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ANGUS REID GROUP

CANADIAN PUBLIC OPINION ON INTERNATIONAL TRADE ISSUES

- Final Report on Research Findings -

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1.0 EXECUTIVE SUMMARY

A national survey was conducted on behalf of External Affairs and International Trade by the Angus Reid Group to investigate attitudes toward the Free Trade Agreement between Canada and the United States and the North American Free Trade Agreement, involving Canada, the United States, and Mexico.

The descriptive report presents the results in detail, highlighting significant demographic and attitudinal variations. The Executive Summary presents an overview of the data, focusing on the key results.

1.1 Psychographic Segmentation

The primary analytical tool used to summarize the data was cluster analysis, which divides respondents into segments based on attitudes. Five clusters of respondents were produced by the analysis. The defining characteristics of each of the segments on Free Trade is presented below as an introduction to the analysis.

Enthusiastic Advocates (16%)
The Enthusiastic Advocates are the strongest supporters of free trade and both the Free Trade Agreement and the North American Free Trade Agreement. They are significantly more likely to believe that both agreements will benefit Canada in the long run, and that Canadian industry will profit from the NAFTA. The Enthusiastic Advocates are more likely to rate the federal government's performance on the economy and international trade as good or very good.

Dispassionate Supporters (26%)
The Dispassionate Supporters, similar to the Enthusiastic Advocates, are generally supportive of free trade and the Free Trade Agreements, although not with the same intensity as the Enthusiastic Advocates. While the Dispassionate Supporters concur with the

Enthusiastic Advocates on issues related to free trade, their appraisal of the federal government is not as positive.

Concerned Pragmatists (22%)

The Concerned Pragmatists are not generally supportive of either the Free Trade Agreement or the NAFTA; however, they show strong support for the idea of free trade and feel that Canada had a responsibility to participate in the NAFTA. One of the defining factors of the Concerned Pragmatists segment is that they are receptive to messages on the benefits of free trade.

Old-fashioned Opponents (12%)

The Old-fashioned Opponents, like the Resolute Antagonists, oppose the free trade agreement, although not with the same intensity as the Antagonist segment. They are more likely to anticipate a flow of businesses to Mexico because of the lower wages and environmental standards. However, many of the Old-fashioned Opponents advocate a strong government role in the economy. The Old-fashioned Opponents do not react positively toward information statements on the NAFTA, although their opinions are not as extreme as the Resolute Antagonists.

Resolute Antagonists (24%)

The Resolute Antagonists are steadfastly opposed to both the concept and the actual free trade agreements. They are unlikely to become free trade advocates, given both their lack of agreement and pessimism concerning the consequences of free trade. The Resolute Antagonists firmly believe that the NAFTA will hurt Canada, and that more jobs will be lost, in the long run. Very few of the Resolute Antagonists feel that it was necessary for the government to participate in the NAFTA.

1.2 General Economy, Competitiveness and International Trade

Assessments of the Government's Performance

Nearly one quarter of respondents felt the government is doing a good job managing the economy, an increase of six percent since March 1992. Thirty seven percent of respondents agreed that the federal government has an overall plan for international trade. Those who believed that government is doing a good job managing the economy were more likely to state that the federal government has an overall plan for trade. A plurality of respondents (45%) placed the responsibility on government, over business (28%), provincial governments (9%) or labour unions (5%), to help Canadians adjust to changes in the global economy. Three in ten respondents felt the federal government was doing a good job in this respect.

With respect to trade policy, a majority of respondents (56%) agreed with the protectionist proposition that Canada should take action to protect Canadian business and industry by limiting the amount of foreign goods sold, even if this results in higher prices for consumers.

Canada's Trade Balance is Widely Perceived to be Unfavourable

Overall, there was a general misconception that Canada's trade balance is negative: that we import more than we export (56%). With respect to individual trading partners, respondents tend to believe that the trade balance is negative with Japan, Western Europe, Mexico and the United States.

1.3 The Canada U.S. Free Trade Agreement

Support for the Canada - U.S. Free Trade Agreement

Forty five percent of respondents support the Canada-U.S. Free Trade Agreement, an increase from the 37 percent support in March 1992, approximately the same as in August 1991 (46%) and 50 percent in September 1990.

Consequences to Date of the Free Trade Agreement

Approximately two-thirds (67%) of respondents believed that up to today, the Free Trade Agreement has hurt Canada, rather than benefitted the country. The percentage of respondents who believe that the Agreement has hurt Canada is down slightly from May 1992 (71%), but has increased significantly from 40 percent in September 1990. While two thirds believe the Agreement has hurt Canada to date, half (49%) believe that the Free Trade Agreement will hurt Canada in the long run. This represents a decline of 10 percent from December 1991. Overall, one third of respondents (33%) felt that more jobs will be created as a result of the Agreement, while three fifths (59%) believed that jobs will be lost in the long run.

Effect of New Information on Opposition to the FTA

In general, information statements regarding the Canada-U.S. Free Trade Agreement are more likely to change respondents' opposition to the agreement; however, almost all of the information statements tested were seen as very or somewhat unbelievable. The results also show very little differentiation among the impact of the statements on respondents, with a slightly wider range on the believability dimension. Given this distribution, it is very difficult to determine the statement that optimizes both impact and believability.

Among the statements tested, the following was the most effective:
"Several American and Canadian owned companies have closed plants and opened new or expanded facilities in Canada" (65% would be more likely to support the FTA if they heard this had occurred; 27% think this statement is "believable").

Credibility of Sources of Information on Free Trade

Trade economists and other experts in international trade and business leaders are seen as the most credible sources of information on free trade. Three quarters (75%) of respondents to the survey would "trust most" or "trust some" of the statements of trade economists and 70% would "trust most" or "trust some" of what business leaders say.

The Idea of Freer Trade has Strong Support

A two-thirds majority (66%) of Canadians support the idea of freer trade between Canada and the United States, which is significantly higher than the level of support found in May, 1992 (57%). The idea of freer trade between Canada, the United States, and Mexico is equally popular, with 67% of Canadians in favour.

1.4 Assessments of the North American Free Trade Agreement (NAFTA)

Most Canadians are Aware of the NAFTA

Awareness of the North American Free Trade Agreement is very high, with 88 percent of respondents reporting they have heard something about the trilateral agreement. The most commonly mentioned facet of the Agreement is the perception of lost jobs and low Mexican wages;

Approximately four in ten (43%) felt that the NAFTA is not an improvement over the current Free Trade Agreement and only one third of respondents agreed that the NAFTA is good for Canadian exports because it clears up problems in the Canada-U.S. free trade agreement.

Similar to the support for the bilateral Agreement, 46 percent support the NAFTA, with 48 percent opposed. Support has risen 16 percent since May 1992, and 17 percent since March 1992, and is the same as that received in September and February 1991 (46% respectively). The primary reason for supporting the NAFTA was that the Agreement opens up new markets, while the primary reason for opposition was lower Mexican wages resulting in lost jobs.

Canadians are Divided as to the Long-Term Benefits of the NAFTA

Canadians are almost evenly divided as to whether "in the long run the NAFTA will benefit Canada." Forty-one percent (41%) believe the NAFTA will benefit Canada and an equivalent proportion believe it will hurt. A smaller proportion (35%) believe the NAFTA will benefit their province in the long run.

A Majority Believe the Government has to be a Part of the NAFTA to Protect Canadian Interests

While the overall level of support for the Agreement is slightly less than majority, close to two thirds (64%) agreed the Canadian government has to be part of the NAFTA to protect our interests. Similarly, 60 percent sided with the argument that Canada should sign the NAFTA to increase exports while developing freer trade with other countries, compared to 32 percent who believed that Canada will tie itself to the U.S. and Mexico and isolate itself from countries outside North America.

Majority Believes Government Programs will not be Affected

On the other hand, 54 percent agreed that our economy will become so closely tied to American and Mexican economies that we will soon lose our ability to make our economic decisions. One concern that is related to our ability to make individual economic decisions is the impact of the NAFTA on social programs. However, a majority (53%) agreed to the statement that under the NAFTA, we will be able to maintain our current government programs such as unemployment insurance and medicare.

A Majority Believe the NAFTA is Part of an Overall Plan to Improve Trade

A majority (51%) agreed that the Canadian government gave away too much to the Americans and Mexicans in the actual agreement. In addition, one third (31%) believed that the government knows how to deal with changes resulting from the NAFTA. However, six in ten (59%) agreed that the NAFTA is part of an overall plan by the government to improve Canada's trade situation with countries around the world.

Canada Perceived to be the Loser in Most of the Recent Trade Disputes with the U.S.

Over three quarters of respondents (78%) agreed that Canada should confront the United States more strongly on trade disputes, even if it causes Canadian exporters difficulty, an increase of seven percent since March 1992. Three quarters (74%) felt that Canada has lost more disputes than it has won since the bi-lateral Agreement was reached, virtually unchanged since March 1992 (75%).

Canada's Ability to Compete with Mexico

Half (49%) believed that Canada cannot compete with Mexican businesses because of the low wages and environmental standards, while 47 percent took the opposing view: that Canada can compete because our workers are better trained and Canada has better facilities such as roads and airports. However, two thirds agreed that many companies will move their plants from Canada to Mexico to take advantage of lower wages there, and approximately three out of five (63%) agreed that Canadian companies will not be able to compete with Mexican companies because of the lower wage levels in Mexico. In addition, 54 percent agreed that many companies will move to Mexico to take advantage of their low environmental standards.

Only Three in Ten Canadians Believe the NAFTA will not Make Much of a Difference

Only three in ten agreed that a free trade agreement including Mexico doesn't make much difference to Canada because of the low levels of trade between the two countries. A majority of respondents (51%) agreed that free trade with Mexico will mean that Canada will import much more from Mexico than Canada will export to Mexico. Perhaps because of this forecasted trade balance, 55 percent of respondents agreed that the NAFTA will help build the Mexican economy so Mexicans will gain an improved standard of living, while 41 percent felt that most big U.S. corporations will benefit, and Mexicans will not enjoy any of the benefits.

Effect of the NAFTA on Investment

While respondents are split on Canada's ability to compete with Mexico, over half (56%) thought that any new investment in Canada will be cancelled out by industries in this country moving to Mexico, with 39 percent feeling that it is critical for Canada to be part of the NAFTA if it is to be an attractive location for plants to supply the North American market. With respect to the automotive industry, a majority (53%) agreed to the statement that Japanese auto makers will continue to build new plants in Canada to sell cars to the North American market.

Industries Perceived to Benefit and Lose as a Result of the NAFTA

When asked about the industries that will benefit from the NAFTA, the most common response is none, offered by 23 percent of respondents, followed by computers/hi-tech (17%) and wood/pulp and paper at twelve percent. Twenty-four percent volunteered that the automotive industry will be adversely affected under the NAFTA. Thirteen specific industries were tested to determine whether respondents believed each will be better or worse off under the NAFTA. A majority of respondents believed that computers and telecommunications (57%), the energy sector (54%), and financial services (53%) will be better off under the NAFTA. Slightly less than half believed that the wood/paper industry (47%), the aircraft industry (45%) and the trucking industry (45%) will be better off. The iron and steel industry was felt to be better of under the NAFTA by 36 percent of respondents, followed by agriculture (35%), fishing (33%), automotive (26%) and manufacturing (23%). Only sixteen percent believed that the textile industry will be better off, followed by 15 percent who believed the clothing industry would be better off.

Effect of New Information on Opposition to the NAFTA

A series of information statements were posed to the 48 percent of respondents who were opposed to the North American Free Trade Agreement. Similar to those related to the bi-lateral agreement, responses for effectiveness and believability were each closely clustered. The statement that received the most positive effectiveness score (62%) was related to the sovereignty argument: "Canada's sovereignty will not suffer under the NAFTA - our cultural industries, agricultural management policies, social and health care programs and water resource management are all protected". However, only 36 percent found the statement believable.

The statement that received the highest believability rating, with 50 percent finding it somewhat or very believable is: "Free Trade with Mexico will help build the Mexican economy so that Mexican wages, environmental and safety standards will substantially improve over the long term". The statement was seen as effective by 55 percent of respondents.

2.0 INTRODUCTION AND METHODOLOGY

The Department of External Affairs commissioned the Angus Reid Group to conduct a study on attitudes toward free trade in general, and specifically toward the bi-lateral agreement between Canada and the United States, and the tri-lateral agreement involving Canada, the United States and Mexico.

The research was administered to 1500 respondents nation-wide. The results on a sample of this size is $\pm$2.5%, 19 times out of 20. The survey was administered from the Angus Reid Group's national phone centres. A copy of the final questionnaire is presented in Appendix A of the report. A series of tables were generated that present the demographic indicators for each question. The tables are appended to the report under a separate cover.

The results of the research are presented in detail in this report, and overview of the data is presented in the Executive Summary. The methodology and results of the psychographic segmentation, an analytical technique used to summarize the results, and a full description of the segments serves as an introduction into the descriptive results. The main body of the report is a descriptive of the top-line results, highlighting significant demographic and attitudinal variations.

3.0 DEMOGRAPHIC AND PSYCHOGRAPHIC PROFILES

3.1 A DEMOGRAPHIC PROFILE OF SURVEY RESPONDENTS

The national survey sample was stratified by province in order to reflect the distribution of the actual Canadian population. The regional breakdown of the sample was as follows: British Columbia (12%); Alberta (9%); Manitoba-Saskatchewan (8%); Ontario (37%); Quebec (26%); and the Atlantic region (9%).

The data were statistically weighted to ensure the sample's age/sex composition accurately reflects that of the actual Canadian population. Therefore, the survey sample was split between men (49%) and women (51%).

3.2 A PSYCHOGRAPHIC PROFILE OF THE CANADIAN PUBLIC

3.2.1 Overview

An important component of this research involved a psychographic segmentation of the Canadian public based on people's attitudinal orientation on international trade issues. This sophisticated analytical approach provides a distinctive and thorough perspective which allows for a more in-depth assessment of Canadians' views and attitudes with respect to international trade issues. Stripped to essentials, the segmentation analysis identifies the "mindsets" that occupy and shape the public opinion landscape. Psychographic segmentation provides an invaluable complement to standard cross-tabulation techniques as it permits a much more comprehensive understanding of public opinion on international trade issues. Psychographic segmentation has proven to be a much better method of both summarizing and predicting attitudes than demographic variables, such as age and income, because the analysis integrates both attitudes and demographics. Much of the extraordinary value of psychographic segmentation is derived from the scientific affirmation that various attitudes towards international trade issues emanate from radically different approaches to life in general and that people's attitudinal orientations and perspectives on these issues do not exist in isolation from their fundamental values and approaches to life in general.

This discussion of the results of the attitudinal segmentation analysis begins with an overview of the technique itself. The focus then turns to an in-depth profile of each of the five "international trade mindsets" identified by the research.

3.2.2 An Explanation of Psychographic Segmentation

Psychographic segmentation, or "cluster analysis", is a highly advanced analytical technique employing a multivariate examination of a range of attitudes, opinions and behaviours. This procedure assembles survey respondents together based upon commonly held opinions and perceptions. Three key inputs were utilized in the segmentation analysis: people's general values and broad approaches to life; Canadians' views, perceptions and expectations regarding the Canada-U.S. Free Trade Agreement (FTA) and the trilateral North American Free Trade Agreement (NAFTA); and the public's assessment of the federal government's performance on the economic front.

The first level input of the segmentation analysis - values and lifestyle dispositions - was derived by asking survey respondents to indicate their level of agreement with 14 different broad attitudinal statements, such as: "I enjoy taking risks, especially if there's a good chance of getting ahead as a result"; "Financial security is a major concern to me right now"; "Life should be enjoyed as much as possible today, without worrying about the future"; "I often feel left out of decisions that affect me"; and, "I consider myself more traditional than experimental".

The second component of the psychographic segmentation analysis included respondents' level of agreement with 15 attitudinal statements pertaining to both the FTA and the NAFTA, including: "the Canadian government has to be part of the NAFTA in order to protect our economic interests"; "I see the North American Free Trade Agreement as part of an overall plan by the government to improve Canada's trade situation with countries around the world"; "From what I've heard, Canada gave away too much to the Americans and Mexicans in the NAFTA"; "Many companies will move their plants from Canada to Mexico to take advantage of lower wages there"; and, "Our economy will become so closely tied to the American and Mexican economies that we will gradually lose our ability to make our own economic decisions". Also, included in this tier of the segmentation analysis was respondents' perspectives on the FTA and the NAFTA, including: support for the two free trade agreements; support for the idea of freer trade in North America; and perceived and expected long-term effects on Canada.

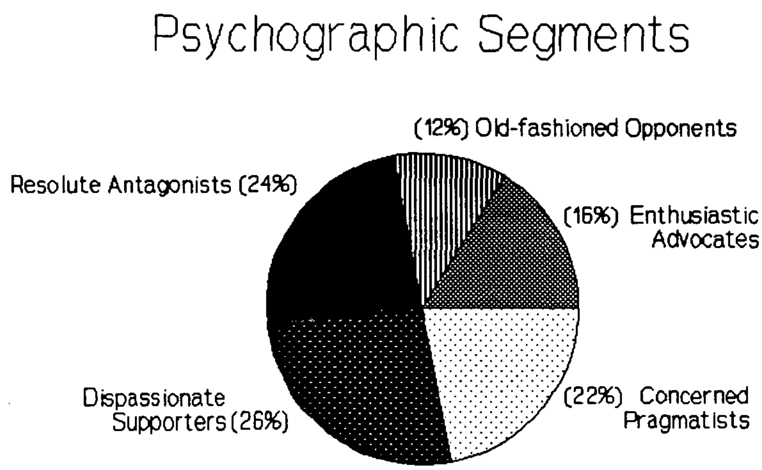
The third major dimension of the psychographic segmentation analysis consisted of people's assessment of the job the federal government has done in managing the economy and their efforts to help Canadians adjust to the changing global economic realities.

