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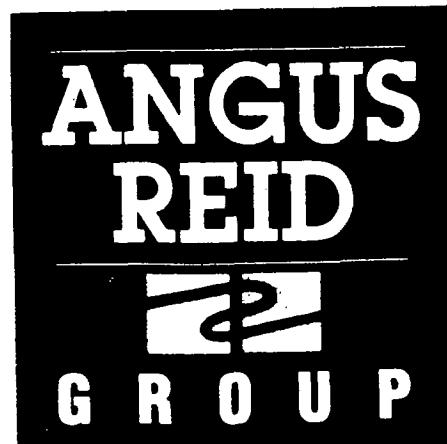
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**CANADA-MEXICO-UNITED STATES
FREE TRADE**

-Focus Group Discussions-

Final Report

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**CANADA-MEXICO-UNITED STATES
FREE TRADE**

-Focus Group Discussions-

Final Report

Submitted to: External Affairs Canada

Submitted by: Angus Reid Group, Inc.

November, 1990

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1.0 BACKGROUND AND METHODOLOGY

This report presents the research findings from a series of focus group discussions conducted by the Angus Reid Group on behalf of External Affairs Canada. External Affairs Canada has been closely monitoring Canadian public opinion on international trade and the Free Trade Agreement in order to keep abreast of any significant shifts or developments which may have an impact on communications strategies or policy planning. The focus group discussions described in this report are one part of a comprehensive research strategy aimed at providing this type of public opinion information.

A major part of the research strategy involved a national survey, conducted by the Angus Reid Group, to examine Canadians' attitudes and perceptions on issues related to international trade, specifically on the question of competitiveness. The national survey (June, 1990) was preceded by a series of eight focus groups designed to provide an in-depth exploration of issues and concerns with respect to international trade and competitiveness and to provide some qualitative input into the design of the national survey instrument. The research strategy also included a series of focus groups conducted after the completion of the national survey (the groups were conducted in September of 1990) in order to examine reactions to a series of radio advertisements developed by External Affairs Canada to promote awareness of international trade and competitiveness and Export Trade Month.

The purpose of the focus group discussions described in this report was to obtain qualitative data relating to international trade with a particular focus on trade opportunities with Mexico (a topic which had been raised but not fully explored in the previous studies) as well as issues related to a possible Canada-Mexico-U.S. Free Trade Agreement.

A total of four focus groups were conducted in October/November of 1990. Two focus group sessions were held in English in Toronto and two were held in French in Montreal. Each focus group consisted of approximately 10 individuals who were randomly recruited by telephone upon meeting pre-established selection criteria.

In order to qualify for inclusion in the focus group study, individuals must have been 25 years of age or older, university educated and qualifying in terms of awareness and personal suitability as measured by four items in the screening questionnaire. The qualifying participant must have rated himself/herself a score of five or more (on a seven point scale) for the first item and for at least two of the remaining three items. The items included:

1. "I am the type of person who reads the newspaper on a daily basis."
2. "I don't mind stating my opinion even if it differs from the opinions of people around me."
3. "I would rather participate in than watch most activities."
4. "I make friends easily and feel comfortable in new social situations."

In addition, any individuals who were employed in any of the following areas were excluded: advertising agencies; market research companies; radio, television or newspaper; public relations; international banking; import or export agency, and teaching in the area of economics or business. Prospective participants who had ever lived in Mexico for at least one year were excluded. Anyone who had attended a focus group session within the past six months was excluded from participation.

In each centre (Toronto, Montreal), the group structure included one group of individuals who opposed and one group who supported the Free Trade Agreement. Moderate support/moderate opposition to the Free Trade Agreement was measured on the screening questionnaire using the item: "Generally speaking, do you support or oppose the Free Trade Agreement that was reached between Canada and the United States?...Would that be strongly or moderately (support/oppose)?" The wording of this question is identical to that used in the National Angus Reid Poll tracking research on the Free Trade issue.

In each centre, a quota system was employed to ensure that each group (supporters, opponents) included a balanced representation of respondents by gender and by age category.

Throughout this qualitative report, the responses will be identified for each group and then will be summarized by way of comparing the two groups. Groups A constituted the participants who were neutral to positive in their support of Free Trade and Groups B, those who were neutral to negative in their support of Free Trade.

In conducting the focus group discussions, the focus group moderators followed an outline of topic areas which was designed by the Angus Reid Group in close consultation with client representatives at External Affairs Canada. A copy of the moderator's guide and screening questionnaire used in the study have been appended to the report.

2.0 EXECUTIVE SUMMARY

- o Groups A all recognized the need for trade internationally in the context of a global economy; that there would be short term hardship for long term gain and that the country must specialize, be less dependent on natural resources and needs to train its labour force to be competitive; the issue of dislocation was seen as a short term problem but necessary; union wage demands should be reduced to compete.
- o Groups B recognized the need to trade but saw it as a relationship between imports and exports. Lack of preparedness to compete was seen as due to reliance on exports of natural resources. High labour costs were also seen as a detriment. Participants felt that Canadians should be buying more Canadian goods.
- o The Montreal B group did not trust government to handle Quebec hydro exports; were concerned about reliance on the export of natural resources and thus the environmental costs associated.
- o None of the groups made the linkage between dislocation and specialization.
- o Dislocation was seen as the result of and the down side to expanded trade while specialization was equated to the need to find new markets and to ensure training.
- o All groups agreed that Canada, and in particular, business, must improve their marketing efforts externally.

- o The unification of Europe in 1992 was seen by all as a trade alliance competitive to North America (Canada and the U.S.).
- o The Montreal (B) participants did, however, see market areas in Europe for Bombardier and Lavalin; they saw some opportunities for trade between Quebec and Europe but saw a lack of Canadian infrastructure and planning toward specialization; like the more positive groups, felt Canadians would have to lower their living standards in order to be able to compete.
- o In Montreal (A) there was concern over lack of Canadian economic leadership and fear that Canada would be caught in the middle between the U.S. and Europe. Both Montreal groups also saw the Quebec/Canada relationship as a greater priority than trade.
- o B groups saw Europe as an economic threat stronger than the current U.S. and feared European self-sufficiency would lead to reduced European/Canada trade and a European preference to trade with the U.S. due to its higher dollar value.
- o Free Trade was seen by the positive groups as necessary, implying short term hardships (lay-offs) but necessary for long term gains. The lack of skilled labour force, low emphasis on training and higher cost of labour were seen as problematic for Canada in terms of competitiveness and economic benefits. In Toronto (A), losing skilled labour to the U.S. markets was identified as Canada's inability to specialize away from natural resources into new trading sectors and thus create the jobs.

