kind is not in making precise estimates concerning shades of difference between two selected subgroups, such as the group comprised of those supporting free trade and the group comprised of those opposing it. Instead, this study may be more valuable in highlighting issues that are of greater perceived importance to those interviewed and to identify areas of apparent disagreement versus areas of apparent consensus.

Data Processing

The interviews were conducted, validated and edited in MOR's telephone facilities in Detroit, Michigan. The completed interviews were coded and keyed and data run in the home office of Market Opinion Research, Detroit, Michigan.

Section I:

The Bottom Line Issues

Among the questions that were posed to the American economic leaders, four core questions concerning the issues of greatest importance to the study offered the greatest insight into business attitudes. These questions probed the issues of:

- o whether Canada's business environment is perceived as welcoming U.S. investment;
- o whether the U.S. should do more to protect its economy against unfair trade;
- o whether Canadians are perceived as engaging in unfair trade practices
- o how Canada compares with other trading partners.

Interestingly, the study revealed some quite positive results overall, but less favorable results were found among certain subgroups normally thought to be Canada's best "friends". In answer to the question, "Would you say that Canada welcomes or does not welcome U.S. investment?", 48% said that Canada welcomed U.S. investment, while 40% said that they believed it did not.

When the economic leaders were asked whether the U.S.

should do more to protect against unfair trade practices, 57% said "Yes, the United States should do more", while 38% said that it should not.

When asked whether Canadians engage in unfair trade practices, a majority of two-to-one (65% to 31%) said that Canadians do not engage in unfair trade practices.

Hence, the American economic leaders, while not unanimous, believed that Canada welcomed U.S. investment, that Canadians do not practice unfair trade, and yet the business leaders strongly favored U.S. action to protect against unfair trade. To the extent that Canada is differentiated from other nations, and thus not a nation from which the American economy should be protected, this sentiment favoring protectionism would appear to be positive for the Canadian/American economic relationship.

When Canada is compared with other trading partners, groups of equal size believe that Canada is more fair (43%) or the same (43%) as other trading partners. On the one

hand, it is important to note that this assessment means that 86% of those asked believe that Canada is fairer or the same as other trading partners. Yet, the importance of the response is that Canada is not clearly differentiated from other trading partners. If clear differentiation of Canada as a "fair" trading nation (see the bottom line question 3) is important, then this question suggests the existence of the problem that an indistinct image may hold for Canadian economic interests.

The Business Environment

Figure 1 (Groups of Interest) arrays each of the subgroups of the total sample that were analyzed. The question of whether Canada welcomes U.S. investment is compared in Figure 1 with each of these subgroups.

Figure 1: Groups of Interest

Qu 3: Canada Welcome U.S. Investment?

	<u>Yes</u>	<u>No</u>	<u>Other</u>	
Everyone--Total Sample (65)	48	40	12	100%
Energy Companies (18)	50	33	17	100%
Can. Border States (23)	35	57	10	100%
Senior Exec. Level (19)	42	42	16	100%
Fairness Supporters (20)	35	45	20	100%
Fairness Objectors (42)	57	33	9	100%
Fairer Partner Supporters (28)	39	50	11	100%
Same As Others (28)	57	32	11	100%
Protectionists (37)	46	41	13	100%
Free Traders (25)	52	36	12	100%
Personal Experience (45)	47	42	11	100%
No Personal Experience (20)	50	35	15	100%
Canadian Paper Readers(22)	59	27	14	100%

This chart illustrates some interesting conclusions. In contrast to the traditional view that energy companies are the most negative toward Canada, the majority of the representatives from energy companies felt Canada welcomed U.S. investment. On the other hand, a majority of company representatives with headquarters in states bordering Canada felt that Canada did not welcome U.S. investment. The highest level executives, those who were Chairman of the Board or Chief Executive Officer, were split on whether the Canadian economic environment welcomed or did not welcome U.S. investment. Among the minority group that felt that

-11-

Canada practiced unfair trade, a majority of the economic leaders felt that Canada was not a business environment that welcomed U.S. investment, while the group that felt that Canadians did not practice unfair trade felt strongly that Canada welcomed U.S. investment.

Among those who felt that Canada was fairer than other trading partners, a majority did not feel that Canada welcomed U.S. investment. On the other hand, a majority of those who felt that Canada is the same as other trading partners, felt that Canada welcomed U.S. investment. This is a seemingly contradictory conclusion. Intuitively, those who were most favorable toward Canada would be presumed to be most favorably disposed to its business environment. One of the study's most consistent conclusions was that those who only think Canada is being "as fair as others" are more likely to think favorably of its business environment. On the other hand, those who feel that it is fairer than other trading partners are suspicious of the Canadian business environment, but apparently less so than in the case of other nations.