The cluster analysis technique examines survey respondents along this multitude of variables and sorts them into different groups or "segments", each of which exhibits a similar approach to life in general, and similar attitudes with respect to international trade issues specifically. Importantly, demographic descriptors were not included as inputs for the segmentation. The five groups identified are strictly reflective of attitudinal and behaviourial similarities and although the demographic composition of the segments is a cental part of understanding them, these definitive characteristics are only identified after the segmentation process is completed.

Segmentation analysis is intentionally broad in scale and conceptual in scope. The segments which emerge from cluster analysis describe shared tendencies: that is, differences between groups are not absolute, but instead, are highlighted by tendencies to reflect certain opinions, attitudes and behaviours. Any demographic concentration identified for a particular segment represents a tendency for members of that group to hold that characteristic.

Each of the five segments identified in this research is characterized by having a distinct overall approach to life, as well as a unique set of opinions and attitudes with respect to international trade issues. The picture which emerges from this remarkable analytical technique provides a clear illustration of the range of "mindsets" on international trade issues which are active within Canadian society today. The chart below displays the relative size of each of the segments [figure 1].

Figure 1



3.2.3 The Attitudinal Segments in Depth

Enthusiastic Advocates

This psychographic segment represents 16 percent of the Canadian population, the second smallest of the five groups identified in this research. In essence, these highly successful Canadians are spearheading the free trade movement in this country.

Demographically speaking, this is the most male-oriented (66%) of the five attitudinal segments. These individuals represent Canada's socio-economic elite: members of this segment are by far the most highly educated (more than four in ten have a complete university) and the most affluent (nearly six in ten have annual household incomes over

$50,000). Interestingly, relative to the other four attitudinal segments, Enthusiastic Advocates have the highest proportion of individuals who report their mother tongue as being other than English or French (15%). They are also least likely to state that they or a family member is currently a labour union member (27%).

In terms of their psychographic profile, Enthusiastic Advocates are confident, secure and worldly. They are strongly of the view that competition is good for the individual. In line with their socio-economic status, personal finances are not a source of anxiety for these people - who believe that hard work is responsible for their success - and their state in life undoubtedly partly explains their strong sense of efficacy and empowerment on issues that affect them. Traditional is not a good adjective to describe members of this segment, who are the most likely to characterize themselves as risk-takers. Further, most Enthusiastic Advocates are not worried about the future of Canada.

Enthusiastic Advocates' ardent support for the FTA and the NAFTA clearly places them in the vanguard of the free trade movement. With regard to the existing Canada-U.S. FTA, nearly all Canadians with this label endorse the actual deal as well as the *idea* of free trade between the two countries. This segment is the most likely to feel that the agreement has already benefitted Canada, although even among these individuals this view is shared by only one in three. However, a majority of Enthusiastic Advocates believe that Canada will benefit in the long run from this arrangement and that more jobs will be created here than lost. At the same time, fully half of these people believe that Canada has lost rather than won more trade disputes with the U.S. since the FTA came into effect. Compared to the other four attitudinal clusters, Enthusiastic Advocates are more inclined to agree that most of the lost jobs and industrial restructuring that Canada is experiencing would have occurred even without the FTA because of global economic changes, and that the FTA is part of the government's overall plan to improve Canada's trade with other foreign countries.

the NAFTA also enjoys overwhelming support among the Enthusiastic Advocates. The majority of these Canadians approve of this country entering into a free trade agreement with the U.S. and Mexico, in addition to the *idea* of trilateral free trade. Just as widespread are their expectations that the NAFTA's long-term impact on Canada will be positive in nature and that more Canadian jobs will be produced than lost. Furthermore, a solid majority perceive the NAFTA to be an improvement over the FTA.

Among the factors driving Enthusiastic Advocates' support for the NAFTA is their strong belief that businesses in this country will be able to compete with their counterparts south of the Rio Grande, and that the average Mexican will also reap benefits from this trading arrangement in the form of an improved standard of living. On top of this, Enthusiastic Advocates, relative to other segments, are more likely to *agree* that: the Canadian government has to be part of the NAFTA so that our economic interests are protected; the government has a good idea of how to deal with the changes that the NAFTA will create; the NAFTA is good for Canadian exports because it clears up problems in the FTA; and, we will be able to maintain existing social programs such as unemployment insurance and medicare. Conversely, Enthusiastic Advocates' level of agreement with the following negative sentiments on the NAFTA is *less* pronounced vis-a-vis other segments: "Canada gave away too much to the Americans and Mexicans in the NAFTA talks; many companies in Canada will move their plants to Mexico in order to take advantage of both the cheaper wages and the lower environmental standards there; Canadian companies will be unable to compete with the lower Mexican wages; free trade with Mexico means Canada will import much more from that country than Canada will export to Mexico; and, the Canadian economy will become so closely tied to those of our two southern neighbours that we will gradually lose our ability to make our own economic decisions."

On another front, Enthusiastic Advocates award the federal government the highest marks for its performance on economic management - this was the only segment among whom a majority (52%) appraised the government's handling of the economy as somewhat or very good. Just as many think the federal government is doing a good job in helping Canadians adjust to global economic changes. But when asked who should have this responsibility, in contrast to each of the other segments who point to the federal government, a plurality (43%) of Enthusiastic Advocates opt for the business sector.

Dispassionate Supporters

Dispassionate Supporters comprise 26 percent of the Canadian public, making this the largest of the five attitudinal groups identified in this study. This segment of Canadian society, while solidly behind free trade, takes a somewhat softer stance on the issue compared to Enthusiastic Advocates.

Members of this psychographic segment are evenly split along gender lines, display average education and income characteristics, and are only slightly younger than the Canadian population as a whole. Regionally, a disproportionate number of Dispassionate Supporters reside in the province of Quebec (33% versus its 26% share of Canada's population).

In terms of a psychographic profile, one of the most identifying features of Dispassionate Supporters is their anxiety over their personal economic circumstances: fully three in four report that financial security is a major concern for them at this time, even though a clear majority say they have come as far as they have due to hard work. This being said, it is perhaps not too surprising that this group is the least inclined to live by the motto that life should be lived to the fullest today without being preoccupied about the future. These Canadians are also relatively less keen on keeping abreast of international news. Most Dispassionate Supporters, like their counterparts in the other segments, harbour a sense of responsibility to make the world a better place at the same time as they subscribe to the view that competition is beneficial for the individual. As well, a clear majority believe that government red tape is pervasive these days.

Canadians designated as Dispassionate Supporters voice solid support for the FTA and are fairly optimistic about its long-term impact on this country. The existing free trade pact between Canada and the U.S. is applauded by fully three-quarters of this segment and an even larger number endorse the concept of free trade between these two nations. Moreover, half envision positive effects on Canada over the long haul and a net gain of jobs under the FTA. Nonetheless, half of Dispassionate Supporters hold the perception that, thus far, Canada has suffered under the deal, and a large majority believe that this country has come out on the losing end of FTA disputes more often than it has been victorious. A great many Dispassionate Supporters - more than four in ten - hold the view that, even without the FTA in effect, changes in the global economy would have necessitated the loss of jobs and industrial restructuring that have occurred in this country, and that the FTA, is part of the government's broad plan to enhance this country's international trade position, although they are less convinced than Enthusiastic Advocates on both these points.

Dispassionate Supporters are even more on-side when it comes to the NAFTA. This three-way trade agreement is backed by fully eight in ten people within this segment, with an even greater proportion indicating support for the idea of free trade between Canada and its two southern neighbours - indeed, many see the NAFTA as superior to the existing FTA. No doubt contributing to their strong support for the NAFTA is the fact that a solid majority predict the agreement will benefit Canada in the long run and that the deal will produce more jobs than are eliminated. Upwards of eight out of every ten members of this segment have faith in Canadian businesses' ability to compete with their Mexican counterparts and feel that Canada will not isolate itself from other countries by entering into a North American trading arrangement. Besides this, a clear majority of Dispassionate Supporters believe it is essential that Canada participate in this trilateral agreement if it is to be an attractive location for plants to supply the market on this continent, and that the deal will also better the standard of living for the average Mexican.

Like their cohorts in the Enthusiastic Advocates attitudinal cluster, Dispassionate Supporters are markedly more inclined to put forward the argument that the Canadian government must be part of the NAFTA if our economic interests are to be protected (six in ten adopt this stance), and that present-day programs such as unemployment insurance and medicare will be preserved under a the NAFTA scenario (in excess of four in ten). On the flip side of this, Dispassionate Supporters walk the same line as the Enthusiastic Advocates with respect to the following negative sentiments pertaining to the NAFTA, each of which elicited low levels of agreement from these two segments relative to the other three - companies in Canada will be unable to compete with the low wages in Mexico; many Canadian businesses will head down to Mexico to take advantage of that country's cheaper wages; many companies will move to Mexico because of the more lax environmental standards there; Canada would import much more from Mexico than it will export to that nation; and the Canadian economy will become so intertwined with those of our two southern neighbours that we will slowly lose our economic decision-making sovereignty.

Significantly, while Dispassionate Supporters may be closely aligned with Enthusiastic Advocates on many free trade issues, their appraisal of the federal government's efforts on this front is not at all as positive. Although one-third award the federal government favourable marks for its management of the Canadian economy, a sound majority provide a harsher assessment. Furthermore, over one-half feel the federal government is doing a poor job of helping citizens of this country adapt to changes in the world economy. Despite this, close to half of Dispassionate Supporters are generally willing to concede that the federal government has a master plan for enhancing Canada's international trade position.

Concerned Pragmatists

Accounting for the views and attitudes of 22 percent of the Canadian public, Concerned Pragmatists are not generally comfortable with free trade and, perhaps because many are not plugged into the larger public discourse on trade issues, these individuals are easily "swayed" towards an acceptance of free trade when considering a range of hypothetical beneficial outcomes which could be inspired by such arrangements.

Demographically, this segment is comprised of a disproportionate number of women (56% are female in this group) and is also young (59% are under 35 years of age). Concerned Pragmatists are also marginally less well educated than most other Canadians and tend to reside in homes with mid-range annual family incomes.

Patriotic and civic minded, these Canadians express a high level of concern about their country's future and feel that excessive government bureaucracy is interfering in practically everything today. These individuals are also innovative, adventurous and experimental rather than traditional or conservative, however, they are not generally up on news concerning international affairs. Concerned Pragmatists do not seem to be overly worried about their own financial situation and, interestingly, these people are somewhat less likely than others to attribute their level of financial security to their own hard work.

In terms of their position on free trade, Concerned Pragmatists tend to believe that the NAFTA is not an improvement over the Canada-U.S. FTA; however, perhaps reflecting their lack of knowledge or interest in these trade deals, a great many of these people were unable to say if the three-way agreement was better or worse than the Canada-U.S. bilateral trading arrangement. Many from this attitudinal segment are certain that the Canada-U.S. FTA has hurt Canada so far and will continue to offer a detrimental impact on the country over the longer term. Similarly, these individuals are convinced that Canada has come out on the losing side of most of the trade disputes which have occurred between Canada and the U.S. to date and that more jobs will be lost than will be created under the FTA.

Looking specifically at the NAFTA, a strong majority of these Canadians are advocates of three-way free trade at the conceptual level, while the actual deal is generally opposed. Concerned Pragmatists offer clear concern that Canada will not be able to compete with the lower Mexican wages and environmental standards and most do not think that ordinary Mexicans will enjoy any improvement in their own standard of living under the NAFTA.

<u>What is of most significance about this group, at least from a strategic perspective, is Concerned Pragmatists' general recognition that free trade is at least theoretically desirable and the remarkable degree to which these individuals are receptive to a range of messages which highlight the benefits of free trade.</u> For the various positive trade messages examined in this research, Concerned Pragmatists opposed to the NAFTA were consistently more likely than opponents from other segments to "warm" to the NAFTA in response to these beneficial scenarios.

Old-fashioned Opponents

Comprising only 12 percent of the national public, Old-fashioned Opponents are the smallest of all of the attitudinal segments identified for this research undertaking. Although these Canadians are very much in tune with international news, they are sceptical that freer North American trade will produce any tangible benefits for Canada and, indeed, many anticipate that the opening up of the borders will cause a flight of Canadian businesses to the south where lower industrial and environmental standards are commercially appealing. Many of these Canadians advocate a strong government role in the economy and their pronounced opposition to both the NAFTA and the Canada-U.S. FTA places these people squarely in the protectionist camp.

This is the oldest of the psychographic groups (41% are older than 55 years of age compared to national average of only 27%) and consists of the least affluent of all Canadians (36% lived in households earning less than $30,000 last year compared to 29% nationally). Old-fashioned Opponents are over-represented in Quebec and found with relatively less frequency in Ontario and across the prairies. One of the most distinguishing socio-demographic aspects of this group is they are more likely to be women (60%).

Members of this group are highly traditional and conservative in the sense that they avoid risk whenever possible. Old-fashioned Opponents do not believe competition is necessarily good and many from this group believe that most of their financial gains have been the result of hard work.

In many ways, Old-fashioned Opponents are similar to Resolute Antagonists in that members of both groups share the view that liberalized continental trade will ultimately cause more harm for the country than good. However, this former group does not express its disdain for the NAFTA and the FTA with nearly the intensity of the latter.

Opposed to both the NAFTA and the Canada-U.S. FTA, Old-fashioned Opponents are assured these trading arrangements will harm Canada in the long run and that we have already witnessed a job deficit situation as a result of the Canada-U.S. FTA. Moreover, members of this attitudinal group believe that Canada will not be able to compete with Mexico because of the lower wage levels in that country and that some Canadian plants will move their operations to Mexico in order to take advantage of the relatively low environmental standards there. In terms of trade disputes since the passage of the Canada-U.S. FTA, Old-fashioned Opponents believe that Canada has lost more of these controversies than they have won and many in this group favour a strong confrontational approach when airing our trade differences with the United States.

Resolute Antagonists

One in four (24%) Canadians can be characterized as Resolute Antagonists because of their steadfast opposition to less restricted international trade and for their particular fears that freer continental trade will negatively impact upon Canadian jobs and the overall shape of the Canadian welfare state. True to their name, the Resolute are unswayed in their opposition by a range of potential benefits which could accrue under a more liberal trading arrangement.

Demographically, Resolute Antagonists distinguish themselves from other segments of the Canadian population with their relative maturity (only one in four (25%) from this group were under 35 years of age compared to 37 percent of the larger sampling of Canadians) as well as for their modest incomes (34% of these individuals possess family incomes below $30,000 compared to 29% who fit into this income level nationally). Resolute Antagonists also tend to be slightly less well educated than many other Canadians. Members of this group are over-represented in the province of Ontario while they are found with the least frequency in Quebec. Another important discriminating feature is their association with labour unions - fully 39 percent of these respondents reported that they themselves or a member of their immediate family were union members.

In terms of their attitudinal core, Resolute Antagonists are unquestionably traditional people who are also profoundly worried about the country's future. Members of this group are slightly less likely than those from other attitudinal segments to exhibit a strong sense of civic duty while, perhaps due to their more modest means, these individuals lead all other attitudinal groups in their affirmation that their personal financial security is an immediate preoccupation. Resolute Antagonists are also less likely than those from all other groups to attach intrinsic value to competition. Interestingly, despite their general opposition to more liberal trade, Resolute Antagonists are more likely than those from all other psychographic groups to offer concern that government bureaucracy is excessive.

Both in terms of general support and the perceived long term impact of the NAFTA and the Canada-U.S Free Trade Agreement, Resolute Antagonists distinguish themselves from other Canadians for their low level of support and their near unanimous agreement that these trading agreements will do more harm than good as they look down the road. Undoubtedly, this overwhelmingly negative assessment of both of these trading arrangements is driven by these antagonists' view that more jobs will be lost than will be created under more liberal continental trading arrangements and that Canada has come out on the losing side of most of the trade disputes between Canada and the United States since the bilateral trading arrangement first came into effect. Consistent with this view, members of this group are convinced that the federal government should confront the U.S more vigorously on these disputes.

Resolute Antagonists are aptly named because, even when presented with a range of potentially beneficial outcomes associated with freer trade, these individuals remain far less likely than those from other groups to suggest these scenarios would convince them to become free trade advocates. Along these lines, members of this group are also significantly less likely than those from other attitudinal segments to agree that any of these possible free trade benefits are likely to occur.

Resolute Antagonists place the responsibility for assisting Canadians' adjustment to the changes in the global economy squarely at the feet of the federal government. But, Antagonists do not believe the federal government has, thus far, been successful in this regard nor, indeed, are they confident that the government has developed a comprehensive plan for improving the country's overall trade position or that the government really has a good idea of how to address the changes that the NAFTA will present for Canada. Importantly, very few from this attitudinal group felt it was necessary for the Canadian government to join the NAFTA in order to protect our economic interests.

In terms of their overall assessment of the Canada's international trade situation, Resolute Antagonists are more likely than other Canadians to believe Canada imports more goods than it exports to all major trading regions tested for this research undertaking. Members of this attitudinal segment are also far more likely than those of other mindsets to believe that, by signing the NAFTA, Canada will tie itself too closely to the U.S. and Mexico and possibly lose out on valuable trading opportunities elsewhere in the world. Similarly, these people are also worried that, in locking themselves into this three-way trading arrangement, Canada will forfeit its ability to form its own economic decisions and that the country will no longer be able to maintain important social programs such as unemployment insurance and medicare.