- o The more negative groups saw Canada as losing more than economically gaining in the Free Trade Agreement with the U.S.; saw plant closures and job losses as indicators of what the agreement had resulted in for Canada; some feared the loss of social programs. Specialization was again raised as a necessity if Canada was to benefit.
- o All participants felt Canada in the global trading community should be focusing on the Middle East, South America and Europe. The negative group in Montreal mentioned South Africa. Only in the positive Toronto group was Mexico spontaneously mentioned.
- o All groups agreed that Canada must trade internationally due to globalization; many, however, felt Canadians feared losing their identity and would be "led" by the U.S.
- o All groups identified Mexico as a third world developing country with few opportunities for Canada to have trading benefits; their low standard of living and debt load were cited as cause why they could not use or pay for Canadian goods.
- o There was low awareness of current trade between Canada and Mexico; cheap labour was cited as the main opportunities for Canadian production plants.
- o Only the Toronto A group was positive overall about trade opportunities with Mexico; they mentioned specialization, niches not yet met by the U.S., telecommunications, pharmaceuticals and pollution-control technology; these participants saw long-term economic gains for Canada as well as Mexico and felt trade would be better for raising their living standard/skills levels than giving financial aid.

- o Though the Montreal (A) groups were similarly positive (cheaper labour force, skilled labour to Mexico), they were split on their total support fearing too much financial investment with low financial gains due to Mexican poverty and low standard of living; they also feared job losses for Canadians due to Mexican lower labour costs and showed concern over the closer proximity of the U.S. to Mexico placing Canada at a competitive disadvantage to the U.S.

- o Like the Montreal A group, both the B groups expressed similar negative comments about trade with Mexico. These groups were split, in total support over raising Mexican standards of living on one hand while on the other hand against such a venture due to the costs. They did, however, both concede the opportunities should be explored. Both B groups, like the Montreal A group, saw high costs of transportation as a competitive disadvantage but did see long term effects for Mexicans to improve their skills/standard of living and thus become a viable export market for Canada. Both agreed exploring and developing trade with Mexico would be better than giving direct financial aid.

- o In the Montreal B groups, the issue of importing "cheap labour" was viewed as more advantageous than exporting Canadian raw materials for production there; some however, felt this could mean added cost to taxpayers Mexican immigrants were to lose their jobs.

- o All A group participants thought a trade alliance with Mexico should occur for economic benefits both to Canada and Mexico.

- o The B group participants were more reticent, citing the possibility of Canadian lay-offs if Mexican cheaper labour was used as well as the competitive threat of Mexico which would be producing cheaper goods for sale to Canadians.

- o All groups cited that the move by the U.S.A. to form a trade alliance with Mexico necessitated Canada to at least be at the table.

- o A trade alliance including Canada, the U.S.A. and Mexico was seen as necessary in the global economy and especially because of Europe in 1992. For the negative B groups however, more time, study and information were important; their main concern was that Canada would be losing more than it would gain.

- o In forming a trade agreement, both Toronto groups wanted to see environmental protection as a part of the agreement while the A Montreal group was softer on their agreement and the Montreal B group split.

- o The inclusion of wage standards in such an agreement was not supported in any of the groups, but labour codes regarding safety were supported in the Montreal A group.

- o Only in the Montreal B group was cultural identity for Mexicans seen as an issue which should be respected in a trade agreement.

- o All the A group participants were supportive of a trade agreement with Canada, the U.S.A. and Mexico. The Toronto B participants were willing but some would want to exclude the U.S.

- o The B group participants in Montreal were divided; some were skeptical and would want to see the benefits of the U.S./Canada Trade Agreement first while others saw the need to form a North American trading block to compete with Europe.

3.0 CANADA AND INTERNATIONAL TRADE

3.1 Overall Views on Trade

The focus group findings outlined in this section of the report deal with the participants' general reaction to and impression of international trade and more specifically, its impact on Canadians and on the economy. During this initial part of the discussion, the participants were also asked to give their views on: Canada's ability to compete internationally, free trade and the extent to which globalization is a factor affecting Canadian competitiveness. The participants' views and concerns served to provide a context within which to interpret specific reactions and opinions to a free trade agreement involving Canada, Mexico and the United States.

The Group A participants' reaction to and impression of trade were that trade is an essential function for Canada in a global economy. There was a strong sense that the country no longer has a choice and cannot isolate itself from the international trade market. In both Toronto and Montreal, these A groups were aware that Canada cannot afford to continue exporting natural resources and importing finished goods. Both groups felt that there might be "some short term hardships with trade or free trade", but that there would be "long term gains". They indicated that placing restrictions on trade would only lead to a lack of initiative on the part of industries who "aren't motivated to develop".

When asked whether or not they felt that Canada was prepared for expanded competitiveness or international trade, Group A participants felt that there were specific elements which Canada is "ill-prepared for". In particular, the groups discussed the dislocation of workers and possible lay-offs. These participants felt that larger companies would survive and prosper while smaller companies would encounter difficulties. In both the Toronto and Montreal A groups, participants felt that Canada lacks a skilled labour force and that this is a measure of being ill-prepared. As well, they felt that with dislocation or lay-offs, segments of the population would have to be retrained, especially in sectors such as the garment industry. In addition, both groups noted that wage demands made by unions are much higher than in the U.S. and that this was a detriment to Canadian competitiveness. Participants of the more positive Montreal group also brought forth Canada's over dependence on the export of natural resources as a detriment to limiting its competitiveness. These participants used as an example Japan's emphasis on skilled manpower to maintain its competitive international edge. Both groups on this initial discussion of trade in the global economy felt that Canada must place more emphasis on its efficiency, skills training, be prepared to deal with the short term hardships (dislocation and lower wages), recognize that trade has to be international and that eventually, "the pendulum will swing back to the middle ground". For these people, Free Trade with the U.S.A. is simply an indication of alignments necessary to compete in the global economy.

When the topic of trade was introduced to Group B participants, they showed a significant difference in their view of trade. These people discussed trade in terms of a balance between imports versus exports. Some participants of Group B felt that more emphasis should be placed on buying Canadian. When this was brought forth in the Toronto discussions however, a

number of people indicated that, "even if we buy Canadian it doesn't mean that it is made in Canada". These B groups felt that Canada is not prepared for competing internationally due to the fact that its manufactured goods are imported while its exports are based on natural resources. Like the more positive A groups, these participants recognized that the high cost of labour makes it difficult for Canada to be competitive especially in labour intensive industries. Interestingly enough, these groups were more interested in looking at cuts to social programs as opposed to wage cuts. The group in Montreal had some participants who focused on Quebec's ability to export hydro. Some of these participants indicated that they did not trust government or politicians to protect Quebec's rights in negotiating trade agreements for the export of hydro. On the topic of natural resources, people in the B Group in Montreal also felt that Canada is primarily exporting natural resources and "it is worrying me because of the environment". For this group as well as for the more positive groups, there was a recognition that Canadians pay a high price for products produced using natural resources from Canada but manufactured elsewhere and then "re-sold" to Canadians. Although all groups concurred on this point, the more negative groups showed greater concern regarding the possible job loss to Canadians (as a result of trade or Free Trade). The more negative group in Montreal like the positive group in Toronto, felt that "drastic measures would be required to make Canada more competitive". These three groups (Group A and the negative Montreal group) all felt that only by dissolving unions and lowering wages would Canada be able to compete. All groups, both the positive participants (A) and the negative participants (B), felt that Canada has done a poor job in selling itself. Again, it was the more negative group in Montreal who felt very much like the positive group in Toronto -- that Canada must look for a niche and specialize in the advanced technologies and services sectors. None of the groups made the linkage between specialization and dislocation.