-12-

Among the group that might be labeled "protectionists" as they feel that the U.S. should do more to protect against unfair trade, more felt that Canada welcomed U.S. investment. The protectionist group was more evenly split than the "free traders" who felt, by a sizable majority, that Canada welcomed U.S. investment. Those with personal experience in Canada were more evenly split as to whether Canada's environment welcomed U.S. investment. Among those with no experience, there was a stronger majority that Canada welcomed U.S. investment. Perhaps most interesting, those who read Canadian newspapers were the strongest supporters of the notion that Canada welcomed U.S. investment.

Protectionism versus Free Trade

In contrast to the seemingly positive conclusion that a majority of the American economic leaders felt that Canada welcomed U.S. investment, a 2-to-1 majority of the leaders felt that the U.S. should do more to protect against unfair trade practices. The group that thought that Canada was fairer than other trading partners felt most strongly that

more should be done to protect against unfair trade. Those who felt that Canada was the same as other trading partners supported the notion that more should be done to protect the U.S., but less strongly than the first group. (See Figure 2).

Figure 2: Protectionism

Qu 38: Do you feel the U.S. should do more to protect against unfair trade practices?

	<u>Total</u> (65)	<u>Fairer</u> (28)	<u>Same</u> (28)
Yes	57	64	50
No	38	32	43
Other	5	4	7
	100%	100%	100%

When asked "How should the U.S. do more to protect against unfair trade", the economic leaders cited a number of specific ideas, including reciprocal trade agreements, enforcing fair trade laws and eliminating trade barriers. Figure 3 lists their conclusions. A number of the issues that have been of concern to U.S./Canadian economic relations for the past decade are mentioned as protectionist actions that should be undertaken.

Figure 3: How Should U.S. Do More

Qu 39: Do you feel that the U.S. should do more to protect against unfair trade practices?

	% of Responses <u>Total</u> (37)
Reciprocal trade	27
Enforce fair trade laws	24
Eliminate/Oppose trade barriers	19
Persuade others to open markets	11
Enforce anti-dumping	11
Be sensitive to Canadian feelings	11
Be realistic on no tariff	8
Impose quotas	5

Fair versus Unfair Trading Nations

In answer to the question, "Do you think the Canadians engage in unfair trade practices?" as has been noted, a 2-to-1 majority objected, stating that Canadians do not engage in unfair trade. Both the protectionists and the free traders, those who felt the U.S. should do more to protect against unfair trade, and those who felt the U.S. should not do more objected to the notion that Canadians practiced unfair trade by roughly the same margin. (See Figure 4.).

Figure 4: Canadian Fairness

Qu 40: Do you think that the Canadians engage in unfair trade practices?

	<u>Total</u> (65)	U.S. Do <u>More</u> (37)	Not Do <u>More</u> (25)
Yes	31	32	24
No	65	65	68
Other	4	2	8
	100%	100%	100%

When the minority group who believes that Canadians practice unfair trade is asked what specific trade practices are unfair, a range of responses was cited. These included Canadian tariffs, restrictions on advertising, the Foreign Investment Review Agency and the National Energy Plan. Notably, these objections were specific and concrete while the reasons cited in support of the Canadian economy were more general. (See Figure 5.)

Figure 5: Unfair Trade Practices

Qu 41: Which ones?

	% of Responses <u>Total</u> (20)
Tariffs on imports	15
Restrict advertising	15
FIRA/NEP	10
Dumping	10
Restrictions	10
Taxes	5
Raw material subsidies	5
Exports 3 X Imports	5

Perceptions of Canada as a Trading Partner

The economic leaders were asked to compare Canada with other trading partners of the U.S. In answer to the question, roughly equal numbers felt that Canada was more fair as felt that Canada was the same as other nations. In sum, 86% had positive or neutral responses to Canadian fairness as compared with other trading partners. Yet, it would seem to be more likely that Canada would benefit from the positive feeling with which the U.S./Canadian relationship is held, if Canada received a more strongly positive response among the group that felt that Canada welcomed U.S. trade and investment and among those who felt that the U.S. should

not do more to protect against unfair foreign trade. A majority of both these groups felt that Canada was more fair than other nations. Yet, both those who support the Canadian business environment and those who are free traders have traditionally been viewed as friends. (See Figure 6.)