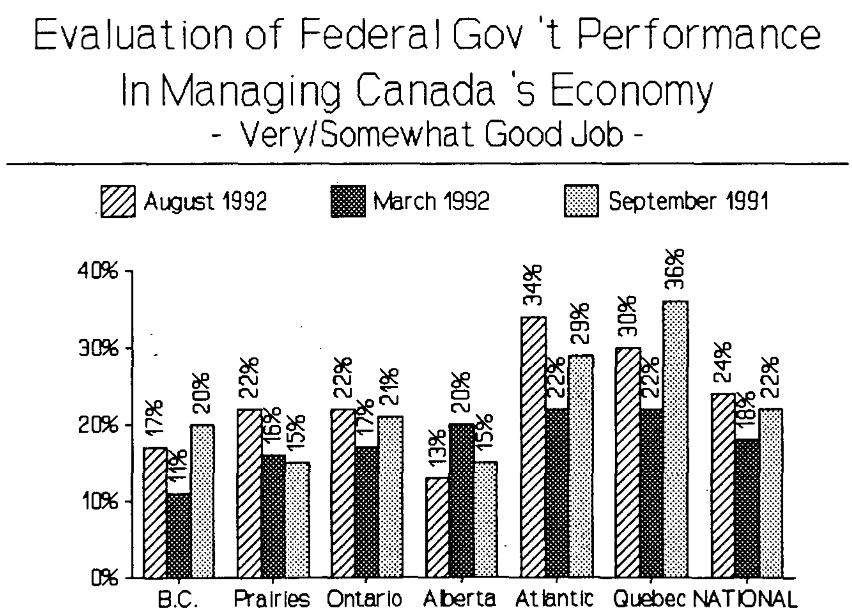
4.0 GENERAL ECONOMY, COMPETITIVENESS AND INTERNATIONAL TRADE

4.1 Federal Government's Performance On The Economy

Respondents were asked to indicate whether they felt the federal government was "doing a good or a poor job in terms of managing Canada's economy." Overall, 24 percent of respondents felt that the federal government was doing a good job (22% "somewhat" good, only 2% "very" good). The majority (74%) of respondents surveyed felt that the federal government was doing a "somewhat" poor job (37%) or a "very" poor job (37%) in terms of managing Canada's economy.

The 24 percent approval of the economic performance of the federal government represents an increase of 6 percent since March of 1992, but represents only a moderate increase from 22 percent approval in a study conducted by the Angus Reid Group a year earlier (September 1991) [figure 2].

Figure 2



As the figure shows, approval of the federal government's economic performance was highest in Atlantic Canada (34%) followed by Quebec (30%). Results in Atlantic Canada represent a significant increase in approval from March of 1992 (22%) and from September of 1991 (29%). In Quebec, which showed the second highest rating, approval of the government's economic performance was up substantially from March of 1992 (22%), but represented a decrease from figures recorded a year ago (36%). Approval ratings were relatively stable in Ontario, increasing from 17 percent in March of 1992 to 22 percent in the current (August, 1992) findings, which are similar to the 21 percent approval recorded in September of 1991. In Manitoba and Saskatchewan, the 22 percent approval of the federal government's economic performance represented an increase from 16 percent in March of 1992 and 15 percent in September of 1991.

Approval of the federal government's economic performance was lowest in Alberta (13%) and British Columbia (17%). In Alberta, the current results represent a decrease from 20 percent in March of 1992 and 15 percent in September of 1991. In British Columbia, approval of the federal government's performance increased to 17 percent from a low of 11 percent in March of 1992, but represents a decrease from 20 percent approval measured in September of 1991.

Younger respondents, age 18-34 were more supportive of the government's economic performance (28%) than those aged 35-54 (20%) or 55 and older (21%). The findings showed very little variation by education on this question. By income, middle income earners were less likely to express approval of the federal government's performance in managing the economy (20%) than were those earning less than $30,000/year (26%) or more than $50,000/year (24%).

The results of the segmentation showed that the majority of the Enthusiastic Advocates rate the federal government's performance as very good or good (52%), followed by the Dispassionate Supporters (31%), and the Concerned Pragmatists (28%). Only 3 percent of the Resolute Antagonists rate the government's job managing the economy as good or very good.

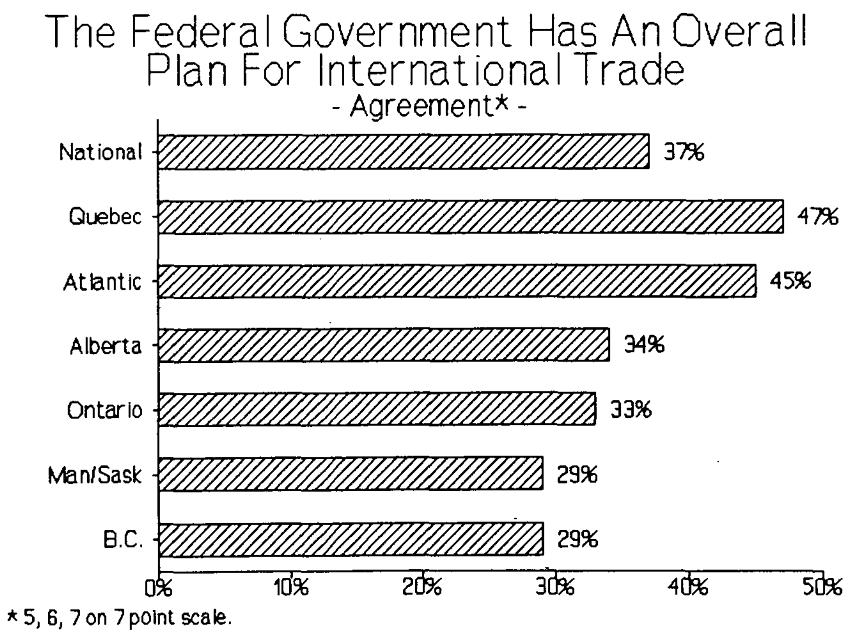
4.2 Federal Government's Strategy for International Trade

Respondents were asked whether they felt that "the federal government has an overall plan for improving Canada's international trade." Agreement or disagreement was measured along a seven point scale where a score of "1" indicated complete disagreement with the statement and a score of "7" signalled complete agreement with the statement.

Overall, 16 percent of respondents expressed strong agreement (a score of 6 or 7 on the 7 point scale) with the assertion that the government of Canada has an overall plan for improving Canada's international trade; 37 percent expressed general agreement (a 5, 6 or 7). Twenty-four percent of respondents strongly disagreed (score of 1 or 2 on the 7 point scale); 39 percent basically disagreed.

The view that the federal government has an overall trade plan is most prevalent among respondents living in the Atlantic provinces (21%) and Quebec (21%). Views were consistent at 13-14 percent across Ontario, the prairie provinces and British Columbia [figure 3].

Figure 3



The view that the federal government has an overall plan for improving Canada's international trade was generally higher among lower income earners (19%, compared to 15% of those earning incomes over $30,000) and among those who had not completed high school (22%, compared to 17% of high school graduates and 15% of those with university training).

Respondents who had stated that the government is doing a good job in managing the economy, were much more likely to state that the government has an overall plan for improving international trade (27%) than were those who felt that the government was doing a poor job managing the economy (13%).

The relationship between agreement with having an overall plan for improving Canada's international trade, and assessments of the government's economic management is reflected in the results of the segmentation. The Enthusiastic Supporters, who are more likely to believe the government is doing a good job managing the economy, are also more likely to agree that the government has an overall plan for improving Canada's international trade. The Resolute Antagonists are more likely to disagree that the government has an overall plan for improving Canada's international trade [table 1].

TABLE 1: Government Has Plan For Improving International Trade

	% Agree
RA	19
OO	40
CP	33
DS	46
EA	56
Total	37

Respondents were twice as likely to agree (56%) than disagree (28%) with the view that "the government of Canada should take action to protect business and industry by limiting the amount of foreign goods sold here even if it means respondents will pay more for their products." Levels of agreement have shown an 8 percent increase since the 48 percent agreement recorded in May 1992. Strong agreement (score of 6 or 7 on the 7 point scale) was highest in Manitoba and Saskatchewan (36%) and Ontario (33%), followed by Atlantic Canada (28%), Quebec (27%) and British Columbia (25%). Those living in Alberta were least likely to agree with the statement (22%).

The view that Canada should take such action to protect business and industry by limiting the amount of foreign goods sold in Canada was negatively related to education and income. Lower income earners were much more likely to agree with the statement. Among those earning incomes below $30,000/year, 45 percent agreed with the statement compared to 35 percent of those earning between $30,000 and $50,000 and 25 percent of those earning yearly incomes in excess of $50,000. Similarly, 49 percent of those who did not complete high school were in strong agreement with the notion of limiting foreign goods, compared to 44 percent of high school graduates, 31 percent of those with post-secondary training and only 22 percent of university graduates. Agreement was also higher among females (38%) than males (32%) and slightly higher among those aged 55 or older (37%) than among those aged 35-54 (35%) or 18-34 (34%) [table 2].

Agreement that the Government of Canada should take action to protect Canadian business and industry by limiting the amount of foreign goods is strongest among the resolute antagonists, while the Enthusiastic Advocates were less likely to agree [figure 4].

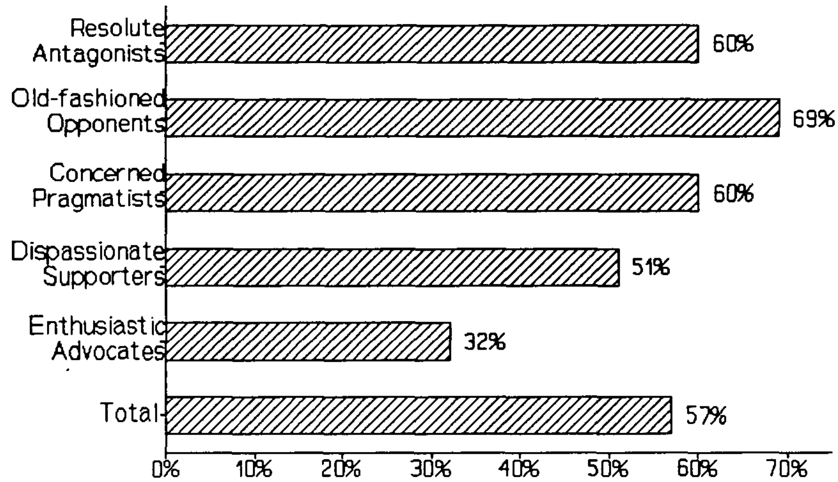
Table 2: LEVELS OF AGREEMENT WITH SELECTED STATEMENTS ON THE FEDERAL GOVERNMENT'S APPROACH TO INTERNATIONAL TRADE

		REGION						EDUCATION			
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)
GOVERNMENT HAS OVERALL PLAN FOR IMPROVING INTERNATIONAL TRADE:											
Completely agree *	16	14	13	13	14	21	21	22	17	14	15
Agree **	37	29	34	29	33	47	45	46	39	34	35
GOVERNMENT SHOULD TAKE PROTECTIONIST ACTION:											
Completely agree	35	25	22	36	33	44	45	49	44	31	22
Agree	57	52	42	52	54	66	66	65	68	54	42

* Percent of respondents indicating a "6" or "7" on a "7" point scale where 1 = Completely Disagree and 7 = Completely Agree.
** Percent of respondents indicating a "5," "6" or "7" on this scale.

Figure 4

The Government Should Take Action To Protect Canadian Business & Industry by Limiting the Amount of Foreign Goods
- % Agree -



4.3 Federal Government's Role In Canada's Adjustment To A Global Economy

Respondents were much more likely to state that the federal government has the greatest responsibility for helping Canadians adjust to changes in the global economy (45%), in comparison to business (28%), provincial governments (9%) or labour unions (5%). Since May 1992, the percentage of respondents who believe the federal government is responsible has risen by 6 percent. Adjustment to changes in the global economy was most likely to be viewed as a federal government responsibility among respondents living in Manitoba and Saskatchewan (52%) and Ontario (50%) than among respondents living in British Columbia (47%), Atlantic Canada (47%) or Alberta (44%). Quebecers were least likely to think that this was a federal government responsibility (36%). However, Quebecers (30%), along with Albertans (36%), were much more likely than other respondents to feel that the responsibility for helping Canadians adjust to changes in a global economy resides with business [table 3].

The Enthusiastic Advocates place a significantly higher responsibility on the part of business (43%), rather than the federal government (36%), to help Canadians adjust to changes in

Table 3: VIEWS ON WHO HAS THE GREATEST RESPONSIBILITY FOR HELPING CANADIANS ADJUST TO GLOBAL ECONOMIC CHANGES

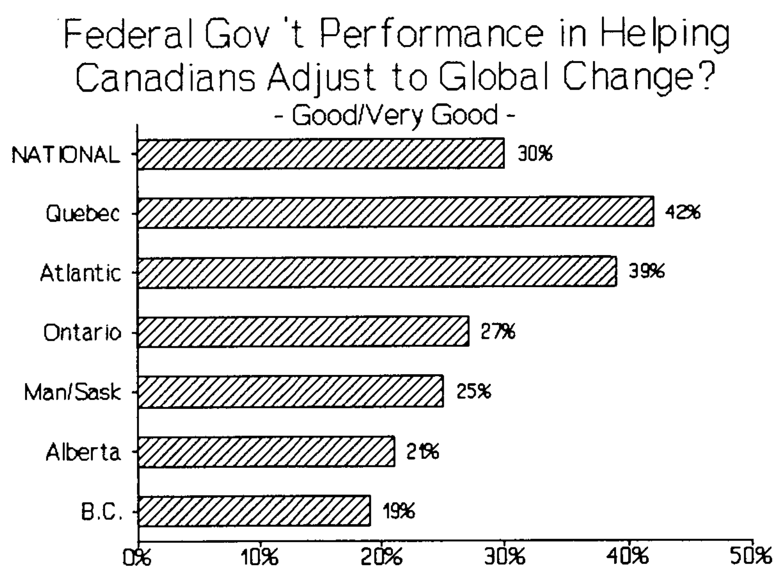
May and August 1992

			REGION											
	Total		B.C.		Alberta		Man/Sask.		Ontario		Quebec		Atlantic	
(Base)	May	Aug. (1498)	May	Aug. (177)	May	Aug. (130)	May	Aug. (122)	May	Aug. (551)	May	Aug. (387)	May	Aug. (131)
Federal government	39	45		47		44		52		50		36		47
Business	25	28		23		36		27		28		30		26
Provincial government	13	9		12		7		6		9		11		7
Unions	6	5		4		3		7		3		6		6
(Other)		9		7		8		7		6		16		7
(Unsure)		4		6		3		1		5		2		7

the global economy, and were the only segment to believe business has a greater responsibility than government. The Resolute Antagonists were more likely to put the responsibility in the hands of the government (53%), rather than with business (19%).

Even though respondents tend to view adjustment to changes in the global economy as a federal government responsibility, only 30 percent of respondents felt that the federal government was doing a good job while 67 percent of respondents felt that the government was doing a poor job in this regard. Those living in Quebec (54%) or the Atlantic provinces (59%) were much less likely than those living in Ontario (71%), Manitoba and Saskatchewan (71%), Alberta (77%) or British Columbia (77%) to feel that the federal government was doing a poor job in helping respondents adjust to changes in the global economy [figure 5].

Figure 5



The view that Canada is doing a poor job helping respondents to adjust to changes in the global economy was less predominant among lower income earners (62%) than among those earning incomes in excess of $30,000 (70%). Younger respondents were also less likely to think that Canada was doing a poor job in this regard (61%) in comparison to those aged 35-54 (72%) or 55 and older (69%).

The Resolute Antagonists, the majority of whom placed the responsibility for adjustment with the federal government, rate the federal government's job in helping Canadians adjust the poorest (40% poor job, 52% very poor job) [table 4].

TABLE 4: Assessments of the federal government's job in helping Canadians adjust to changes in the global economy

	Total	EA	DS	CP	OO	RA
A very good job	1	3	2	1	1	6
A good job	29	51	37	24	37	4
A poor job	45	37	44	54	49	40
A very poor job	22	7	12	19	10	52

As the table shows, a majority of the Enthusiastic Advocates rate the federal government as doing a good job, while the majority of all other segments rate the government's performance a poor job.

4.4 Canada's Trade Balance

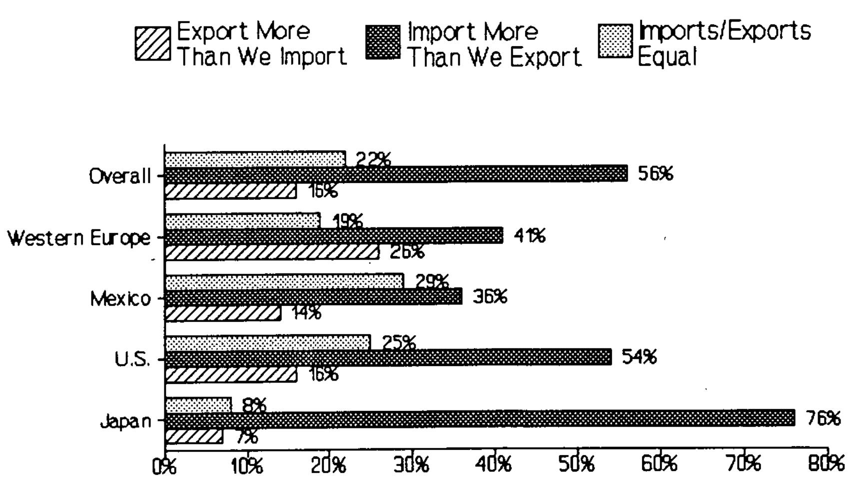
Consistent with research findings from March of 1992, respondents were much more likely to state that Canada imports more goods than it exports, than to state that exports exceed imports or that import and export volumes were about equal. In the current (August,1992) study, 56 percent of respondents (compared to 61% in March of 1992) stated that Canada imports more than it exports. Sixteen percent of respondents in August of 1992 and in March of 1992 stated that Canada exports more than it imports. The percentage of respondents who believe that the import/export balance is about equal increased from 16 percent in March of 1992 to 22 percent in the current survey. The results show the misconceptions held by the public about the trade balance. In 1991, Canada's exports to the world were $10 billion greater than imports.