3.2 Impact of Europe in 1992 on Canada

Having generally discussed trade, free trade, the global economy and what these would mean for Canada in terms of competitiveness, the groups were asked to think about Europe in 1992 and their perception of the unification of Europe as affecting Canada.

The positive group in Toronto felt that Europe in 1992 will mean that countries like Canada will have to become more specialized. They wanted to see Canada specialize more in the high tech communications and environmental services sectors. As well, they honed in on Canada's need to market itself strongly in Europe and that the unification of Europe is "a signal of things to come". However, they also felt that "North America as a unit must be dealt with first"; Canada and the United States must develop their Free Trade position in order to compete with Europe and the European marketplace. Participants in this group also indicated that it is necessary for Canada to become a competitive trader in the world economy. They felt that Canada should specialize and establish a niche such as Switzerland has with Swiss watches and France with its wines. "Canadian industries should become more upscale in their product lines".

The reaction to Europe of 1992 was somewhat different for the more positive group in Montreal. Though this group also viewed the unification of Europe as an indication of globalization and the need for Canada to market its goods worldwide, they also felt that "the capital will be in the hands of Europe rather than the U.S.A.". For these participants, the lack of leadership in Canada and "politicians who do not care about the population's future" was a real concern. One participant said that a preferred term for "globalization" would be "internationalization". This group in Montreal also felt that Canada experiences difficulty

with the U.S.A. because of protectionism. Though they recognized that there is a need to move to trade internationally and that Europe will open up new horizons for manufacturing goods, they nonetheless felt that Canada would be caught in the middle between Europe and the U.S.A. One participant said, "the big ones will eat the small ones". Interestingly enough, this group also brought forth the point that, "We're stuck in an identification phase (that is Quebec and all) and how do you think we have time to think about trade?".

For the more negative groups in both Toronto and Montreal (Group B) there was a strong sense of fear that Europe would take over the manufacturing sector. The more negative group in Toronto felt that Europe would become more self-sufficient and make importing and exporting to Europe more difficult. However, this more negative group did indicate that "Canadians are more spoilt than Europeans and that Canadians will have to lower their standard of living or expectations in order to compete". This same group also felt that the Europeans would probably prefer to deal with the U.S. rather than Canada because of the higher value of the U.S. dollar.

For the more negative group in Montreal, however, there was a sense that the market place in Europe of 1992 could be good for Canada. This group reflected on companies in specialized market areas (such as Bombardier and Lavalin) who would benefit because of the unification of Europe in 1992. Like the more positive group in Montreal, this group (the negative group in Montreal) felt that the discussion was focusing on "the Anglophone world mostly". Another participant commented, "I tend to think of Canada as our neighbours". There was a sense that though Canada needs to become more competitive, it would do that as "a branch of the U.S.A." This group felt that in order to specialize, Canada would need the infrastructure and proper planning to do so. Similar to the more negative group in Toronto, the Montreal participants felt

that Canada needs to become more competitive. One person said, "we'll be forced to be more competitive". Another person stated, "we're the most apathetic nation in the world". This group - though it was a more negative group in terms of its support for Free Trade - did, nonetheless feel that the Canadian public would have to live with less in order for Canada to become competitive. Like the more positive groups in Toronto, the negative group from Montreal felt that trade alliances would be essential for Canada to be competitive.

Finally, the reaction of the more positive group in Montreal to the Europe of 1992 and its effect on Canada's competitiveness focused on the discussion that Canadians in essence, "lack self-discipline for productivity".

3.3 Role of Free Trade in International Competitiveness

Among those who expressed support for the Canada-U.S. Free Trade Agreement (Groups A), there was a perception that the Agreement will have a short term negative impact on Canada's international competitiveness but will be beneficial to Canada in the long run. The negative impacts were felt to be especially prevalent among small companies and among labour-intensive industries which have to contend with higher labour costs than in the United States. There was also a perception that the United States will derive more benefit from the Agreement than will Canada because of its much larger size (population). These participants also felt that Canada tends to keep "losing industries alive" and that it should let them go and back the industries that will "win" and can compete. Both A groups also felt that aside from higher labour costs, Canada lacks the "economies of scale" for large-scale production. The A group in Toronto also discussed the issue of training; these participants felt that Canada has not been able to project

the future skills required in the labour market. Both A groups indicated that the country is still teaching skills as opposed to identifying and applying those skills needed in a competitive market place. For this Toronto A group, the "brain drain" to the U.S. was a concern and one which hampers Canada's ability to be competitive.

The Free Trade Agreement was however, viewed as a strong motivator for Canada to spend more to train and develop skilled workers and that this is necessary to compete on a relatively equal footing with the United States. Participants in these two more positive groups also felt that protectionist measures in Canada are hurting the Free Trade Agreement and removing the motivation from Canadian companies to become more competitive. The Toronto participants felt that Canada should be aligned with the U.S. since it offers the closest and the biggest trading opportunity for Canada.

Among those who expressed opposition to the Free Trade Agreement (Groups B), there was a consistent fear that Canada would become "a branch of the United States" without the commitment from U.S.-based companies located in Canada to develop and maintain production operations in Canada. One participant in Montreal said, "we're losing too many companies to the U.S." and another participant in Montreal said, "some have opened plants here and then returned there (the U.S.) to trade from there". Participants felt that U.S.-based companies would sooner shut down production in Canada before discontinuing any production taking place in the United States. Both these groups felt that Canadians would be more likely to lose jobs than Americans.

The participants from Group B in Toronto felt that the agreement will force Canada to "cut the fat" and to become more productive, more specialized and more competitive. These participants felt that Free Trade had been "O.K. in the auto industry". However, some participants in Toronto did express concern and fear that social programs in Canada would eventually suffer.

It is noteworthy that it was only the positive groups in Toronto and Montreal who indicated that Free Trade with the U.S. is a means to becoming more competitive. None of the groups (A or B) expressed any concern or raised the issue of Canadian economic dependency as a result of Free Trade with the United States.

3.4 Globalization

Before commencing the discussion on trade opportunities with Mexico, the participants were asked what other countries or areas of the world where Canada should be concentrating its efforts for expanded trade. All participants in both Toronto and Montreal mentioned the Middle East and South America. Because of the prior discussions, Europe was also mentioned. The negative B group in Montreal also mentioned South Africa however, they did not mention Mexico. The only group to spontaneously mention Mexico as a potential for expanded trade was the more supportive A group in Toronto. Finally, all groups recognized the need for Canada to compete and trade internationally because of a global economy; they also felt that Canadians are terrified of losing their identity; they are "afraid of being drowned".

4.0 PERCEPTIONS OF TRADE OPPORTUNITIES WITH MEXICO

This portion of the focus groups dealt with the participants' top of mind perceptions of Mexico, general awareness and knowledge about its people and about current trade between Canada and Mexico.