Figure 6: Comparison with Trading Partners

Qu 42: How would you compare Canada with other U.S. trading partners -- more fair, less fair or the same?

	<u>Total</u> (65)	<u>Not Welcome</u> (26)	<u>Welcome</u> (31)	<u>U.S. Do More</u> (37)	<u>U.S. Not Do More</u> (25)
More fair	43	54	35	49	36
Same	43	35	52	38	48
Less	5	8	3	3	8
Other	9	4	9	10	8
	100%	100%	100%	100%	100%

Another conclusion that might be drawn from this finding is that the issues that concern Canadian/American economic relations today may be more deep-seated and less superficial than is often thought to be the case. If the problem in trade relations between two nations is that there are a limited number of short-term, institutional obstacles

that affect relations, then it might be inferred that there would be a constituency of support.

However, the survey results in the MOR Economic Leaders Survey suggest that those who feel that the Canadian business climate welcomes investment and who feel that the U.S. need not do more to protect itself against unfair trade appear to be the ones who feel that Canada is no more fair than other trading partners. In other words, those sympathetic to free trade ideas see Canada to be equal with other trading partners. If this group is a constituency of support for Canada, it is a weak one. On the other hand, those who would do more to protect against unfair trade seem to feel that Canada, while not welcoming U.S. investment, has a better business environment than others. Canada's supporters may be those who differentiate Canada but are not supporters of freer trade. Thus, the patterns of support and neutral constituencies do not seem to be affected by short-term grievances. The most clearly supportive American executives and business leaders towards Canada were more likely to have had protectionist rather than free trade views.

Section 11:  
Comparing Canada  
with  
Other Nations

The economic leaders were asked to rank Canada on a zero to ten point scale to compare Canada with other places that might be chosen for investment. (See Figure 7).

Figure 7: Investment Ranking

Qu 12: On a zero to ten point scale, how would you compare Canada with other places American companies might invest?

	<u>Best Place</u>	<u>Good Place</u>	<u>Average</u>	<u>Bad Place</u>	<u>Worse Place</u>	<u>Ave. Score</u>
Canada	12	62	18	8	--	6.69
Japan	14	52	6	18	2	6.42
G.B.	11	42	31	12	--	6.21
Australia	6	52	25	12	--	6.16
Ireland	8	43	17	22	2	5.75
France	--	25	25	43	6	4.45
Mexico	--	18	17	49	9	3.82
Brazil	2	23	9	38	20	3.66

Figure 7 illustrates the responses to that question. As with other polls and comparative scales, Canada is favorably regarded. Canada is ranked first with an average score of 6.69. Japan is ranked second. Notably, a higher percentage of respondents felt that Japan is the best place to invest while, at the same time, some stated that Japan is

the worst place to invest. The distribution of Japanese scores is thus broader. Canada's score is highest and is supported by more consensus than is the case for Japan.

Figure 8: Verbatim Responses to Canada Ranking

Q12-19: Why did you give Canada the score you did?

Positive Reasons:

- Proximity to market/Similar market
- Stable economy/economic conditions/economic stability
- Similar cultures/Cultural compatibility

Negative Reasons:

- Canadian nationalization/Moving toward nationalism
- Canadian interference/Problems with government
- Taxes/Taxes too high
- Federal regulatory laws of country
- Instability/Too dependent on policy

The respondents were asked why they gave Canada the score that they did. Figure 8 lists some of the more prevalent verbatim responses. The positive reasons for the score given to Canada were more general, including phrases

such as "proximity to the market" and "stable economy". The negative reasons that were cited for giving Canada a particular score were more specific. These responses illustrate the fact that American economic leaders are more specific in their criticisms and problems with Canadian investment than are the supporters.

To put the comparative ranking of Canadian investment in context, the economic leaders were asked whether they would choose to invest in Canada or the United States. Overwhelmingly, the business leaders chose the United States by a percentage of 83% to 3%.

Figure 9: U.S. versus Canadian Market

Qu 23: Which place would you choose to invest?

	<u>Total</u> (65)	<u>Not Welcome</u> (26)	<u>Welcome</u> (31)	<u>U.S., Do More</u> (27)	<u>Not Do More</u> (25)
Canada	3	4		3	4
U.S.	63	96	81	78	88
Other	14		19	19	8

The group who felt that Canada did not welcome investment, the feeling was even stronger that they would

invest in the United States. The group that felt that the United States should do more to protect against unfair trade practices was more uncertain in its conclusion that it would prefer to invest in the United States.