The view that Canada imports more than it exports was more strongly held in Manitoba and Saskatchewan (60%) and in Quebec (58%), compared to respondents living in Atlantic Canada (56%), Ontario (55%), Alberta (54%) or British Columbia (53%). Residents of British Columbia were much more likely than other respondents to state that Canada exports more than it imports (35%, compared to 22% nationally). University graduates and higher income earners were generally less likely than other respondents to state that, overall, Canada imports more than it exports.

While respondents were more likely to state that exports exceed imports across each of various trading partners listed, the view that Canada imports more than it exports was much more strongly held with respect to trade with Japan (76%) compared to trade with the U.S. (54%) or western Europe (41%). Of the four trading partners listed, respondents were less likely to state that imports exceed exports to Mexico (36%). The view that Canadian exports exceed what it imports was highest with respect to Mexico (29%), followed by the U.S. (25%) and western Europe (19%). Very few respondents felt that our exports to Japan exceeded the imports (8%) [figure 6]

Figure 6

Current Situation For International Trade



While overall Canada exports more than the country imports, the trade balance with Western Europe, Japan and Mexico is, in fact, negative. The balance with the United States, however, reflects the overall positive trade balance.

Upper income earners and university graduates were more likely than other respondents to state that Canada imports more from Japan than it exports there. Upper income earners were also more likely than other respondents to state that Canada imports more to Mexico than it exports from that country.

Overall, the Enthusiastic Advocates were more likely to describe Canada's trade balance as positive, while the Resolute Antagonists were more likely to rate the balance as negative. Opinions on the trade balance with the United States and Western Europe followed the same pattern [table 5].

TABLE 5: Trade Balance Assessments

Percent Import More Goods Than Exports

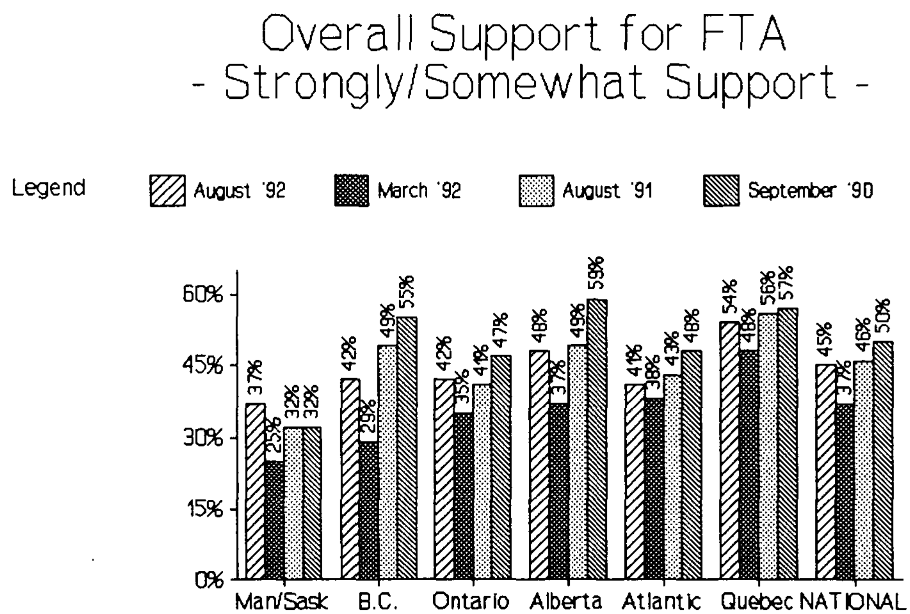
	Total	EA	DS	CP	OO	RA
Western Europe	41	36	34	44	50	43
Mexico	36	32	33	40	32	41
United States	54	44	49	57	61	61
Japan	76	75	74	77	75	79

5.0 THE CANADA-U.S. FREE TRADE AGREEMENT

5.1 Overall Support for FTA and Idea of Free Trade

Respondents remain closely divided on the question of support/opposition for the Canada-U.S. Free Trade Agreement. The results show that 45 percent of respondents support the Agreement either strongly (10%) or moderately (35%), while 51 percent oppose it either strongly (26%) or moderately (25%). The 45 percent support shows an increase from 37 percent support in March of 1992, and is consistent with that measured a year ago (46% in September of 1991). This represents a slight decline in support for the Agreement measured at 50 percent in September of 1990 [figure 7].

Figure 7



As the figure shows, support for the Free Trade Agreement is highest in Quebec (54%), followed by Alberta (48%), with lower support in Ontario (42%), British Columbia (42%), the Atlantic provinces (41%) and Manitoba and Saskatchewan (37%). Quebecers have remained the strongest supporters of the Free Trade Agreement across two years of tracking research.

Support for the Free Trade Agreement is directly related to education and income levels. Fifty-three percent of those earning incomes above $50,000 support the Agreement, compared to only 42 percent of middle income earners and 41 percent of those earning below $30,000/year. By education, 53 percent of university graduates support the Free Trade Agreement, compared to 40 percent of high school graduates and 39 percent of those who did not complete high school [table 6].

Males (52%) were much more likely than females (38%) to express support for the Free trade Agreement.

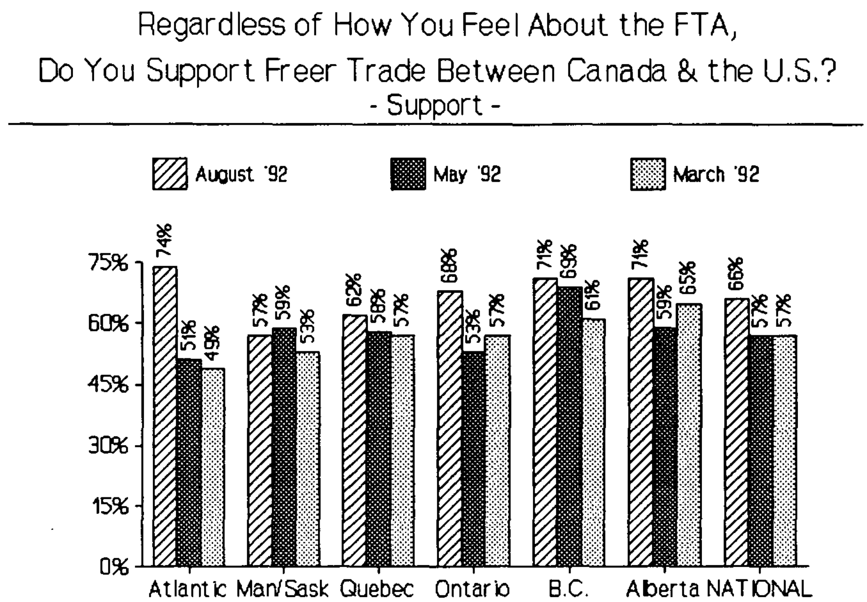
Support for the Free Trade Agreement was consistent with overall attitudinal support for the federal government's performance in managing the economy. Among those who had stated that the government is doing a good job managing the economy, 69 percent support the Free Trade Agreement, compared to 48 percent support among those who felt that the government is doing a "somewhat" poor job of managing the economy and only 28 percent support for the Agreement among those who had rated the federal government's economic performance as "very poor."

The general *idea* of freer trade between Canada and the U.S. enjoys much stronger support than the actual Agreement. Overall 66 percent of respondents support the notion of freer trade with the United States, representing an increase of 9 percentage points from the 57 percent support recorded in both May and March of 1992 [figure 8].

Table 6: OVERALL SUPPORT FOR THE FTA AND THE CONCEPT OF CANADA-U.S. FREE TRADE ACROSS SOCIO-DEMOGRAPHIC LINES

		SEX		AGE			EDUCATION				INCOME		
(Base)	Total (1498)	Men (733)	Women (765)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)	< $30K (434)	$30K-$50K (461)	$50K+ (530)
ACTUAL CANADA-U.S. FTA:													
Support	45	52	38	44	44	48	39	40	46	53	41	42	53
Oppose	51	45	56	52	52	48	57	55	50	44	53	55	45
IDEA OF CANADA-U.S. FREE TRADE:													
Support	66	74	59	65	66	69	55	59	68	79	58	63	77
Oppose	30	25	35	32	30	28	42	37	28	18	38	34	20

Figure 8



The current level of support for the general idea of freer trade is highest in Atlantic Canada (74%), followed by British Columbia and Alberta (both at 71%) and Ontario (68%). Interestingly, Quebecers, who show the highest support for the Agreement, were less likely than other respondents to express support for the idea of freer trade (62%; still higher than the 54% overall support in Quebec for the Agreement). Residents of Manitoba and Saskatchewan, who have demonstrated consistently lower support for the Free Trade Agreement, were also least likely to support the overall idea of freer trade with the U.S. (57%). In Manitoba and Saskatchewan, levels of support for freer trade represent a decline from 59 percent in May of 1992 while support levels represented an increase from previous surveys in all other regions.

Consistent with support for the Free Trade Agreement, support for the idea of freer trade with the U.S. was higher among upper income earners (77%, compared to 63% of those earning between $30,000 and $50,000 and 58% of those earning below $30,000) and among university graduates (79%, compared to 68% of those with some post-secondary training, 59% of high school graduates and 55% of those who did not complete high school).

Similarly, consistent with their stronger support of the Free Trade Agreement, males (74%) were more likely than females (59%) to support the general idea of freer trade with the United States.

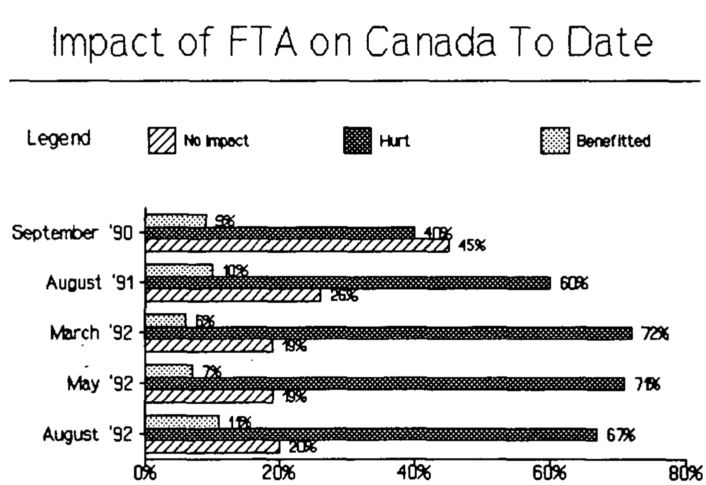
The Resolute Antagonists, the segment most strongly opposed to the FTA, were also opposed to the idea of free trade between Canada and the United States by a slight margin. All segments except the Resolute Antagonists support the idea of freer trade, although the old-fashioned opponents were nearly split (51% support versus 44% opposition).

5.2 Perceived Impact of the Canada-U.S. FTA

5.2.1 Impact on Canada to Date

Respondents were asked whether they felt that "up to today," the Free Trade Agreement with the United Stated has benefitted Canada, hurt Canada or has really had no impact one way or the other [figure 9].

Figure 9



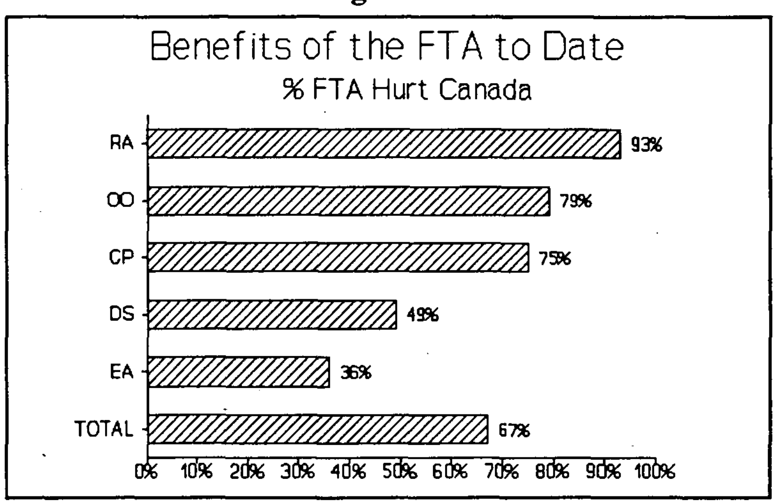
As the figure shows, respondents were much more likely to think that the Free trade Agreement has hurt Canada (67%) than benefitted Canada (11%) or had no impact (20%). The percentage of respondents who felt that the Agreement has hurt Canada has remained relatively consistent over the past six months (71% in May of 1992 and 72% in March of 1992), but represents an increase from 60 percent in August of 1991 and 40 percent in September of 1990.

Consistent with higher levels of attitudinal support for the Free trade Agreement among Quebec residents, Quebecers were least likely to say that the Agreement has hurt Canada (55%), compared to 60 percent in Alberta, 66 percent in Manitoba and Saskatchewan, 69 percent in British Columbia, 70 percent in Atlantic Canada and 76 percent of Ontario residents.

University graduates and upper income earners were less likely than other respondents to feel that the Agreement has hurt Canada. Among university graduates, 64 percent stated that the Free Trade Agreement has hurt Canada, compared to 70 percent of those with high school or less education. Similarly, 64 percent of those earning in excess of $50,000 felt that the Agreement has hurt Canada, compared to 69 percent of those earning between $30,000 and $50,000 and 67 percent of those earning below $30,000 per year.

The Enthusiastic Advocates, who consistent show the strongest support for the FTA, were split on the benefits of the agreement to date, while virtually all of the Resolute Antagonists said the agreement has hurt Canada [figure 10].

Figure 10



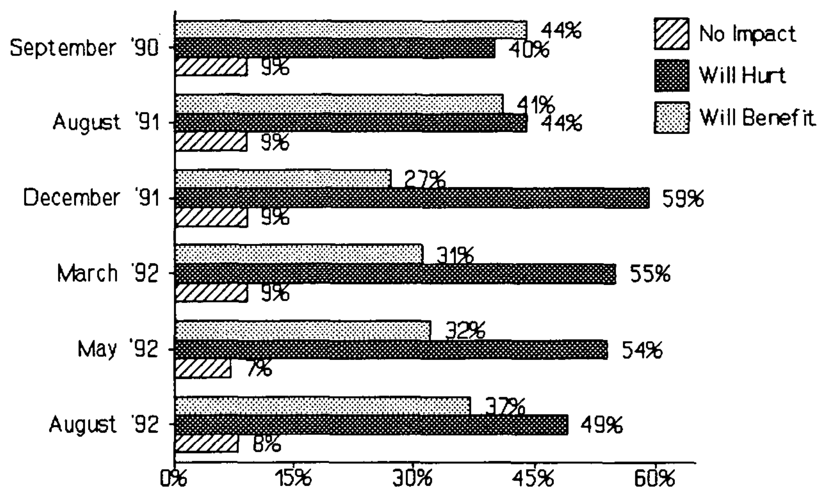
As the figure shows, over three-quarters of the Concerned Pragmatists (75%), and the Old-fashioned Opponents (79%) believed the agreement has hurt Canada.

5.2.2 Long-Term Impact on Canada

While two-thirds (67%) believed the effects of the Free Trade Agreement have been negative to date, slightly less than majority (49%) believed the Free Trade Agreement will hurt Canada in the long run. In addition, the view that Canada would be hurt in the long run has experienced a steady decline over the past nine months, from 54 percent in May of 1992, 55 percent in March of 1992, and 59 percent in December of 1991. The current survey findings were close to the results measured over the previous two years [figure 11].

Figure 11

Long-Term Impact of FTA on Canada



Thirty-seven percent stated that the Agreement will benefit Canada. Only 8 percent of those interviewed expected that the Agreement will have no long term impacts, compared to 20% who felt the agreement has had no impact since it has been in effect. The view that Canada would be hurt in the long run was strongest among those living in Atlantic Canada (55%), followed closely by British Columbia (54%) and Manitoba and Saskatchewan (54%).

In Ontario, 52 percent felt that the Free Trade Agreement would hurt Canada in the long run. Consistent with measures of support for the Free Trade Agreement, the view that Canada would be hurt in the long run was lowest in Alberta (45%) and Quebec (40%).

Quebec residents were less likely than those in other regions to state that the Agreement will have long term negative impacts (40%). It should be pointed out that Quebec respondents were not more likely than other respondents to state that the Free Trade Agreement would benefit Canada in the long run. The percentage of respondents in Quebec who stated that the Free Trade Agreement would benefit Canada in the long run was identical to the 37 percent Canadian national average on the same question. Rather, Quebecers were much more likely than other respondents to believe that the Agreement would have no long term effects (17% in Quebec, compared to 4 percent of respondents living outside of Quebec.

Consistent with support for the Free Trade Agreement, the view that the Free Trade Agreement would hurt Canada in the long run was related to education and income. Among upper income earners 41 percent stated that the Agreement would hurt Canada in the long run, compared to 51 percent of those earning between $30,000 and $50,000 and 55 percent of those earning below $30,000. The view that Canada would be hurt in the long run and also lower among university graduates (49%) and those with some post-secondary training (41%), compared to 53% of high school graduates and 55% of those who did not complete high school).

Similarly, consistent with their stronger support of the Free Trade Agreement, males (43%) were less likely than females (54%) to state that Canada would be hurt in the long run by the Free Trade Agreement.