All participants' top of mind reactions to Mexico included the comment that it was a third world country or a developing country. All groups felt that Mexico was heavily in debt, poor, full of cheap labour, cheap goods and heavily reliant on tourism. In addition, all groups felt that it was a country whose standard of living was far below Canadian standards but "slowly rising". In both the Montreal groups as well as in the negative B group in Toronto, culture was mentioned. Here, participants felt that Mexico had a language of its own and a cultural identity (cultural heritage); this was seen as being positive. All participants in all four groups also identified Mexico as having two distinct classes: the very poor and the very rich. Its government was identified as "an insecure government". All groups also mentioned that it had mainly "cheap goods to sell". Finally, in this discussion of top of mind reactions to Mexico, participants identified a concern over its high debt load.

The groups were asked to identify if they knew whether or not Canada and Mexico are currently trading, and if so, what constituted such trading. Generally speaking, awareness of any items which Mexico sells to Canada was very low. The most often mentions were such goods as: silver jewellery, fruit and vegetables, tequila, leather goods, woven baskets and all forms of knick-knacks. A number of people in all groups were frank and admitted that they had no knowledge of what goods are being traded between Canada and Mexico. One person

commented, "Mexicans come and work here". Many participants based their knowledge on past experiences as tourists to Mexico.

When asked if Canada sells anything to Mexico, there was again very low awareness. Participants in all groups mentioned that because of the low standard of living and low level of skilled labour force, Mexicans would have little use for the products and services Canada could offer. Both positive and negative supporters of Free Trade felt that Mexicans would not be able to afford the products Canada could sell to them, although one participant in the more negative group in Montreal thought that Canada sells paper to Mexico. Some participants thought that Canada sells services to Mexico while many indicated they simply weren't aware. Some people mentioned that "the U.S.A. trade more with them than we do". Finally, the more positive A group in Toronto felt that Canadians have a mind-set which is "a serious impediment to viewing them as trading partners". These same participants also viewed Mexico as moving from an agricultural economy to an industrial one.

4.1 Perceptions of Trade Opportunities with Mexico

In this portion of the focus groups, participants were asked whether or not they thought Mexico would offer a lot of opportunities for Canadian exporters and, if so, why or why not. As well, they were asked how competitive they thought Canadian products would be in Mexico and, finally, whether or not Canada would offer a lot of opportunities to Mexican exporters.

Overall, the only group that was positive about opportunities for Canadian exporters was the positive group (A) in Toronto. This group felt that Canada would, however, have to find a

unique market need which the U.S. is not already meeting. It was felt that Canada should be marketing specialized services and technology rather than manufactured goods to Mexico. Areas such as telecommunications, pharmaceuticals and pollution-centred technology were mentioned as possible export opportunities. Some participants in the Toronto A group felt that opportunities for Canada in Mexico would lie in the possibility for Canadian factories to move to Mexico; due to the low wages of Mexicans production costs would decrease. Participants in this group also believed that trade and Canadian plants in Mexico would benefit the Mexicans. They felt that such initiatives would result in a transfer of technological knowledge to Mexico which would help them to improve their production processes and further develop. There was a real sense of humanitarianism associated with trading with Mexico - "It will help them raise their standard of living". Such a raised standard of living would make it possible for them to buy the more specialized goods from Canada. For this Toronto A group, the feeling was that both countries would benefit.

The positive group (A) in Montreal was somewhat negative about opportunities for Canada in terms of expanding trade with Mexico. Nonetheless, some positive points were raised by this group. There was a sense that trade with Mexico could be positive in that Canada could use Mexico's cheaper labour force. This group also felt that it would be possible for Canada to export some of its skilled labour to Mexico. However, this group's overriding concern was the poverty of Mexico and its ability to buy goods and services from Canada. One participant said, "we should sell to them as long as they have money to buy". For this more positive group in Montreal, the concern was that though some people would be able to afford to buy Canadian goods, "the large majority of Mexicans are poor". As well, they expressed the concern that because of Mexico's low standard of living, there would be little interest in any goods exported

from Canada. These participants' general feeling was that the standard of living in Mexico would have to rise. This group also felt the U.S.A. has a distinct advantage over Canada because they are much further advanced in the area of trade with Mexico and their country affords them a geographic proximity to Mexico which Canada does not share. However, one person from Montreal mentioned that "Mexicans like Quebeckers more than they like Americans". Another issue raised by this more positive group in Montreal was that Canadians are far more interested in Mexico as opposed to vice versa. These same participants also felt that industries would shut down in Canada as a result of trade with Mexico because "Mexico will be able to compete better because of their cheap labour".

In both the B Groups (opposed to Free Trade) in Montreal and Toronto, concern regarding trade with Mexico also centred around the country's inability to afford Canada exports. These same participants also expressed a concern over the cost of transporting goods to Mexico. Like the more positive group in Montreal, they felt that the U.S. were much more capable of trading with Mexico. There was a strong sense that a trade alliance with Mexico at this time would not be possible. Some of the negative groups in Toronto, however, did feel that there could be opportunities in Mexico and that such opportunities should be explored "so that the country can help itself develop". However, one of the participants responded with the notion that "if we're going to bring up their standard of living, think of the funds it would take". These same respondents felt that Canada would never recover the money it had invested in Mexico. In this respect, some participants commented that the U.S.A. had exploited cheap Mexican labour and that this was just another example of capitalism at work. Similar to the negative Toronto group, the negative participants in Montreal felt that trade with Mexico should be explored. These people indicated that Canada could benefit from trade with Mexico in the area of copper

(from Mexico) in trade for Canadian technology. However, participants felt that large scale projects would be very costly at this point in time. Though there was recognition that the communications sector could offer a number of trade opportunities for Canada, participants again felt that because of the poor economic situation and low standard of living in Mexico this would be very doubtful and "taking a chance". In essence, this group felt that Mexican products could be competitive but only because of the cheap labour in Mexico. However, they felt that Mexicans could only produce handcrafts. Though they felt there might be some skilled labour in Mexico, they perceived that Mexicans are "corrupt". There was some recognition however, that the U.S.A. has formed a skilled labour force in Mexico by employing cheap labour for the production of microchips and that "these are very competitive with the Orient". In short, this more negative group in Montreal felt that opportunities for Canadian goods in Mexico would be too costly to establish, too time-consuming to develop the skilled labour force needed, that Mexicans would not be able to afford the products produced from Canada and that because of the low cost of labour in Mexico, "jobs would only be created in Mexico and only Mexico would benefit as opposed to Canada".

The main negative point derived from the positive group in Toronto was that transportation costs could be very high in terms of exporting to Mexico and this would hamper Canada's ability to profit by exporting to Mexico; they wondered if the savings in labour costs by setting up businesses in Mexico would be undermined by this high cost of transportation. Though this positive group had earlier indicated their support for trade with Mexico for the humanitarian reasons of raising Mexico's standard of living as well as their skilled labour force, they recognized that it would be an investment or a cost to Canada in the short term with economic benefits for Canada felt only in the long term.