The first question asked in the survey requested a general reaction to factors affecting doing business with Canada. In response to the open ended question where business leaders were not prompted for a response, the reasons cited for choosing the United States as their priority place of investment included their perception of the U.S. market as having fewer restrictions and being more stable. There was an element of chauvinism in some of the responses, but, by and large, stability of the marketplace appears to have been a strong value affecting investment perceptions.

Section III:

Political Economic Factors

The American business leaders were asked a series of questions about their perception of political and economic factors that affect the Canadian marketplace. They were asked whether they agreed or disagreed with statements in which there was a key phrase that identified a particular point of view commonly held about the Canadian economic climate. One such key phrase was "the problem with Canada was that Canadians do not understand the free marketplace". A majority disagreed with this statement. A second phrase that Canada was "a good place to invest as long as one understood certain Canadian national priorities" was favorably received. A majority agreed.

A statement that included the phrase that "FIRA (Foreign Investment Review Agency) makes it difficult to invest without a terrible hassle" received the strongest agreement of all. A statement that "problems in economic relations with Canada were limited to certain specific sectors" received a strong majority of support. The statement that "problems with investing is that Canadian

governments have been Socialist-leaning" also received support but the statement that Canada is "undependable because of changes in government policies" did not achieve a consensus. The disagreement may itself be interesting as it illustrates sharply differing views of Canada's future.

From this list, the strongest agreement was concentrated on the notion that FIRA made investment difficult. Some may conclude from this that an institutional obstacle rather than a deep-seated underlying belief that investing in Canada was difficult because of underlying problems.

Figure 10: Economic Political Views  
(Strength of Agreement)

	<u>Total</u> (65)	<u>Protectionist</u> (37)	<u>Free Trade</u> (25)
FIRA Objection	72	78	64
Sectoral	65	62	68
Socialist	57	59	56
National Priorities	55	51	60
Unpredictable	58	49	52
Not Free Marketeers	25	24	28

In Figure 10, the political economic statements are ranked in order of the strongest agreement. These views are contrasted with the group that is most protectionist and

those who are free traders. The protectionist group is even stronger in its objection to FIRA than the average: while the free trade group is less severe in its condemnation of FIRA and more supportive of the notion that problems are limited to certain sectors.

Overall, these measures of American business attitudes appear to lend support to the notion that the institutional obstacles, such as FIRA and the National Energy Plan, were severe problems for American business leaders at a time when Canadian and American foreign trade professionals know that changes had already been made. This conclusion suggests that change in the image of these agencies has been slow to take place.

The high profile posture of past Canadian assertions of national economic priorities appears to have been remembered by American business leaders. A change in government policies that may have already addressed these issues may in fact be well-targeted. The survey indicated that American business attitudes toward Canada are positive and that Canada compares favorably with other trading partners.

-26-

The data indicates as well that it may be most important to concentrate on Canada's ability to differentiate its image from that of other nations. In doing so, the selection of the communications channel is a key variable. The source of information that American business leaders use to obtain information about Canada illustrates that only a third read Canadian papers; another third said that they use U.S. papers. This was more pronounced among senior executives as well. In all cases, the most predominant source of information about Canada was received by company representatives located in Canada.

However, the data from the survey also suggests interesting questions about the strongest areas of support for Canada versus other trading partners. In the United States, those who felt that Canada was fairer in its actions than other U.S. trading partners were, by and large, more protectionist in their orientation toward U.S. trade policy. Those who felt that Canada was "the same as others" were more supportive of free trade. The implications of this ironic reversal of the assumed orientation of friends and non-supporters could be important for Canada's communications with key economic audiences in the U.S.

-27-

Canada might place greater emphasis upon interest groups and upon targeted communication to normally protectionist audiences to build upon their constituency of support.

The differences in attitude and orientation between traditional friends and supporters of free trade and those who favor Canada over other U.S. trading partners underlines the potential value of a targeted communications strategy. There will be times when Canada's alliances with the traditional supporters of free trade will be most important to achieving economic objectives. In such cases, the issue of making the positive reasons for support of Canada more clearly understood will have to be addressed. Alternatively, this report also highlights the potential advantages to Canadian trade and investment objectives of building bridges of communication to groups within the U.S. who are not generally supportive of free trade, but who are specifically pro-Canadian in their orientation. In either case, a carefully designed communications program is important to accomplishing Canada's objectives.

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