Although the Enthusiastic Advocates were divided on the impact of the Free Trade Agreement to date, they were significantly more likely to believe that in the long run it will benefit Canada. The Concerned Pragmatists, three-quarters of whom believed the FTA has hurt Canada to date, felt that in the long term effects of the agreement will hurt Canada.

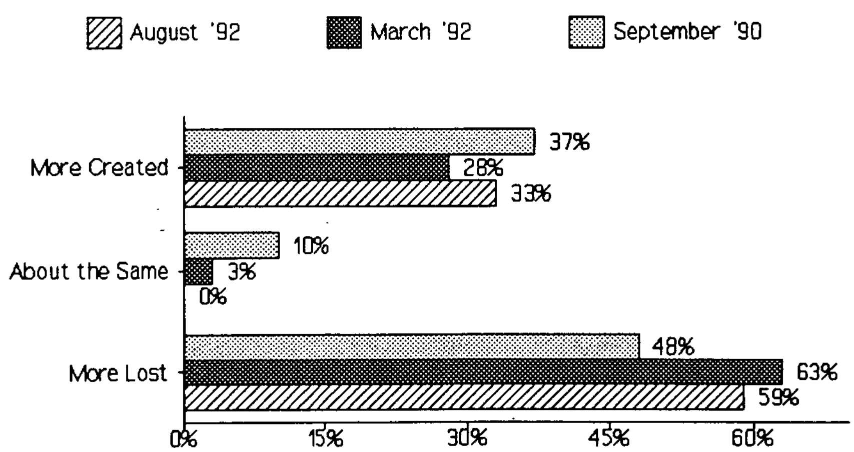
As expected, 86 percent of the Resolute Antagonists believed that the agreement will hurt Canada.

5.2.3 Long-Term Impact on Employment

Opinion on long term impacts of the Free Trade Agreement was also investigated by asking respondents whether they felt that, in the long term, more jobs will be created or lost as a result of the Free Trade Agreement. Overall, one third of respondents felt that more jobs, either "a lot more" (10%) or "a few more" (23%) would be created, while 59 percent felt that either a lot more (39%) or a few more (20%) jobs would be lost. The balance (8%) were unsure. The views regarding job creation represent an increase of 5 percent from 28 percent in March of 1992 who felt that more jobs would be created. The percentage of respondents who felt that jobs would be lost because of the Free Trade Agreement dropped from 63 percent in March to 59 percent presently. Views were, however, much more optimistic two years ago. In September of 1990, an Angus Reid Group survey found 37 percent of respondents stating that more jobs would be created and 48 percent expecting that jobs would be lost [figure 12].

Figure 12

Impact of FTA on Job Creation



Residents of Alberta (43%) were much more likely than other respondents to expect that more jobs would be created because of the Free Trade Agreement, while those living in Manitoba and Saskatchewan were least likely to think so (25%). Percentages were relatively consistent across the Atlantic provinces (33%), Quebec (34%), Ontario (33%) and British Columbia (31%).

The expectation that more jobs would be created was much higher among males (40%) than females (26%), and higher among younger respondents, aged 18-34 (36%) than among those aged 35-54 (32%) or 55 and older (31%).

Respondents with higher income and education levels were more likely than other respondents to state that jobs would be created as a result of the Free Trade Agreement. Among university graduates, 41 percent expected that more jobs would be created, compared to 36 percent of respondents with some post-secondary education, 27 percent of high school graduates and 21 percent of those who did not complete high school. Similarly, those earning incomes above $50,000 were more likely to state that the Agreement would result in the creation of more jobs (42%) than were those earning between $30,000 and $50,000 (32%), while lower income earners were least likely to hold that opinion (24%).

While overall one-third of respondents believed that more jobs will be created as a result of the Free Trade Agreement, 78 percent of the Enthusiastic Advocates felt more jobs will be the long-term as a result of the FTA [table 7].

TABLE 7: Long Term Job Creation as a Result of FTA

	Total	EA	DS	CP	OO	RA
A lot more jobs created	10	35	9	5	2	3
A few more jobs created	23	43	40	17	10	3
A few more jobs lost	20	11	23	31	24	12
A lot more jobs lost	39	4	14	39	56	80

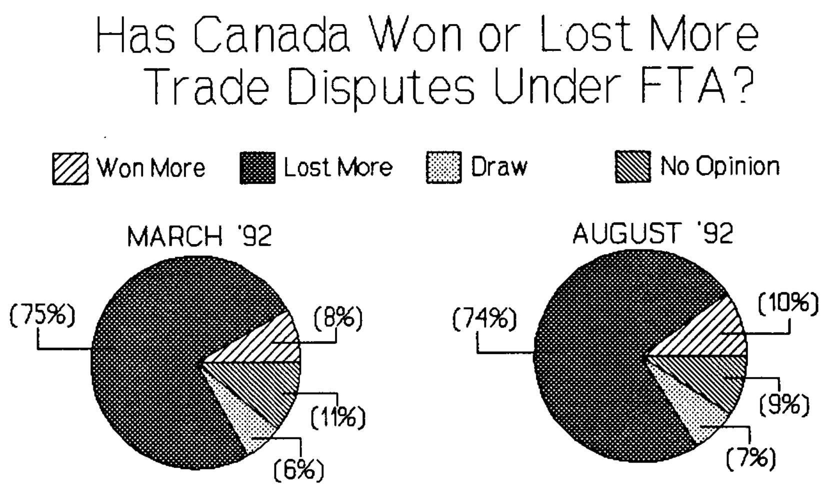
As the table shows, 22 percent of the Concerned Pragmatists believed that in the long term more jobs will be created as a result of the Free Trade Agreement.

A table summarizing the perceived and expected impact of the FTA, by region, sex, education and income is presented on the following page [table 8].

5.2.4 Resolution of Trade Disputes

Respondents were asked whether they felt that Canada has won or lost most of its trade disputes with the United States since the Free Trade Agreement was reached. Overall, 74 percent of respondents felt that Canada has lost more disputes than it has won. This figure has remained virtually unchanged from March of 1992 (75%) [figure 13].

Figure 13



Only 10 percent of respondents feel that Canada has won more trade dispute with the United States than it has lost. Another 7 percent volunteered the response that the trade dispute resolution has been about even for both sides, while 9 percent declined to answer the question, offering instead a "don't know" response.

Table 8: PERCEIVED AND EXPECTED IMPACT OF THE FTA

		REGION						SEX		EDUCATION				INCOME		
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	Men (733)	Women (765)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)	<$30K (434)	$30K-$50K (461)	$50K+ (530)
IMPACT ON CANADA TO DATE:																
Benefit	11	9	11	10	9	13	12	14	8	6	8	12	15	8	10	14
Hurt	67	69	60	66	76	55	70	63	71	69	71	65	64	67	69	64
No impact	20	18	26	21	13	28	16	21	18	22	19	20	18	23	18	19
LONG-TERM IMPACT ON CANADA:																
Benefit	37	37	43	38	37	37	33	46	29	25	30	41	49	27	35	49
Hurt	49	54	45	54	52	40	55	43	54	55	53	48	42	55	51	41
No impact	8	4	7	4	5	17	4	7	9	11	11	7	5	10	10	5
LONG-TERM IMPACT ON EMPLOYMENT:																
More jobs created	33	31	43	25	33	34	33	40	26	21	27	36	41	24	32	42
More jobs lost	59	56	54	66	62	55	62	52	65	70	65	55	51	68	62	49

The view that Canada has lost more trade disputes than it won was less likely to be expressed among Quebec residents (70%) and among those living in Atlantic Canada (70%). Those living in Manitoba and Saskatchewan (75%), Ontario (76%), British Columbia (76%) and Alberta (77%) were slightly more likely to hold the opinion that Canada has lost more trade disputes with the U.S. than it has won.

The percentage who felt that Canada has lost more disputes than it has won was lower among males (71%) than females (77%), and lower among younger respondents, aged 18-34 (71%), than among those aged 35-54 (77%) or 55 and older (78%).

Opinions on trade dispute resolution were not linked to income measures. There was virtually no variation across income levels on this question. By education, university graduates were slightly less likely to think that Canada has lost most of its trade disputes (70%) than were those who had undertaken other post-secondary training (75%), high school graduates (74%) or those who did not complete high school (76%).

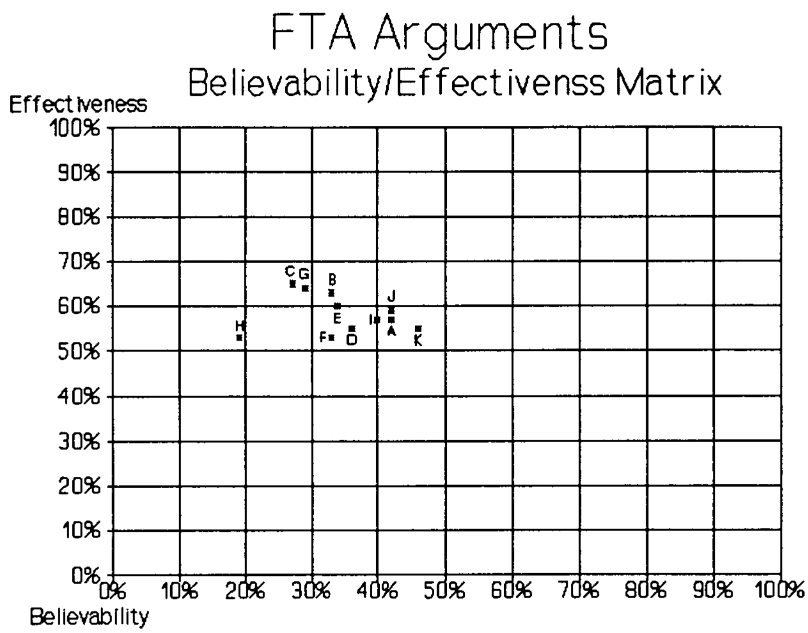
The Resolute Antagonists were more likely to believe that Canada has lost more trade disputes since the Free Trade Agreement went into effect (84%). Over 80 percent of the Concerned Pragmatists (82%) and the Old-fashioned Opponents said Canada has lost more disputes. Sixty-eight percent of the Dispassionate Supporters agreed with this opinion, followed by only a slight majority (51%) of the Enthusiastic Advocates.

5.3 Believability and Impact of Selected Information Statements Regarding the Canada-U.S. FTA

A series of 11 information statements were compiled regarding the impact of the Free Trade Agreement. Survey respondents who had indicated strong or moderate opposition to the Free Trade Agreement were asked to indicate, first of all, whether the information contained in that statement would make them more likely to support the Canada-U.S. Free Trade Agreement, and secondly, the extent to which they found the statement to be believable.

While an understanding of effectiveness and believability were important individually, it is important to understand which of the statements is most effective, and yet is also credible. A matrix of the statements based on their effectiveness and believability is presented in below [figure 14].

Figure 14



A. Seven of 12 trade disputes between the U.S. and Canada have been won by Canada under the dispute settlement system established by the U.S. Canada free trade agreement

B. Canada's exports to the U.S. have increased by $31 billion as a result of the free trade agreement

C. Several American and Canadian owned companies have closed plants in the U.S. and opened new or expanded facilities in Canada

D. The free trade agreement has been used to force the U.S. government to reverse earlier trade dispute decisions against Canadian companies

E. The free trade agreement permits Canadian exporters to settle disputes with the U.S. in a fast and impartial manner

F. The free trade agreement has been used successfully to exempt Canada from potentially damaging U.S. trade legislation

G. Investment in Canada, particularly in manufacturing,has increased by $6 billion since the signing of the free trade agreement

H. The free trade agreement has <u>lessened</u> the severity of the recent economic downturn

I. Some prices have gone down in Canada because of the free trade agreement

J. The free trade agreement provides Canada with greater protection from U.S. trade action than is available to any other country

K. Canadians consumers saved $167 million on duties in 1991 because of the free trade agreement

As the figure shows, there is no one statement that clearly optimizes effectiveness and believability; however, some of the statements were relatively more effective than others. The statement "Canadian consumers saved $167 million on duties in 1991 because of the free trade agreement" (K) ranks highest in terms of believability but received a lower effectiveness rating, which, at 55 percent, is only 10 points lower than the maximum effectiveness rating (65%). The figure also shows that the statements "seven of 12 trade disputes between the U.S. have been won by Canada under the dispute settlement" (A), "the free trade agreement provides Canada with greater protection from U.S. trade action than is available in any other country" (J) and "some prices have gone down because of the free trade agreement" (I) each register relatively positive ratings on for both effectiveness and believability.

The figure also shows that the range of responses falls in a very narrow range for both effectiveness and believability. Although some of the statements fare better than other, it is not possible to isolate a single statement that rates high on both impact and believability.

Statements were rank ordered in terms of the impact that information would have on individuals who currently oppose the Free trade Agreement. Higher impact is interpreted as a greater likelihood of supporting the Free Trade Agreement because of that information. In general, higher impact statements tended to be less believable to Free Trade opponents. Likelihood of supporting the agreement, and believability of the statements for each of the psychographic segments is presented following the general discussion.

- ***Several American and Canadian owned companies have closed plants and opened new or expanded facilities in Canada.*** (C)

Of the 11 information statements provided, this statement received the highest ranking in terms of likelihood of converting opposition to support the Free Trade Agreement. Overall, 65 percent of those who opposed the Agreement stated that they would be more likely (45%) or much more likely (20%) to support Free Trade on the basis of this information. The statement has a higher impact among those living in the Atlantic provinces (72%) and less impact among those living in Manitoba and Saskatchewan (58%). Demographically, the impact of the statement is highest among younger respondents, those with post-secondary and university training, and among middle and upper income earners.

While this statement ranked highest in terms of potential impact, it scored second lowest in terms of believability. Overall, 27 percent of opponents rated the statement as either "somewhat believable" (22%) or "very believable (5%). Thirty-nine percent rated the statement as "not very believable" while 33 percent stated that it was "not believable at all."

- ***Investment in Canada, particularly in manufacturing has increased by $6 billion since the signing of the Free Trade Agreement.*** **(G)**

Overall, 64 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (42%) or "much more likely" (22%) to support the Canada-U.S. Free trade Agreement. The statement had a slightly higher impact among respondents in Atlantic Canada (70%) and had significantly lower impact among respondents living in British Columbia (55%) and in Manitoba and Saskatchewan (51%). Demographically, the statement has a significantly higher impact on younger respondents, and those with post-secondary and university education. Females were slightly less likely than males to state that the information would turn their opposition to support. The statement also had less impact on low income earners than among those in the middle and upper income categories.

On the believability dimension, the statement was ranked ninth (of 11 statements). Overall, 29 percent of opponents rated the statement as either "somewhat believable" (24%) or "very believable (5%). Another 40 percent rated the statement as "not very believable" while 30 percent stated that it was "not believable at all."

- ***Canadian Exports to the U.S. have increased by $31 Billion as a result of the Free Trade Agreement.*** (B)

Overall, 63 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (47%) or "much more likely" (17%) to support the Free trade Agreement. The statement had a much higher impact in Quebec and the Atlantic provinces, and had a much lower impact among respondents living in British Columbia and in Manitoba and Saskatchewan. Demographically, the statement had a higher impact among younger respondents and among those with post-secondary and university education. Consistent with other indicators, the statement had less impact on low income earners than among those in the middle and upper income categories.

On the believability dimension, the statement was ranked seventh (of 11 statements). Overall, 33 percent of opponents rated the statement as either "somewhat believable" (29%) or "very believable (4%). Another 41 percent rated the statement as "not very believable" while 24 percent stated that it was "not believable at all."

- ***The Free Trade Agreement permits Canadian exporters to settle disputes with the U.S. in a fast and impartial manner.*** (E)

Overall, 61 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (47%) or "much more likely" (14%) to support the Free Trade Agreement. Regionally, the statement had a much higher impact among residents of the Atlantic provinces (75%) and considerably lower impact among those living in Alberta (54%) and in Manitoba and Saskatchewan (48%). Demographically, the statement had significantly less impact among respondents aged 55 or older, among those earning incomes below $30,000 and among those with high school or less education.

In total, 34 percent of opponents rated the statement as either "somewhat believable" (30%) or "very believable (4%). Another 40 percent rated the statement as "not very believable" while 25 percent stated that it was "not believable at all."

- ***The Free Trade Agreement provides Canada with greater protection from U.S. trade action than is available to any other country.*** (J)

Fifty-nine percent of Free Trade opponents were either "somewhat more likely" (44%) or "much more likely" (15%) to support the Agreement based on this information. Consistent with other indicators, the statement had its highest impact among those living in Atlantic Canada (74%), with significantly lower impact among residents of Manitoba and Saskatchewan (41%). Impact was also inversely related to age, with higher impact among younger respondents. Impact was also higher among males than females, and higher among those with higher income and education levels.

On the believability dimension, the statement scored second highest, with 46 percent of opponents rating the statement as either "somewhat believable" (37%) or "very believable" (9%). The statement was viewed as "not very believable" by 27 percent of Free Trade opponents, and as "not believable at all" by an additional 24 percent.

- ***Seven of 12 trade disputes between the U.S. and Canada have been won by canada under the dispute settlement system established by the U.S.-Canada Free Trade Agreement.*** (A)

This item ranked sixth in terms of impact and third in terms of believability. Fifty-eight percent of Free Trade opponents interviewed felt that this information would make them either "somewhat more likely" (47%) or "much more likely" (11%) to support the Free Trade Agreement. Regionally, impact was, again, highest in the Atlantic provinces and lowest in Manitoba and Saskatchewan. There was a tendency for the statement to have higher impact among those in the middle income category and among respondents with post-secondary training other than university graduation.