The neutral to negative group (B) in Montreal expressed concerns similar to some of the other negative concerns that had been raised in both the Toronto and Montreal A groups. However, this more negative group also felt that trade "would be an opportunity to help the Mexicans develop". They expressed that "after they've developed, there would be tremendous opportunities". One person brought forth the point that "we'd be exploiting their labour". In response to this point, another participant said, "we're being exploited from other countries who've developed our raw materials". This more negative group in Montreal felt that Canada should be importing the cheaper labour from Mexico rather than exporting raw materials to Mexico. The reaction to this from one respondent was "we would be putting a burden on tax payers if we can't employ immigrants". However, some clearly felt that "we need to teach these people to become more self-sufficient". The discussion here centred around the issue of exploiting Third World countries which would only result in further isolating them. Interestingly enough, this group expressed the same concern brought forth by the more positive group in Toronto - the need to help a Third World and poor developing country. These participants felt that Canada should be training these people who would otherwise be "worse off".

5.0 CANADA-MEXICO FREE TRADE

5.1 Benefits of a Canada-Mexico Agreement and Key Conditions for such an Agreement

This last section deals with the participants' opinions on and reasons for whether or not Canada should form a trade agreement with a country like Mexico and if so, what the key conditions for such an agreement should be.

For the more moderate supporters of Free Trade in Toronto (Group A), the discussion on whether or not Canada should form a trade agreement with Mexico centred around the need for Canada to export and be competitive. Many of the participants felt that an economic alliance should be the main reason for forming a trade agreement with Mexico. One participant said, "economics and political factors should be the motivators". However, many of the respondents also felt that it should be "Canada's responsibility to help a Third World country". However, some respondents also felt that considering the amount of aid provided to such countries should not be the main reason for forming a trade alliance with Mexico. In addition, some respondents felt that Canada has a responsibility to help itself first.

In terms of reasons for Canada not to form a trade agreement with Mexico, some respondents in this more positive Toronto group felt that such an alliance could cause job losses for Canadians. However, many of the respondents felt that that would only occur in the manufacturing sector. Some felt that this concern should be regarded seriously and that Canada should be maintaining these industries. At this point, these participants brought forth the fact that the U.S. is "getting into an agreement with Mexico and we should as well". There

was recognition that there would be a movement of jobs to Mexico because of its cheaper labour. Here, the issue of exploiting cheaper labour was raised. However, these participants felt that though cheaper labour might be used, there would be greater gains for the Mexicans because their production and living standards would be raised. Participants felt that by raising Mexico's standard of living, Canada would be helping the country. The issue of globalization of economies was also raised. There was a strong recognition from these more positive Toronto supporters of Free Trade, that Canada needs to be concentrating on exporting semi-developed goods and that it cannot ignore the need for expanded trade opportunities.

For the more positive supporters of Free Trade in Montreal, the concern also centred around the need to expand trade. One respondent said "We should do like the Japanese - study the needs of a country to produce what that country needs". For these participants, the issue was one of improving the economic benefits for Canadians. As well, these participants felt that with the geographic proximity of Mexico, Canada should get involved in trade with Mexico. One participant noted, "we can match our skilled knowledge against their cheaper labour force". These same participants in Montreal also felt that Canada should be more generous in its efforts to trade with Mexico. Participants in this group felt that "it is necessary for Canada to study Mexico more". One participant said, "we can always find flaws in another country, but we have to try to develop trade whether it be Mexico or Africa". These same participants felt that there is an increasing number of trade forces in the world and that "everybody is trying to sell something to everyone else". For this group in Montreal, the issue of globalization and increased competitiveness in the world market was a strong factor in support of moving toward a trade agreement with Mexico. Some of these participants noted that "For the U.S.A., time is money. If there's something to be gained from Mexico, they'll get there first". These

participants felt that the U.S.A. is selling whatever they can and unless Canada moves to trade with Mexico, Canada will be left out.

Concern in terms of not forming a trade alliance with a country like Mexico for this more negative group in Montreal centred around the sale of cheaper electricity. One participant noted, "I hope they don't sell them our electricity at cheaper costs than we pay". Focus group participants in Montreal felt that for the first fifteen years it would be to the advantage of Mexico to have such a trade alliance because "they have no money". However, this group felt that it would strengthen North America as a whole and in that sense the continent would be more able to face the European alliance in 1992. These groups also felt that Canada should use the potential cheap labour of Mexico. There was, however, some concern that once Mexico develops, "their country will compete with ours". These same participants in Montreal felt that they would like to see more trade with Mexico. One person expressed, "I want to see more trade with Mexico and with South America. I feel some link/common points with them. We should stop venerating the U.S.A. because they are not all rich and have a lot of debts too". This same group in Montreal, very much the Toronto positive group (A) felt that the motivating factor to have a trade agreement with Mexico "must be based on dollars". There was some concern about protecting Canadian jobs. Some people did not want to see the door be opened one hundred percent in terms of a trade agreement with Mexico. Focus group participants felt that export would be beneficial to Mexican wealth and that this would be better than "just giving aid to Mexicans".

The neutral to negative supporters of Free Trade (Groups B in Toronto and Montreal) felt that Mexican cheap labour would be a detriment to any trade agreement with Mexico. One participant in Montreal said, "We have been ripped off by our government through Free Trade. Mulroney has sold us to the U.S. We should solve our own country's inherent problems before dealing with the outside". There was some sense, however, that Canada could offer Mexico such things as consulting, technologies and services in terms of trade opportunities. However, this Montreal group felt that the U.S.A. is more aligned with Mexico and therefore Mexico has a greater orientation toward other countries than Canada. Montreal B participants were very skeptical about financial gains in forming a trade alliance with Mexico. For these participants, the concern centred around the issue of equitable trade alliance with a poor country such as Mexico and the length of time it would take to become equitable. Here, one respondent said, "Do Mexican politicians intend to spread their wealth within the population? If the Mexican people cannot benefit from it, I don't agree. The population will just get more exploited". Concern was also voiced regarding loss of jobs in Canada if Mexico were to produce the same goods with lower production costs and subsequently import them to Canada. These people felt that Canada would have to control what is being imported from Mexico. Clearly, the group was very skeptical of forming a trade alliance with Mexico. However, more people in the group in Montreal (the more negative group) supported wider access to exports to countries like Mexico as opposed to restricting imports. However, one participant said, "I don't see how wider access would improve their standard of living". These Montreal B participants were split in their opinions on Canada forming a free trade agreement with Mexico.

The neutral to negative supporters of Free Trade in Toronto (B) felt that a trade agreement with Mexico was just a reflection of Canada's desire to maintain a colony in the south. The participants were skeptical about a Mexico-Canada trade agreement. They felt that Canada always "gets the short end of the stick". However, with respect to giving aid or forming a trade agreement, participants felt that it would be better to "teach them than to give them hand-outs". These participants felt that by having a trade agreement with Mexico, at least they would "learn for themselves and make mistakes" and that a trade agreement would be "much better than handing them out freebies". These participants also indicated that trade would be beneficial because "they would at least build factories for themselves which would teach them to establish their own businesses".