On the believability dimension, the statement scored third highest, with 42 percent of opponents rating the statement as either "somewhat believable" (35%) or "very believable" (7%). The statement was viewed as "not very believable" by 36 percent of Free Trade opponents, and as "not believable at all" by an additional 19 percent.

- ***Some prices have gone down in Canada because of the Free Trade Agreement.*** (I)

This statement ranked seventh (of 11) in terms of impact and fourth in terms of believability. Among opponents of the Free Trade Agreement, 57 percent stated that they would be either "somewhat more likely (40%) or "much more likely (17%) to support the Free Trade Agreement on the basis of that information. Residents of the Atlantic provinces were more likely than other respondents to say that this information would make them more likely to support Free Trade (71%). Those living in Manitoba and Saskatchewan (52%) and in British Columbia (48%) were much less likely to feel that this information would change their opinion of the Agreement. Demographically, this information statement had a lower impact among females than among males, a lower impact among older respondents, and a lower impact among lower income earners and those who did not complete high school.

Overall, 40 percent of Free Trade opponents felt that this information concerning the Free Trade Agreement was either "somewhat believable" (30%) or "very believable" (10%). Another 29 percent felt that the information was "not very believable" while the same percentage stated that it was "not believable at all."

- ***Canadian consumers saved $167 million on duties because of the Free Trade Agreement***. (K)

While this statement was low in terms of impact (eighth overall), it ranked as the highest statement in terms of believability. Overall, 55 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (39%) or "much more likely" (16%) to support the Free Trade Agreement. Regionally, the statement had a much higher impact among residents of the Atlantic provinces (69%) and considerably lower impact among those living in western Canada - Alberta (49%), British Columbia (45%) and Manitoba and Saskatchewan (42%). Demographically, the statement had significantly less impact among respondents aged 55 or older, among those earning incomes below $30,000 and among those who did not complete high school.

Of the 11 information statements presented to Free Trade opponents, this one was the most likely to be viewed as believable. In total, 46 percent of Free Trade opponents felt that this information concerning the Free Trade Agreement was either "somewhat believable" (37%) or "very believable" (9%). Another 27 percent felt that the information was "not very believable" while 24 percent stated that it was "not believable at all."

- ***The Free Trade Agreement has been used to force the U.S. government to reverse earlier trade dispute decisions against Canadian companies.*** (D)

Of the eleven information statements provided to opponents of Free Trade, this information ranked ninth in terms of impact. Overall, 55 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (45%) or "much more likely" (10%) to support the Free Trade Agreement. Regionally, the statement had a much its highest impact among residents of the Atlantic provinces (65%) and considerably lower impact among those living in Manitoba and Saskatchewan (42%). Demographically, the statement was closely related to age, income and education. The statement had a much higher impact among those aged 18-34 (61%) and those aged 35-54 (57%) with a low impact among respondents aged 55 or older (44%). Impact was also significantly lower among those earning less than $30,000 (44%) in comparison to those earning between $30,000 and $50,000 (60%) or those earning over $50,000 (63%). By education, the impact of this statement was considerably lower among respondents who did not complete high school (36%) than among high school graduates (52%), those who had undertaken post-secondary training (59%) and university graduates (68%).

Of the 11 information statements presented to Free Trade opponents, this one ranked fifth in terms of believability. In total, 37 percent of Free Trade opponents felt that this information concerning the Free Trade Agreement was either "somewhat believable" (32%) or "very believable" (5%). Another 38 percent felt that the information was "not very believable" while 23 percent stated that it was "not believable at all."

- ***The Free Trade Agreement has lessened the severity of the recent economic downturn.*** (H)

This statement ranked second lowest in terms of impact and lowest in terms of believability. Overall, 53 percent of Free Trade opponents stated that this information would make them either "somewhat more likely" (37%) or "much more likely" (16%) to support the Free Trade Agreement. Regionally, the statement had a much its highest impact among residents of the Atlantic provinces (65%) and considerably lower impact among those living in Manitoba and Saskatchewan (42%). Demographically, the statement had a much higher impact among those aged 18-34 (63%) than among those aged 35-54 (52%) with the lowest impact among respondents aged 55 or older (46%). Impact was also significantly lower among those earning less than $30,000 (43%) in comparison to those earning between $30,000 and $50,000 (58%) or those earning over $50,000 (59%). By education, the impact of this statement was considerably lower among respondents who did not complete high school (39%) than among high school graduates (51%), those who had undertaken post-secondary training (57%) and university graduates (61%).

Only 19 percent of Free Trade opponents found this statement either "somewhat believable" (15%) or "very believable" (4%). About 8 in ten opponents rated the statement as either "not very believable (37%) or "not believable at all" (42%).

- ***The Free Trade Agreement has been used successfully to exempt Canada from potentially damaging U.S. trade legislation.*** (F)

  This item had the lowest overall impact, with 53 percent of Free Trade opponents stating that they would be "somewhat more likely" (42%) or "much more likely (11%) to support the Agreement on the strength of this information. Consistent with each of the other statements, this statement had a much its highest regional impact among residents of the Atlantic provinces (61%) and its lowest impact among those living in Manitoba and Saskatchewan (38%). This statement had a much higher impact among those aged 18-34 (62%) than among those aged 35-54 (52%) with the lowest impact among respondents aged 55 or older (42%). Impact was also significantly lower among those earning less than $30,000 (44%) in comparison to those earning between $30,000 and $50,000 (58%) or those earning over $50,000 (57%). Similarly, by education, the impact of this statement was considerably lower among respondents who did not complete high school (36%) than among high school graduates (50%), those who had undertaken post-secondary training (61%) and university graduates (60%).

It should be noted that, in ranking the above statements from highest to lowest impact, the lowest impact statement was still viewed by over half of the Free Trade opponents as making them more likely to support the Free Trade Agreement on the basis of that information. The statements were in fact closely clustered, with the percentage difference from the highest to the lowest impact statement was only 12 percentage points.

Believability ranged from a low of 19 percent to a high of 46 percent, representing a wider high to low range. In order of believability, the statements were as follows:

- *Canadian consumers saved $167 million on duties because of the Free Trade Agreement (46%).*

- *The Free Trade Agreement provides Canada with greater protection from U.S. trade action than is available to any other country (42%).*
- *Seven of 12 trade disputes between the U.S. and Canada have been won by canada under the dispute settlement system established by the U.S.-Canada Free Trade Agreement (42%).*
- *Some prices have gone down in Canada because of the Free Trade Agreement (40%).*
- *The Free Trade Agreement has been used to force the U.S. government to reverse earlier trade dispute decisions against Canadian companies (36%).*
- *The Free Trade Agreement permits Canadian exporters to settle disputes with the U.S. in a fast and impartial manner (34%).*
- *Canadian Exports to the U.S. have increased by $31 Billion as a result of the Free Trade Agreement (33%).*
- *The Free Trade Agreement has been used successfully to exempt Canada from potentially damaging U.S. trade legislation (33%).*
- *Investment in Canada, particularly in manufacturing, has increased by $6 billion since the signing of the Free Trade Agreement (29%).*
- *Several American and Canadian owned companies have closed plants and opened new or expanded facilities in Canada (27%).*
- *The Free Trade Agreement has lessened the severity of the recent economic downturn (19%).*

A table showing effectiveness and believability of each statement by region, age and income is presented on the following page [table 9].

The results of the psychographic segmentation are not presented for the Enthusiastic Advocates because the questions were only asked of those who oppose the agreement, which only comprises 21 respondents within the Enthusiastic segment which is not sufficient to discuss results for the segment individually. In addition, caution should be exercised when examining the results for the Dispassionate Supporters which are based on a sample size of 80 respondents.

For the Dispassionate Supporters, the statement "the Free Trade Agreement has been used successfully to exempt Canada from potentially damaging U.S. trade legislation" was most believable (61%). This statement also receives a relatively high effectiveness rating, making it the optimal communications message among the Dispassionate Supporters.

For the Concerned Pragmatists, the optimal statement was "the Free Trade Agreement provides Canada with greater protection from U.S. trade action than is available in any other country". Seventy percent of respondents would be more likely to support the agreement based on the statement, while over a majority (53%) felt the statement was believable. The statements, however, were tightly clustered in terms of their effectiveness and believability.

Overall, the Old-fashioned Opponents were less likely to rate the statements as effective or believable. The most positive statements were "Seven of 12 trade disputes between the U.S. and Canada have been won by Canada under the trade dispute settlement system established by the U.S.-Canada Free Trade Agreement" (53% more likely to support, 48% very/somewhat believable) and "Some prices have gone down in Canada as a result of the Free Trade Agreement" (54% more likely to support, 48% very/somewhat believable).

In general, the Resolute Antagonists were less likely to find the statements effective, and they were significantly less likely to find the statements believable. The optimal statement

Table 9: EFFECTIVENESS AND BELIEVABILITY OF SELECTED STATEMENTS ON THE CANADA-U.S. FTA

		REGION						AGE			EDUCATION				INCOME		
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)	<$30K (434)	$30K-$50K (461)	$50K+ (530)
PLANTS CLOSING IN U.S. AND MOVING TO CANADA:																	
Likely to change mind *	65	63	68	57	66	63	72	73	62	57	52	64	72	63	60	69	67
Believable **	27	22	35	23	28	24	33	35	23	20	21	30	28	26	26	31	23
INVESTMENT IN CANADA IS UP $6 BILLION SINCE FTA:																	
Likely to change mind	64	55	69	51	67	66	71	77	60	51	56	61	67	71	61	68	66
Believable	29	22	37	28	25	29	43	36	25	23	24	29	31	28	32	28	26
CANADIAN EXPORTS UP $31 BILLION SINCE FTA:																	
Likely to change mind	63	55	62	49	63	71	69	70	59	56	52	59	69	66	58	65	66
Believable	33	29	36	33	32	36	33	42	31	23	33	33	34	31	28	38	32
FTA PERMITS FAST AND IMPARTIAL DISPUTE SETTLEMENT:																	
Likely to change mind	60	62	54	48	61	61	75	66	61	51	47	56	68	64	52	62	67
Believable	34	29	26	39	32	34	48	43	31	25	28	34	37	32	29	38	33
FTA GIVES CANADA GREATER TRADE PROTECTION THAN OTHER COUNTRIES:																	
Likely to change mind	59	56	60	41	61	57	74	68	59	45	43	57	65	64	53	60	65
Believable	42	41	45	36	44	35	52	54	39	27	35	40	45	45	36	43	46
CANADA HAS WON 7 OF 12 TRADE DISPUTES:																	
Likely to change mind	57	47	55	52	61	56	66	61	56	54	56	58	62	50	58	62	54
Believable	42	35	53	35	45	36	54	51	42	29	28	36	48	52	35	46	46
SOME PRICES IN CANADA HAVE GONE DOWN DUE TO FTA:																	
Likely to change mind	57	48	54	52	56	60	71	64	57	46	49	56	58	61	52	61	58
Believable	40	40	37	48	39	35	50	45	44	27	32	38	37	52	32	44	44

EFFECTIVENESS AND BELIEVABILITY OF SELECTED STATEMENTS ON
THE CANADA - U.S. FTA

(Table 9: continued)

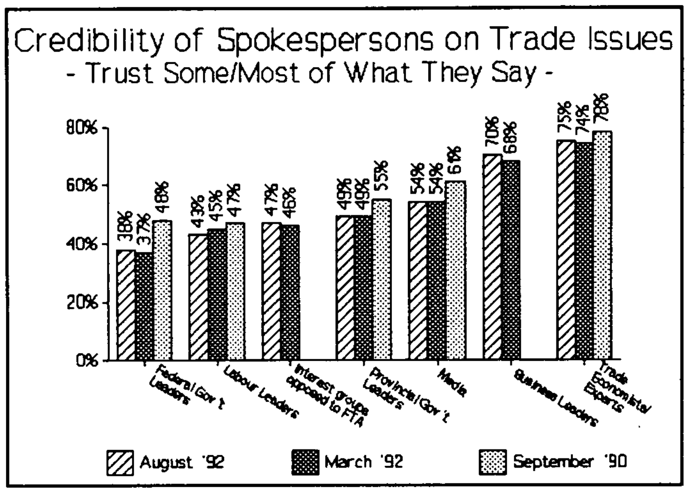
		REGION						AGE			EDUCATION				INCOME		
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)	<$30K (434)	$30K-$50K (461)	$50K+ (530)
CANADIAN CONSUMERS SAVED $167 MILLION ON DUTIES IN 1991:																	
Likely to change mind	55	45	49	42	56	61	69	61	57	44	49	53	61	55	50	61	55
Believable	46	44	44	40	48	44	58	57	45	32	33	45	48	58	39	48	55
FTA FORCED U.S. TO REVERSE TRADE DECISIONS AGAINST CANADIAN COMPANIES:																	
Likely to change mind	55	56	56	42	56	54	65	61	57	44	36	52	59	68	44	60	63
Believable	36	37	42	42	36	28	46	47	32	27	27	34	38	45	28	39	43
FTA HAS LESSENED SEVERITY OF ECONOMIC DOWNTURN:																	
Likely to change mind	53	45	50	42	59	49	65	63	52	40	39	51	57	61	43	58	59
Believable	19	16	16	19	19	20	26	25	16	15	23	21	23	9	21	21	16
FTA USED TO EXEMPT CANADA FROM U.S. TRADE LEGISLATION:																	
Likely to change mind	53	50	60	38	55	52	61	62	52	42	36	50	61	60	44	58	57
Believable	33	31	35	24	32	31	48	42	27	27	30	32	39	27	32	35	30

* Percent of respondents indicating they would be "much more" or "somewhat more" likely to support Canada-U.S. free trade.
* Percent of respondents saying they would find this statement "very" or "somewhat" believable.

is "The Free Trade Agreement provided Canada with greater protection from U.S. trade action than is available to any other country". Forty-eight percent of the Resolute Antagonists felt the statement would make them more likely to support the agreement, while 31 percent found the statement believable. Relatively, the Resolute Antagonists were also receptive to the statement "Some prices have gone down in Canada because of the Free Trade Agreement" (47% more likely to support agreement, 28% very/somewhat believable).

5.4 Credibility of Selected Information Sources on Free Trade

Figure 15



Survey respondents were provided a list of seven different information sources and asked to indicate the extent to which they trust statements made about Free trade from each of these various sources. Sources were rotated to control for order bias. A summary of the results over time is presented in figure 15.

The seven sources were shown below in rank order of credibility, measured here as the percentage of respondents who say that they trust most or some of what is said by these sources:

- **Trade Economists and Other Experts in International Trade** - Overall, 75 percent of respondents said that they trust "some" (46%) or "most" (29%) of what these individuals say concerning Free Trade. Another 17 percent stated that they trust "little" of what is said about Free Trade by trade economists and other experts, while 6 percent stated that they trust "nothing" from this source.

  The findings show very little regional variation on this question. The major predictors of credibility are age, education and income. Younger respondents were much more likely to believe trade economists and other experts (80%), than were those aged 35-54 (77%) or 55 and older (68%). Those earning yearly incomes below $30,000 were less likely to trust this information source (69%) than were those earning between $30,000 and $50,000 (76%) or those earning over $50,000 (82%). The most significant predictor was education. Among those who did not complete high school, only 61 percent stated that they trusted the statements made by trade economists and other experts, compared to 69 percent of high school graduates, 78 percent of those with some post-secondary training and 88 percent of university graduates.

Supporters of the Free trade Agreement were more likely than opponents to state that they trust the views expressed by trade economists and other experts (79% of supporters, compared to 71% of opponents).

- **Business Leaders** - Overall, 70 percent of respondents said that they trust "some" (49%) or "most" (21%) of what these individuals say concerning Free Trade. Another 23 percent stated that they trust "little" of what is said about Free Trade by business leaders, while 7 percent stated that they trust "nothing" from this source.

Regionally, those living in the Atlantic provinces were more likely to place trust in statements made by business leaders (78%), compared to 72 percent of respondents living in Ontario and Alberta, 68 percent of those living in Manitoba and Saskatchewan, 66 percent of British Columbia residents and 65 percent of those living in Quebec.

The major predictors of credibility were education and income. Those earning yearly incomes below $30,000 were less likely to trust business leaders (65%) than were those earning between $30,000 and $50,000 (70%) or those earning over $50,000 (75%). Among those who did not complete high school, only 61 percent stated that they trusted the statements made by business leaders, compared to 65 percent of high school graduates, 73 percent of those with some post-secondary training and 77 percent of university graduates.

Supporters of the Free trade Agreement were much more likely than opponents to state that they trust the views expressed by business leaders (77% of supporters, compared to 64% of opponents).

- **Journalists and Reporters** - Overall, 54 percent of respondents said that they trust "some" (43%) or "most" (11%) of what journalists and reporters say concerning Free Trade. Another 30 percent stated that they trust "little" of what is said about Free Trade by journalists and reporters, while 14 percent stated that they trust "nothing" from this source.

Regionally, those living in the Atlantic provinces were more likely to place trust in statements made by journalists and reporters (65%), followed by those living in Ontario (60%). Across western Canada, trust in reporters and journalists ranged from 56 percent in Alberta, 54 percent in British Columbia and 49 percent of those living in Manitoba and Saskatchewan. Residents of Quebec were least likely to view Free Trade statements made by journalists and reporters as trustworthy (45%).

Females (57%) were slightly more likely than males (52%) to state that they trusted statements made about Free Trade coming from journalists and reporters. Younger respondents were also more likely to trust this source of information (58%) than were those aged 35-54 (55%) or 55 and older (49%). There was a slight correlation with education and income on this item. Those earning yearly incomes above $50,000 were slightly more likely to trust journalists and reporters (57%) than were those earning between $30,000 and $50,000 (53%) or those earning below $30,000 (54%). By education, University graduates were more likely to trust reporters and journalists speaking on Free Trade (60%) than were those who had undertaken other post-secondary training (55%), high school graduates (50%) and those who did not complete high school (54%).

Supporters of the Free trade Agreement were slightly less likely than opponents to state that they trust the views expressed by reporters and journalists (54% of supporters, compared to 56% of opponents).

- **Provincial Government Leaders** - Overall, 49 percent of respondents said that they trust "some" (41%) or "most" (8%) of what provincial government leaders say concerning Free Trade. Another 33 percent stated that they trust "little" of what is said about Free Trade by provincial government leaders, while 17 percent stated that they trust "nothing" from this source.

Regionally, those living in the four Atlantic provinces were more likely than other respondents to place trust in statements made by provincial government leaders (63%), followed by those living in Manitoba and Saskatchewan (58%) and British Columbia (52%). Trust in statements made by provincial government leaders was lower among those living in Ontario (48%) and Alberta (47%). Residents of Quebec were least likely to view Free Trade statements made by provincial government leaders as trustworthy (41%).

Younger respondents were more likely to trust this source of information (54%) than were those aged 35-54 (44%) or 55 and older (46%). Those earning yearly incomes below $30,000 were slightly less likely to trust provincial government leaders (46%) than were those earning between $30,000 and $50,000 (50%) or those earning above $50,000 (53%). By education, University graduates were more likely to trust provincial government leaders speaking on Free Trade (55%) than were those who had undertaken other post-secondary training (50%), high school graduates (44%) and those who did not complete high school (45%).

Supporters of the Free trade Agreement were much more likely than opponents to state that they trust the views expressed by provincial government leaders (55% of supporters, compared to 43% of opponents).

- **Interest Groups Opposed to the Free Trade Agreement** - Overall, 47 percent of respondents said that they trust "some" (39%) or "most" (8%) of what opposing interest groups say concerning Free Trade. Another 35 percent stated that they trust "little" of what is said about Free Trade by interest groups opposed to it, while 7 percent stated that they trust "nothing" from this source.

  Regionally, those living in the Atlantic provinces were more likely to place trust in statements made by opposing interest groups (55%), followed by those living in Ontario (53%), Manitoba and Saskatchewan (52%), British Columbia (50%) and Alberta (46%). Residents of Quebec were least likely to view Free Trade statements made by interest groups opposing the Agreement as trustworthy (34%).

  Females (50%) were slightly more likely than males (45%) to state that they trusted statements made about Free Trade coming from interest groups which opposed it. Younger respondents were also more likely to trust this source of information (52%) than were those aged 35-54 (46%) or 55 and older (44%). There was a correlation with education, but there was no variation across income levels on this item. By education, those who had not completed high school were much more likely to trust interest groups opposing thew Agreement (54%) than were those who had graduated from high school or undertaken some post-secondary training (47%). University graduates were less likely than high school or other post-secondary graduates to trust statements made by interest groups which opposed the Free Trade Agreement (44%).

  Not surprisingly, supporters of the Free trade Agreement were significantly less likely than opponents to state that they trust the views expressed by interest groups who oppose the Free Trade Agreement (36% of supporters, compared to 58% of opponents).

- **Labour Union Leaders** - Overall, 44 percent of respondents said that they trust "some" (35%) or "most" (9%) of what labour union leaders say concerning Free

Trade. Another 32 percent stated that they trust "little" of what is said about Free Trade by labour union leaders, while 23 percent stated that they trust "nothing" from this source.

Regionally, those living in the Atlantic provinces were more likely to place trust in statements made by labour union leaders (53%), followed by those living in Manitoba and Saskatchewan (49%) and Ontario (47%). Those living in British Columbia (44%) and Alberta (41%) were less likely to trust statements made by union leaders while Quebecers were least likely to view Free Trade statements made by labour union leaders as trustworthy (36%).

Females (49%) were much more likely than males (38%) to state that they trusted statements made about Free Trade coming from union leaders. Younger respondents were also much more likely to trust this source of information (50%) than were those aged 35-54 (44%), while those aged 55 and older were much less likely to trust statements made by union leaders (34%). By education and income, credibility to statements made by union leaders tended to be higher among middle income earners (49%) than among those earning below $30,000 (46%) or above $50,000 (39%). Similarly, high school graduates were much more likely to trust union leaders (48%) than were those who did not complete high school (40%) or those who completed post-secondary training (43%) or university (42%).

Supporters of the Free trade Agreement were significantly less likely than opponents to state that they trust the views expressed by labour union leaders (37% of supporters, compared to 50% of opponents).

- **Federal Government Leaders** - Overall, 49 percent of respondents said that they trust "some" (41%) or "most" (8%) of what provincial government leaders say concerning Free Trade. Another 33 percent stated that they trust "little" of what is said about Free Trade by provincial government leaders, while 17 percent stated that they trust "nothing" from this source.

Regionally, those living in the Atlantic Canada were more likely than other respondents to place trust in statements made by federal government leaders (49%), compared to 40 percent of those living in Ontario, 37 percent of those living in Manitoba and Saskatchewan, 36 percent of British Columbia residents, and 34 percent of Quebecers. Residents of Alberta were least likely to view Free Trade statements made by federal government leaders as trustworthy (31%).

Females (41%) were slightly more likely than males (35%) to state that they trusted statements made about Free Trade coming from federal government leaders. Younger respondents were slightly less likely to trust federal government leaders (40%) than were those aged 35-54 (47%) or 55 and older (47%). Those earning yearly incomes above $50,000 were more likely to trust federal government leaders (45%) than were those earning between $30,000 and $50,000 (35%) or those earning below $30,000 (34%). By education, University graduates were more likely to trust federal government leaders speaking on Free Trade (44%) than were those who had undertaken other post-secondary training (40%), high school graduates (33%) and those who did not complete high school (34%).

Supporters of the Free trade Agreement were much more likely than opponents to state that they trust the views expressed by federal government leaders (54% of supporters, compared to 25% of opponents).

A table showing the demographic variations for each of the sources in presented below [table 10].

Table 10: CREDIBILITY OF SELECTED INFORMATION SOURCES ON FREE TRADE

		REGION						AGE			EDUCATION			
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)
TRADE ECONOMISTS/INTERNATIONAL TRADE EXPERTS:														
Trust most	29	35	26	27	30	23	37	34	30	21	10	24	34	39
Trust some	46	43	52	44	49	44	43	46	47	47	51	45	44	49
Trust little/nothing	23	21	20	26	19	31	15	19	22	29	35	29	20	12
BUSINESS LEADERS:														
Trust most	21	18	22	20	23	19	22	21	20	22	16	18	25	22
Trust some	49	48	50	48	49	46	56	49	49	50	45	47	48	55
Trust little/nothing	30	34	27	28	27	34	20	29	31	26	38	34	26	23
JOURNALISTS/REPORTERS:														
Trust most	11	11	12	11	12	10	14	15	10	8	16	12	10	10
Trust some	43	43	44	38	48	35	51	43	45	41	38	38	45	50
Trust little/nothing	44	45	43	50	38	54	33	41	44	49	44	50	43	40
PROVINCIAL GOVERNMENT LEADERS:														
Trust most	8	10	9	18	4	6	14	10	5	8	5	7	8	10
Trust some	41	42	38	40	44	35	49	44	39	38	40	37	42	45
Trust little/nothing	50	47	50	41	52	58	37	46	55	53	54	55	50	45
INTEREST GROUPS OPPOSED TO FTA:														
Trust most	8	7	6	13	9	6	8	8	7	10	12	9	6	7
Trust some	39	43	40	39	44	28	47	44	39	34	42	38	41	37
Trust little/nothing	51	49	52	46	43	64	42	46	54	52	43	49	51	55

CREDIBILITY OF SELECTED INFORMATION SOURCES ON FREE TRADE

(Table 10: continued)

		REGION						AGE			EDUCATION			
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)
LABOUR UNION LEADERS:														
Trust most	9	6	6	16	10	7	16	12	9	6	11	10	9	8
Trust some	35	38	35	33	37	29	37	38	35	28	29	38	34	34
Trust little/nothing	55	55	57	49	53	62	48	48	55	64	59	51	56	58
FEDERAL GOVERNMENT LEADERS:														
Trust most	5	6	5	8	4	3	9	6	4	5	3	3	6	7
Trust some	33	30	26	29	36	31	40	34	33	32	31	30	34	37
Trust little/nothing	61	63	68	62	59	66	51	60	62	63	65	67	60	55

The following table shows the percentage of respondents for each segment that trust the sources [table 11].

TABLE 11: Credibility of Sources by the Segments

% Trust Most/Trust Some of What They Say

	National	EA	DS	CP	OO	RA
Federal govt leaders	38	68	52	28	33	15
Provincial govt leaders	49	62	54	44	53	36
Labour union leaders	44	33	40	50	44	48
Trade economists	75	89	78	80	67	64
Journalists & reporters	54	54	50	57	46	57
Business leaders	70	82	73	72	68	57
Interests groups opposed to the FTA	47	33	38	55	53	58

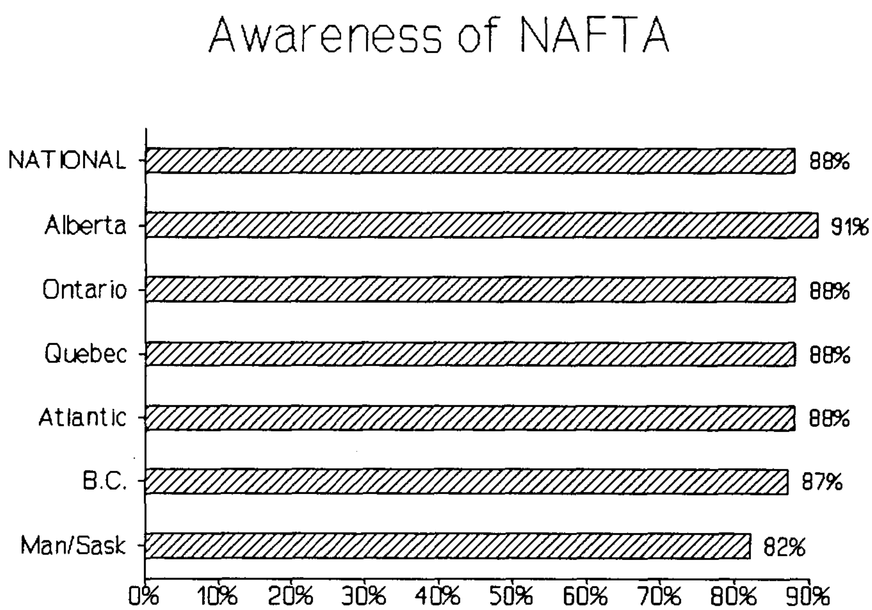
As the table shows, the Enthusiastic Advocates were more likely to trust government leaders and trade economists, as were the Dispassionate Supporters, although not with the same intensity. The Concerned Pragmatists were more likely to trust labour union leaders, trade economists, and interest groups opposed to the Free Trade Agreement. The Old-fashioned opponents were more trusting of interest groups opposed to the FTA and provincial government leaders. The Resolute Antagonists were more likely to trust interest groups opposed to the FTA, journalists and reporters and labour union leaders.

6.0 THE NORTH AMERICAN FREE TRADE AGREEMENT

6.1 Awareness and Overall Assessment of the NAFTA

There is a high level of public awareness in this country of the North American Free Trade Agreement (NAFTA). An overwhelming majority (88%) of respondents reported they had heard something about the free trade agreement involving Canada, the United States and Mexico, while (12%) indicated they had not heard about the agreement [figure 16].

Figure 16



Awareness in Alberta was highest (91%), slipping to 82 percent in Manitoba and Saskatchewan. Awareness of the NAFTA was only slightly higher among men than women (90% versus 85%), but tended to increase consistently with socio-economic status - from 80 percent of respondents with an incomplete high school education to virtually all (97%) of those with a complete university degree, and from 82 percent of members of lower income households to more than nine in ten (94%) of individuals from households earning in excess of $50,000 annually.

Awareness of the NAFTA was highest among Resolute Antagonists (92%), followed by the Enthusiastic Advocates (90%), the Old-fashioned opponents (87%). Eighty-five percent of the Dispassionate Supporters and the Concerned Pragmatists have heard about the North-American Free Trade Agreement.

When respondents who expressed awareness of the NAFTA were asked to describe, on an open-ended "top-of-mind" basis, what they remember about what they have seen, read or heard about the agreement, the most frequent response was lost jobs/low Mexican wages (24%). This recollection was more characteristic of respondents from Ontario (27%), Quebec (29%) and Atlantic Canada (26%) relative to their counterparts in the West (an average of 16%), as well as among those who oppose rather than support the NAFTA (31% versus 16%). The next most common items were cited by only half as many polled respondents - freer trade between the three countries and reduced tariffs (12%) and the belief that the deal is inevitable (11%). Other significant mentions were that the NAFTA is bad for Canada in general (8%), the pact is simply an extension of the Canada-U.S. Free Trade Agreement (7%), the United States is getting the better deal (6%), and that Canada's manufacturing sector will be negatively affected (5%).

The Enthusiastic Advocates were more likely to remember hearing about freer trade and the lowering of tariffs (19%), while the Resolute Antagonists were more likely to hear that the NAFTA is bad for Canada (11%).

Only about one-quarter (27%) of all respondents felt that the NAFTA is an improvement over the current FTA, compared to a clear plurality (43%) who held the opposite perception. The level of uncertainty elicited by this question was quite high at 30 percent.

The view that the NAFTA deal is not superior to the FTA already in place is held by a plurality of respondents from all parts of the country and from all socio-demographic segments of the population. That the NAFTA is an improvement over the FTA is a perception most evident among men (32% compared to 22% of women), and one which becomes more apparent with higher levels of education and income (rising to about one-third of respondents who have completed university and those from the most financially well-off households).

Nearly sixty percent of the Enthusiastic Advocates (59%) felt the NAFTA is an improvement over the current Free Trade Agreement, while nearly three-quarters of the Resolute Antagonists (74%) said the NAFTA is not improvement [table 12].

Table 12: the NAFTA an Improvement Over the Current Free Trade Agreement

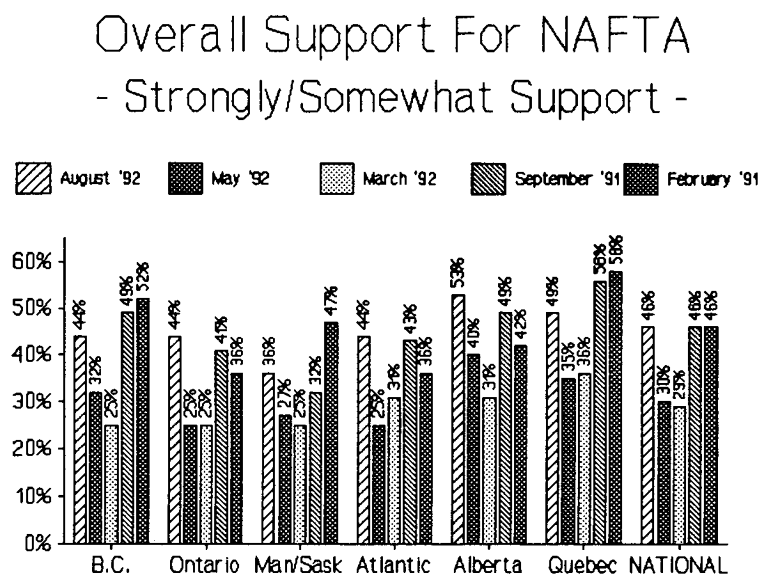
	Total	EA	DS	CP	OO	RA
Yes	27	59	42	17	12	7
No	43	14	22	47	57	74
Dk/Ns	30	28	35	37	30	19

As the table shows, there was a relatively high percentage of no opinion among the segments.

6.2 Overall Support for the NAFTA and the Idea of North American Free Trade

The Canadian public is split on the trilateral North American free trade arrangement. Respondents were just as likely to declare that, generally speaking, they are supportive of Canada entering into a three-way free trade agreement with the United States and Mexico as they were to indicate opposition (46% and 48% respectively). Importantly, however, the proportion indicating they "strongly oppose" a trilateral arrangement was more than double the number saying they "strongly support" such a free trade relationship (24% versus 10%) [figure 17].

Figure 17



Nevertheless, this divided state of opinion represents a significant increase since this spring in the level of public support for Canada becoming a free trade partner with its two southern neighbours. The current level of public support for such an arrangement is 16 points above that recorded in a National Angus Reid Poll conducted in May and 17 points higher than a similar reading in March. The most recent findings show that respondents' support for a three-way North American free trade agreement has returned to levels measured by the Angus Reid Group in both September and February of 1991.

As may be expected, views on Canada participating in a free trade pact with the United States and Mexico are not held uniformly across the national population. Majority support for such an arrangement exists among the following population segments: Albertans (53%; up 22 points since March), men (52%), people with at least some post-secondary schooling

(53%) and the most affluent ($50,000) respondents (55%) - nonetheless, even among these sub-groupings, firm opposition tends to outweigh staunch support. On the flip side of the coin are those respondents who tend to be opponents of a Canada-U.S.-Mexico free trade accord: residents of Manitoba-Saskatchewan (56%) and Ontario (50%), women (52%), those with a high school education (54%) or less (61%), and members of households with total annual incomes under $50,000 (52%). Finally, there are those respondents who are fairly evenly divided on this question, namely residents of Quebec, and Atlantic Canada as well as all three age groups - once again, however, solid opposition exceeds strong support in all instances.