This last section on a trade alliance between Canada and Mexico deals with whether or not Canada should place key conditions on a trade agreement with Mexico.

The more positive supporters of Free Trade in Toronto (A) felt that the key conditions for a trade agreement with Mexico should include environmental restrictions. For these participants, any agreement should ensure that Mexico's standards on environmental protection should not only be raised but also secured for the future. These participants felt that "it wouldn't make sense to clean up our own environment and then turn around and encourage jobs in a country such as Mexico without restrictions on environmental protection". It was very clear that this group wanted environmental standards included in any trade agreement with Mexico.

However, when it came to labour codes and minimum wages, these Toronto A participants felt that Canada has no right to set standards for another country. Nonetheless, the group did

recognize and discuss the issue of safety standards in the workplace and felt that these were below Canadian standard in Mexico. Again, they did not feel that Canada should interfere by imposing safety standards as a condition in a trade agreement with Mexico.

The more positive group in Montreal like their counterpart in Toronto also felt that any agreement with Mexico should include a measure whereby "respect for the environment" would be assured. However, these same people also felt that "we cannot protect them against their will". With respect to labour codes, this group felt that in a trade agreement with Mexico, Canada should ask Mexico to have "equivalent labour codes".

In Toronto, amongst the more negative group, there was a concern raised about imposing minimum wage standards for Mexicans. Some however, felt it would be difficult to impose minimum wage; they clearly felt that this issue would have to be controlled by Mexicans themselves and should not be included in an agreement between Mexico and Canada. Like the more positive groups, these people were worried that "industry in Mexico will spoil the environment". The group unanimously agreed that in any trade agreement with Mexico, Canada would have to impose environmental standards.

In the more negative group in Montreal, the issue of environmental concerns also was raised when it came to the discussion on whether or not there should be conditions placed in a trade agreement between Canada and Mexico. These people focused on their feeling that in the European trade agreement for 1992, there had been extensive debates over all social aspects including not only the environment but also cultural issues. While this group supported a free trade agreement between Canada and Mexico, they felt divided on the issue regarding

protection of the environment as a condition for such an agreement. While some people felt that such an agreement would be purely commercial and therefore Canada would have no right to "tell them what to do", others felt that Canada should help such an underdeveloped country. In this regard they felt Canada should require environmental protection. Others brought out the issue that "they may not have the dollars or means to be environmentally safe".

6.0 CANADA-MEXICO-UNITED STATES FREE TRADE AGREEMENT

This last section of the focus group discussions deals with the participants' reactions to Canada sitting at the free trade talks with the United States and Mexico. Participants were asked for their reaction to this initiative on the part of Canada, if they thought a free trade zone between Canada, the United States and Mexico would be a good thing or a bad thing and finally, what they thought the benefits or disadvantages would be in the short term and medium term.

Not surprisingly, the more positive group in Toronto was very supportive of Canada being at the table with the United States while negotiating or discussing a trade agreement with Mexico. Their reactions were positive; they felt that if Canada was not included, "another set of barriers with the U.S." would be raised. Another participant said, "In a three party agreement, you'll have uniform rules -- a better balance than two separate agreements". This group also felt that with such an agreement or alliance, Canada would be forced to become more competitive and more creative. This group did, however, have some concerns. These were concerns about the difference in transportation costs of getting goods from the U.S. to Mexico when compared to transportation costs from Canada to Mexico. Some people also raised the issue of the difficulties in attempting to get all three parties to agree. One person in this group felt that perhaps Canada could establish a better trade deal with Mexico alone (ie. without the U.S.). Again, the issue of environmental restrictions was mentioned. Some participants indicated that the U.S. have lower environmental controls than Canada and therefore, can produce goods at a lower cost than Canada. The participants' concern was that this would also occur in Mexico unless environmental controls were part of the agreement. Some participants

in this group felt very strongly that "economics should be the motivator for forming an alliance -- not ethics".

This more positive group in Toronto felt that the short term results would include: more markets for Canadian goods, cheaper goods for Canadians and more trade opportunities. In the longer term, they indicated that such a trade agreement would improve the standard of living for Mexicans, stabilize their currency, improve their standards in the workplace and perhaps lead to more specialization for export of goods. For this group, forming a trade alliance with Canada, Mexico and the U.S. would be to Canada's advantage in terms of specialization for more goods and services to be exported.

Like the more positive group in Toronto, Group A participants in Montreal felt that a Canada-Mexico-U.S Free Trade Agreement would be a sensible thing to do. One participant indicated, "we have no choice; if we are excluded, we become a closed system". However, these participants were somewhat concerned because they viewed the tri-partied trade agreement as smaller in magnitude than, for example, Europe. This group felt that a trade agreement would have to include the U.S.A. -- that Canada should not "go it alone" with Mexico. However, they did express strong concerns over their perception that the U.S.A. have "exploited them for too long". The trade agreement also raised concerns by others in this group in that they were frightened about drug trafficking. Though this group was neutral to supportive of the Free Trade Agreement with the U.S., they did have reservations in terms of the short and long term benefits to Canada should such an agreement be inclusive of Mexico. This group returned to their previous concern with respect to Mexico not being able to afford the goods that Canada would export to them. Some were afraid that Canada would be "eaten up". Similar concerns

were expressed that the U.S.A. power as it currently exists would only be reinforced with Canada joining Mexico in a North American trading block -- "the stronger always get stronger". Some more positive participants felt that "if you can't beat them, join them". These participants felt that it would be important for Canada to join in the trade agreement with the U.S. and Mexico to allow Canada to share its knowledge and resources, for Canada to strive for and raise its potential and to specialize in niches or special products (the example of French champagne which is sold world-wide was mentioned).

The more negative supporters of Free Trade in Toronto showed the strongest concern over joining with the U.S. in trade negotiations with Mexico. This group felt that a trade agreement should be secured without the U.S. These participants felt that it would be to Mexico's advantage to "direct the two powers and deal with each individually". Some of these Toronto participants felt that Mexico would possibly benefit more than Canada because "Mexico's economy can only get better". They felt that Canada would not necessarily be exploiting the Mexicans. However, others in the group felt that such a trade deal would mean exploitation for Mexico and that instead, Canada should be focusing its efforts on educating Mexicans to become more self-sufficient. There was a very strong sense that Canada would be taking advantage of the cheaper labour force in Mexico and then making Mexicans buy these new goods. One participant said, "This is just the modern form of colonization. If someone wins, someone loses. It's a zero sum". Others disagreed with that statement and felt that there are profits to be made everywhere.

For these more negative supporters of Free Trade, the short term would bring losses -- that is, loss of industry to the U.S. and Mexico and loss of jobs for Canadians (because of the cheaper

labour force in Mexico). In terms of the long term impact of such a trade agreement between Canada, Mexico and the U.S., this group was skeptical about any advantages. They made such comments as, "I can't see the long term advantages". Though some did indicate that benefits could exist for the long term, there remained a concern that Canada "would be swallowed up by the States even faster".

For the more negative group in Montreal, there was a somewhat more positive reaction to Canada being included in the free trade talks between Mexico and the United States. This group generally agreed that it is Canada's responsibility to be involved "even if we are only there as watchers". These Montreal participants felt that this trade is necessary for Canada and the agreement would only make North America more solid. These participants were very strong in their feeling that forming a North American alliance would be good in the context of globalization and international trade. One participant said, "We must not forget the Orient who are becoming strong". For these participants, the trade alliance would eventually reach state of balance for the countries involved. Not surprisingly however, some participants felt that "we should know more about free trade" before going ahead. On a humanitarian note, these participants felt that Canada would be more humane than the Americans; as expressed by one participant, "We would not try to exploit Mexicans as much as Americans".

Interestingly, it was the more negative group in Montreal whose reactions were similar to the more positive group in Toronto in terms of their support for a free trade zone including Canada, the U.S. and Mexico. These participants felt that the U.S.A. is a giant but does need Canada and that Canada has to be included in the agreement to become strong and to become a world competitor. They felt that if Canada does not become involved, it will be left behind

because "we are small". In terms of the short and long term benefits of such a trade agreement, some felt that there would be both good and bad effects. For Canada, it was recognized that some sectors would have to "fall by themselves". Participants did not agree with a free trade agreement which included such restrictions as health and safety standards because, "How will it make us stronger to face Europe?". As well, these participants were concerned that some of the ethical codes in the free trade agreement would have to be addressed. One participant said, "Do we want to help or exploit? These values have been neglected so far."

In wrapping up the focus group sessions, participants were asked to give one piece of advice to the Department of External Affairs. The more positive group in Toronto felt firmly that Canada must go ahead with the agreement. However, these participants felt that the agreement must contain legislation to protect the environment. They indicated that the agreement should recognize the creation of partners as opposed to the adoption of Mexico by Canada. Participants believed that in order to form a trade alliance with Mexico, Canada must benefit, and the decision should be made on a sound economic basis. One participant said, "Don't just ride on the U.S.A.'s coat-tails -- be proactive". For the supportive group in Montreal, comments centred around their lack of trust in the U.S.A. and their concern that the U.S.A. would reap all of the benefits. These participants also indicated that they wanted more information. Needless to say, they supported the creation of such an agreement, however, they wanted assurance that it would be advantageous not only for Canada but also for Mexico. As mentioned previously, some of the participants felt that more education and planning should occur before entering into an agreement. Perhaps one participant summarized this group's views saying, "Canada must be more aggressive but also on guard". The more negative group in Toronto, very much like the positive group in Montreal, felt that Canada must be on guard

when dealing with the U.S. These participants said that Canada must have a deal which is good for the country. However, they recognized that the deal would have to be fair for Mexico as well. These participants felt that "we alone can't decide to exclude the U.S. because we already have a deal with them". They also indicated that it would be important to unify in such a trade agreement for economic reasons. The underlying message from this group was "be careful, take your time, we're sick of deadlines". The majority of participants in this Toronto B group supported a Mexico trade agreement but only if the U.S. was excluded. Finally, the more negative group in Montreal also wanted more information and explanations which, in their view, had not been provided for the GST and the Free Trade Agreement with the United States. Their advice to the Department included: take care with the U.S.A., perform a preliminary study on the topic of advantages and disadvantages of such an agreement, ensure that the agreement respects the rights of each party (Canada and Mexico) and include items in the agreement for control/cquatability regarding the environment, workers and salaries.

APPENDIX A

- Moderator's Guide -

FOCUS GROUP OUTLINE
CANADA - U.S. - MEXICO FREE TRADE
EXTERNAL AFFAIRS

(4-723-05)

1. **INTRODUCTION** (approx. 3 min.)

- . explanation of focus group techniques
- . individual opinions are important
- . encouragement of all people to comment
- . confidentiality of all information and respondents' identity
- . taping and observing
- . introduction of moderator and participants

2. **BACKGROUND/CONTEXT** (approx. 15 min.)

A. **[NOTE TO MODERATOR: To get at what trade means to the participants and then get into Free Trade/globalization.]**

Now I want to talk to you for a while about trade. How does trade affect you, the country, the economy? How capable or prepared do you think we are in Canada to trade?

PROBE FOR:

- . skilled labour
- . quality of products
- . productivity
- . technology
- . competitiveness
- . entrepreneurial
- . etc./other

B. Thinking about the new Europe of 1992, how do you view this as affecting Canada?

PROBE FOR:

- . a move to a world economy
- . need for Canada to become more competitive
- . need for Canada to form trade alliances inevitable
- . moving from products traditionally made internally to only producing/specializing in products which we would have a competitive advantage - is this what globalization is leading to? Is this good or bad? Why?
- . What does this move to globalization mean for poorer or third world nations? How will it affect them?

C. How does Free Trade fit with what we've just talked about?

PROBE FOR:

- . Does it fit? Why? Why not?
- . Economy, competitiveness, etc.
- . Economic dependency, jobs, etc.

D. What other countries or areas of the world should Canada be concentrating its efforts for expanded trade (Globalization)? Why?

[NOTE TO MODERATOR: If Mexico is not mentioned, ask "What about a country closer to us, such as say, Mexico?" Then move directly to number 3 of guide]

3. **MEXICO: GENERAL AWARENESS AND KNOWLEDGE** (approx. 10-15 min.)

A. What comes to your mind when people talk about Mexico?

PROBE FOR:

- . a third world country
- . poor
- . a developing country
- . culture

[NOTE TO MODERATOR: for Quebec find out if they feel there are cultural similarities]

- . industrial

B. Do Canada and Mexico trade right now? What?

4. **CANADA - MEXICO OPPORTUNITIES/COMPETITIVENESS** (approx. 15-20 min.)

A. Do you think Mexico offers a lot of opportunities for Canadian exporters? Why? Why not?

B. How competitive do you think Canadian products would be in Mexico? Why?

- PROBE FOR:**
- . quality
 - . price
 - . standards (quality of goods)
 - . technology
 - . skilled labour force
 - . efficiency
 - . wages

C. What about for Mexico, do you think Canada offers a lot of opportunities to Mexican exporters? Why? Why not?

D. How competitive do you think Mexican products would be in Canada? Why?

- PROBE FOR:**
- . quality
 - . price
 - . standards (goods)
 - . technology (lack of?)
 - . skilled labour force (lack of?)
 - . efficiency (lack of?)
 - . wages

5. CANADA - MEXICO FREE TRADE (approx. 25 min.)

- A. Some people have said that Canada should form a trade agreement with Mexico. What would the reasons be for why Canada would form a trade agreement with a country like Mexico?

PROBE FOR:

- . a responsibility to help
- . buying products instead of giving hand-outs
- . we get no value back when giving hand-outs to poorer countries
- . trading to improve their standards
- . etc.

- B. What should the reasons be for Canada not forming a trade agreement with a country like Mexico?

PROBE FOR:

- . job loss
- . exploitation
- . environment, health and safety standards in the workplace

- C. [NOTE TO MODERATOR: Now read the following question and find out (count) where people stand on the two opposing views.]

Some people say that Canada should give wider access to exports of countries like Mexico so they can develop their standard of living. Other people think that Canada should restrict imports from countries like Mexico to protect the jobs of Canadian workers but instead give direct aid to these countries so they improve their standard of living. Who do you tend more to agree with?

- D. If Canada were to form a trade alliance with Mexico, what should be the key conditions for such an agreement?

[NOTE TO MODERATOR: Get the participants to problem solve.]

PROBE FOR:

- . environment
- . plant closures
- . labour codes
- . minimum wages
- . etc.

- E. Should Canada try to negotiate a bilateral trade agreement with Mexico? Why? Why not?

[NOTE TO MODERATOR: Very brief/once around the table]

6. **CANADA - MEXICO - U.S. FREE TRADE** (approx. 35 min.)

You may already know that Mexico and the U.S. have already begun talks about free trade between themselves. Canada has announced that it has joined those talks.

- A. Do you think it is a good idea for Canada to sit in on these talks? Why? Why not?
- B. What about the idea of having a free trade zone or a free trade agreement including Canada, the U.S. and Mexico?

[NOTE TO MODERATOR: Remind them about the 1992 Europe concept discussed earlier if needed.]

PROBE FOR: Do you think a free trade zone including Canada, the U.S. and Mexico would be a good thing or a bad thing? Why?

Would this make Canada more competitive?

What would the benefits or disadvantages be for Canada in the short term (3 years)? The medium term (5 years)?

[NOTE TO MODERATOR: Probe for both benefits and disadvantages in the long and the short term.]

7. **WRAP-UP** (approx. 5 min.)

We've talked about a lot of things this evening.

If an opportunity came up to speak to people at External Affairs and International Trade, what would you tell them? What would your one piece of advice be to them?

Thank you for attending.

Reimbursement.

APPENDIX B

- Screening Questionnaire -

**FINAL EXTERNAL AFFAIRS ELITE
FOCUS GROUP RECRUIT
OCTOBER 1990
(4-723-05)**

Hello, my name is _____ and I'm calling from the Angus Reid Group. We're a professional public opinion research firm that gathers opinions from people to help in the development of new programs and policies.

From time to time we get opinions by sitting down and talking with a group of people. We are having one of these discussion sessions and are calling to see if someone in your household can participate. These sessions take about two hours and those who qualify and attend will receive \$75.00 as a token of our appreciation. I would like to ask you a few questions to see if you qualify to attend.

1. First of all, do you or does anyone in your household work, or have ever worked, in the following areas?

- | | | |
|---------------------------------------|---|---|
| An advertising agency | 1 | } IF YES TO ANY
THANK AND
TERMINATE |
| A market research company | 2 | |
| Radio/television or newspaper | 3 | |
| In public relations | 4 | |
| International Banking | 6 | |
| Teaching economics and business | 7 | |
| Import or Export Agency | 8 | |

2. Into what age category do you fall?

- | | | |
|------------------|---|--|
| Under 25 | 1 | → ASK FOR SOMEONE 25 OR OVER, REPEAT INTRO, IF NO ONE, THANK AND TERMINATE |
| 25-49 | 2 | → WATCH QUOTAS |
| 50 or over | 3 | → WATCH QUOTAS |

3. SEX: (DO NOT ASK)

- | | | |
|--------------|---|--------------|
| Male | 1 | WATCH QUOTAS |
| Female | 2 | WATCH QUOTAS |

4. What is the highest level of education you have achieved?

- | | | |
|-----------------------------|---|-----------------------|
| Less than High School | 1 | } THANK AND TERMINATE |
| Complete High School | 2 | |
| Technical/Vocational | 3 | |
| Some University | 4 | |
| Complete University | 5 | |

5. Have you ever lived in Mexico for at least one year?

- | | | |
|-----------|---|-----------------------|
| Yes | 1 | → THANK AND TERMINATE |
| No | 2 | → CONTINUE |

6. What is your occupation?

WATCH QUOTAS - WHITE COLLAR

7. Have you attended a focus group in the past six months?

Yes 1 → **THANK AND TERMINATE**

No 2 → **PROCEED**

8. Now I would like to ask you a few questions to find out your opinions on several issues of concern to Canadians.

a) Generally speaking, do you support or oppose the Free Trade Agreement that was reached between Canada and the United States? Would that be strongly or moderately?

Strongly Support 1

Moderately Support 2 → **WATCH QUOTAS**

Moderately Oppose 3 → **WATCH QUOTAS**

Strongly Oppose 4

b) Generally speaking, do you support or oppose the government's handling of the environment? Would that be strongly or moderately?

Strongly Support 1

Moderately Support 2

Moderately Oppose 3

Strongly Oppose 4

9. Now I would like to ask you a few questions about your attitudes and values. I am going to read you some statements describing different approaches to life, and I would like you to tell me how much you agree or disagree with that statement on a 7 point scale, where 1 means you "disagree totally" and 7 means you "agree completely". You can, of course, choose any number between 1 and 7 depending upon how much you agree or disagree with the statements. **(NOTE TO INTERVIEWERS: PLEASE RECRUIT ONLY THOSE PEOPLE WHO ANSWER A "5" OR MORE TO "A" AND AT LEAST TWO OF THE FOLLOWING STATEMENTS - OTHERWISE THANK AND TERMINATE AFTER THIS QUESTION)**

- | | Disagree | | | | | | | | Agree | | | | | |
|----|---|---|-----|---|-------|---|-------|---|-------|---|-----|---|-------|---|
| a) | I am the type of person
who reads the newspaper
on a daily basis | 1 | ... | 2 | | 3 | | 4 | | 5 | ... | 6 | | 7 |
| b) | I don't mind stating
my opinion even if it
differs from the opinions
of people around me | 1 | ... | 2 | | 3 | | 4 | | 5 | ... | 6 | | 7 |
| c) | I would rather participate
in than watch most
activities | 1 | ... | 2 | | 3 | | 4 | | 5 | ... | 6 | | 7 |
| d) | I make friends easily
and feel comfortable in
new social situations | 1 | ... | 2 | | 3 | | 4 | | 5 | ... | 6 | | 7 |

The session will be held:

MONTREAL: November 1, 1990	Moderate supporters of Free Trade with U.S.	
	6:00 p.m.	1
	Moderate opponents of Free Trade with U.S.	
	8:00 p.m.	2

The group will be held at the Angus Reid Group offices at:

405 - 1440 Ste. Catherine Street West
Can you attend?

TORONTO: October 30, 1990	Moderate supporters of Free Trade with U.S.	
	6:00 p.m.	3
	Moderate opponents of Free Trade with U.S.	
	8:00 p.m.	4

The group will be held at the Angus Reid Group offices at:

1300 - 160 Bloor Street East
Can you attend?

Someone from our office will be calling you back to confirm these arrangements. Could I please have your name and phone number where we can reach you during the evening and during the day?

NAME: _____

ADDRESS: _____

DAYTIME PHONE: _____

EVENING PHONE: _____

THANK-YOU VERY MUCH!!!

RECRUITED BY: _____

CONFIRMED BY: _____

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