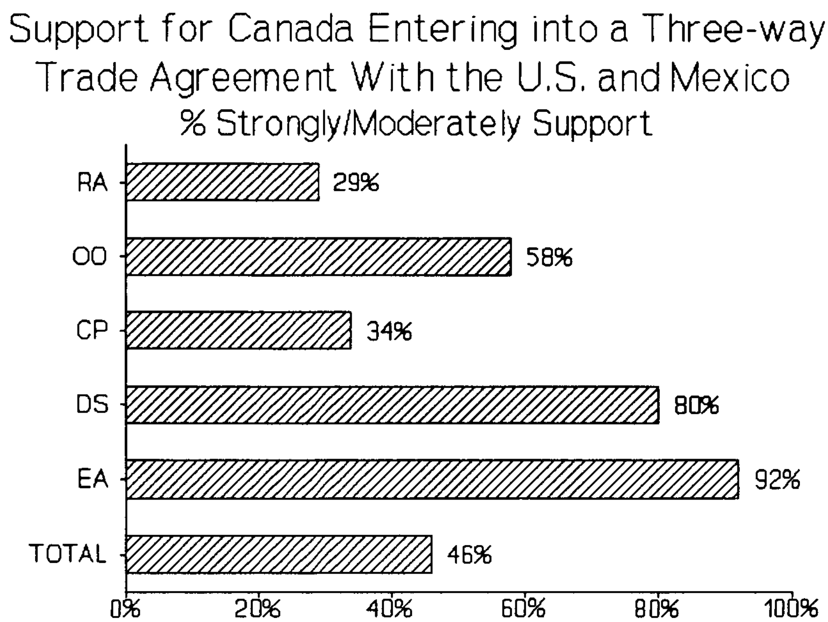
There is no significant difference between support for Canada entering into a three-way trade agreement with the United States and Mexico and support for the current Free Trade Agreement between Canada and the U.S. [table 13].

Table 13: Support for the FTA Compared to Support for the NAFTA

	FTA	NAFTA
Strongly support	10	10
Somewhat support	35	36
Somewhat oppose	25	24
Strongly oppose	26	24

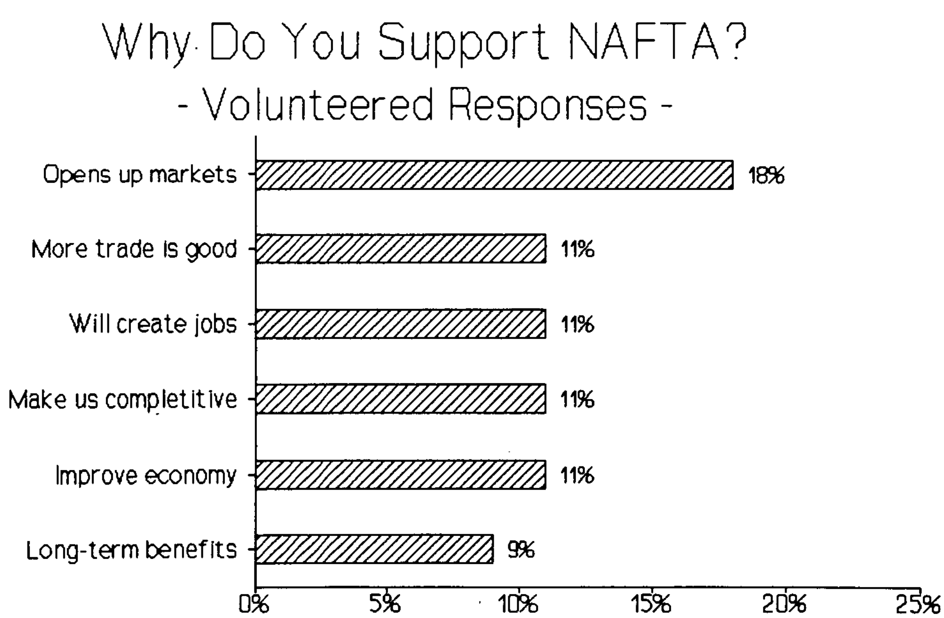
The Enthusiastic Advocates were the most supportive of Canada entering into a three-way agreement with the United States and Mexico, while the Resolute Antagonists showed the highest opposition [figure 18].

Figure 18



Proponents of a trilateral North American free trade pact are largely propelled by their vision of greater economic benefits for the country [figure 19].

Figure 19

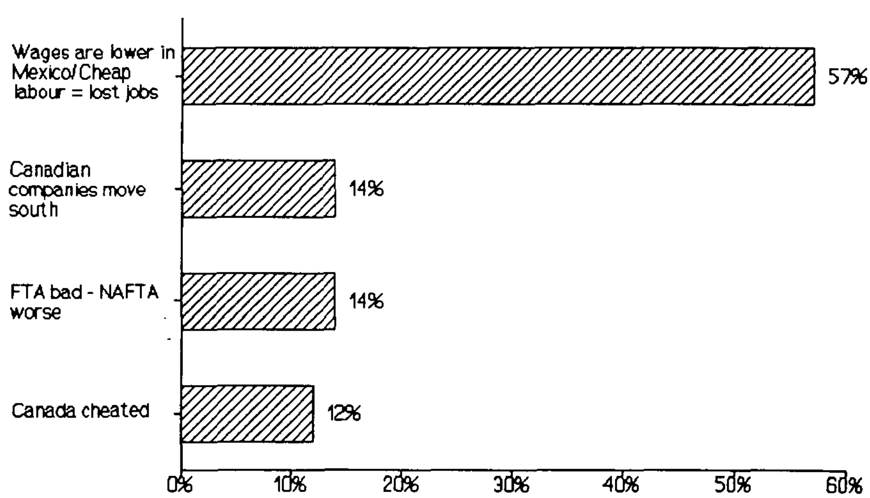


Upon being queried about why they support such an agreement, the reason provided most often was that the number of markets opened up for Canadian businesses would exceed the number of jobs eliminated (18%) - this reason was cited with the greatest frequency by Quebecers, men and higher income respondents (almost 25% each). Along similar lines, one in ten of these respondents said they favour this arrangement because jobs would be created and the economy would improve (11% each) and because "more trade is good" (also 11%). A equal number of respondents said it would force businesses in this country to become more competitive (11%) and there would be long-term benefits for the nation (9%). Other noteworthy mentions included: it is important for North America to have stronger relations in order to compete with the European Community (97%); freer trade is the only option (7%); and Canada will be left behind if we do not move forward (6%).

Conversely, the fear that Canadian jobs will be lost due to the cheap labour in Mexico is the primary driving force behind opponents' negative opinion of a three-way North American free trade deal [figure 20].

Figure 20

Why Do You Oppose NAFTA
- Volunteered Responses -

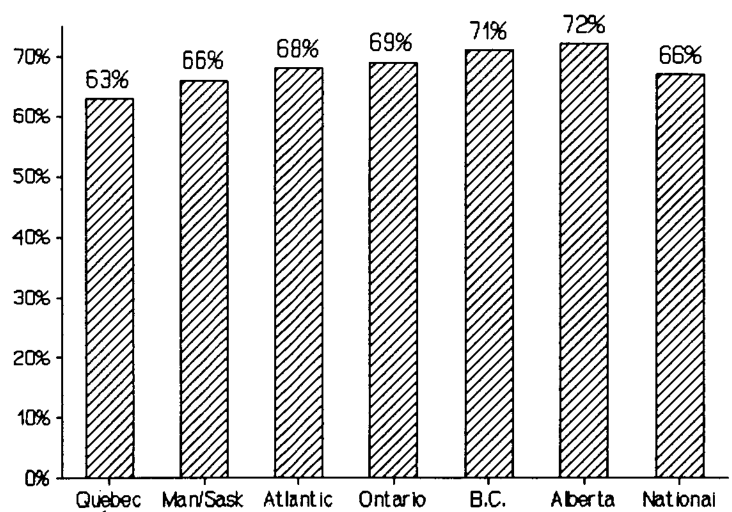


Among those against such an agreement, lower Mexican wages resulting in lost Canadian jobs (57%) was the predominant reason offered on a voluntary basis. Much further down the list were the following reasons: companies would leave Canada for the south (14%); the NAFTA is even worse than the existing FTA (14%); Canada stands to lose more than it would gain (12%); the Canadian economy would be adversely impacted (9%); and Canadian businesses would not be able to compete (6%).

While respondents are divided on the actual free trade agreement between this country and our two southern neighbours, they favour the concept of a North American trading bloc by a margin of more than two to one. Fully two in three (67%) respondents said they support the idea of freer trade between Canada, the U.S. and Mexico, more than twice as many who voiced their opposition (28%) [figure 21].

Figure 21

Support For Idea of Freer Three Way Trade



There is virtually no difference between support for the concept of freer trade among Canada, the United States and Mexico, and support for the concept of freer trade between Canada and the United States (66% support and 30% opposition).

The idea of freer trade between the three countries comprising North America garners support from virtually all major segments of the Canadian population. Over seven in ten respondents in Alberta and British Columbia (72% and 71% respectively), support the concept, with lower levels in Manitoba-Saskatchewan (60%) and Quebec (63%). Men are more favourable to this idea of freer trade than female respondents (72% compared to 62%). Socio-economic status is also a fairly strong predictor as support climbs steadily with higher levels of formal schooling (from 48% of respondents reporting they have less than a high school education to fully 81% of the university educated) and with greater prosperity (support indicated by 59% of lower income individuals, increasing to 75% of those from $50,000+ households). Even many (38%) respondents who are firmly opposed to the NAFTA itself voice support for the idea of freer trade between their country, the U.S. and Mexico.

A majority of Old-fashioned Opponents (51%) and Resolute Antagonists (54%) oppose the idea of freer trade between Canada, the U.S. and Mexico. Ninety-four percent of the Enthusiastic Advocates support the concept, followed by 87 percent of the Dispassionate Supporters and 64 percent of the Concerned Pragmatists.

6.3 Expected Impact of the NAFTA

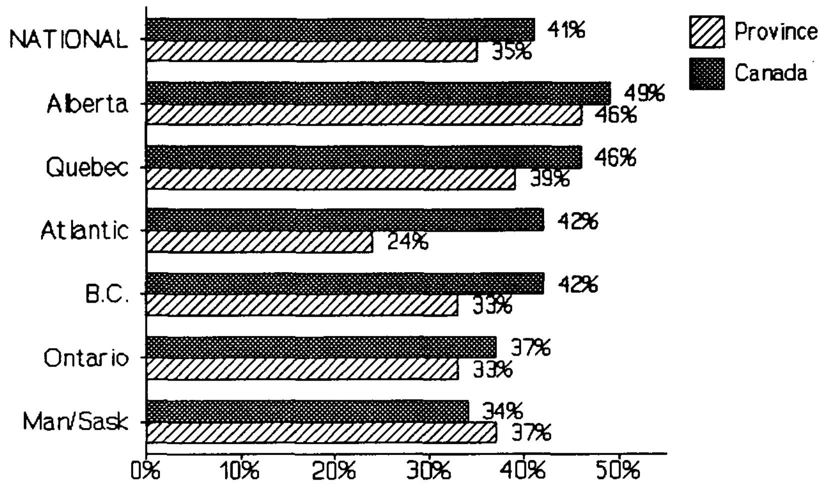
6.3.1 Long-Term Impact on Canada

Respondents divided on whether the NAFTA will be good or bad for this country over the long haul. Four in ten (41%) of those responding to this August survey predicted that, in the long run, the NAFTA will benefit Canada, only marginally more than those who expect it will hurt the country (38%). In the opinion of one in ten (11%) residents, the NAFTA will have no long-term impact one way or the other on Canada. (Nine percent of respondents were uncertain on this question) [figure 22].

ny

Figure 22

Long-Term Impact of NAFTA on Canada/Province
- Benefit -



Expectations concerning the NAFTA's long-term effects on Canada vary across population descriptors. Respondents who support the view that the NAFTA will be good news for the country are Albertans and Quebecers (49% and 46% respectively), men (47%), people older than 55 (42%), and respondents with higher levels of formal schooling and income (48% of those with at least some post-secondary education and 47% of individuals from $50,000+ households). Meanwhile, population segments which tend to believe that the NAFTA will have an adverse impact on Canada are residents of Manitoba-Saskatchewan (47%) and Ontario (44%), women (41%), and those who have not gone beyond the high school level (41%). The forecast is divided among British Columbians, Atlantic respondents, people under 55 years of age, and lower and middle income earners.

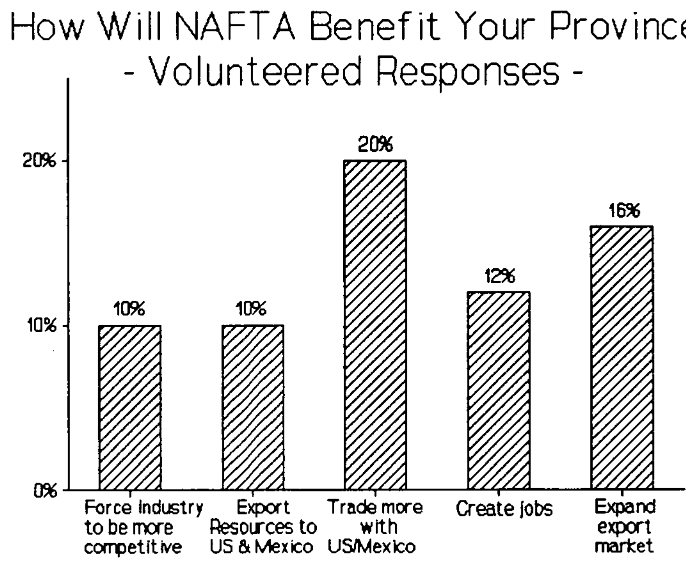
6.3.2 Long-Term Impact on Own Province

Even less optimistic are respondents' expectations as to how their own province would fare in the long run if the NAFTA were in effect. Of the total national sample, the belief that their own province would be hurt under a the NAFTA deal was slightly more common than the expectation that their province would reap benefits (41% versus 35%), while approximately one in seven (15%) of those surveyed nationally predicted their own province would not be affected either way over the long-term by the NAFTA. (One in ten polled respondents were not able to offer a prediction on this count.)

More important are the expectations observed at the regional level - in most cases, but especially on the east coast, the outlook becomes less positive when compared to predictions of how the country as a whole would be impacted by the NAFTA. Residents of Ontario, the industrial heartland of the nation, are the most apprehensive of the long-term effects that the NAFTA would have on their province (51% of respondents here thought the deal would hurt Ontario compared to 33% who envisioned benefits), followed by British Columbians (42% versus 33%) and the Atlantic region (31% hurt as opposed to 24% benefit). Albertans can be found on the other side of the fence as almost one-half (46%) think their province would come out ahead under the NAFTA, although many (30%) expect negative ramifications. People residing in Manitoba-Saskatchewan and Quebec, meanwhile, are split on whether their respective provinces would gain or lose under a the NAFTA scenario.

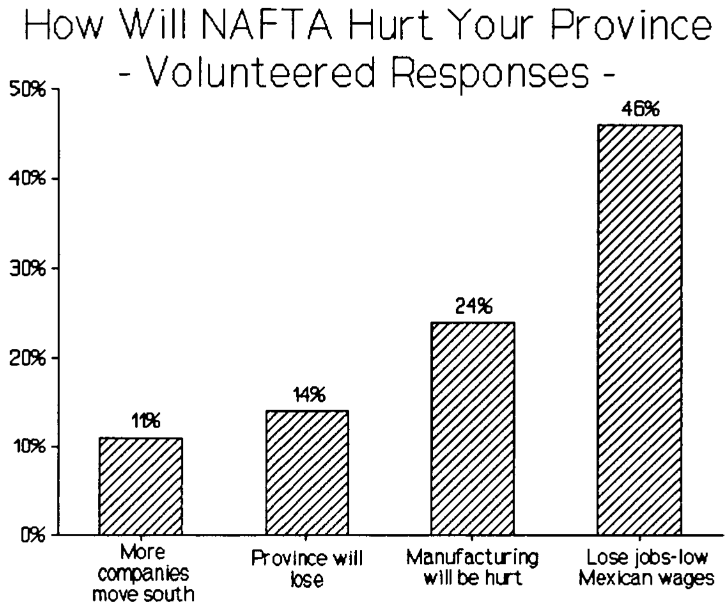
Participants in this research were subsequently asked why they believe the NAFTA would benefit or hurt their respective provinces over the long run. Of the one in three respondents who anticipated that the NAFTA would help their own province volunteered the following responses: increased provincial trade with the U.S. and/or Mexico (20%, rising to 27% of respondents from Ontario citing this reason); an expanded export market (16%, reaching 26% in B.C.); more jobs (12%); resource exports to the U.S. and Mexico (10%, climbing to 25% of Albertans); would force province's industries to become more competitive (10%); province has the ability to compete (10%); more investment and businesses in the province (9%); and a stronger economy (8%) [figure 23].

Figure 23



On the other hand, of the four in ten respondents who felt that the NAFTA would harm their province were primarily worried that jobs would be eliminated due to low Mexican wages (an unaided response of 46%, with slightly higher mentions recorded in Ontario and Quebec). Other reasons receiving significant mention included: manufacturing would be hurt (24%, hitting a high of 39% among Ontarians); the provincial economy would suffer (14%); and more companies would move south (11%) [figure 24].

Figure 24



6.3.3 Long-Term Impact on Employment

From the point of view of better than one-half of the general public, the NAFTA would result in an overall job deficit for Canada. A clear majority (56%) of surveyed respondents predicted that, in the long-term, more jobs would be lost than gained in this country as a result of a free trade agreement between Canada, the United States and Mexico - 23 percent speculated that "a few more" jobs would be lost, while fully one in three (33%) forecasted that "a lot more" jobs would be terminated. Nonetheless, a sizeable minority of those responding were more optimistic, suggesting that "a few more" (26%) or "a lot more"

(9%) jobs would be created. There are only minor differences between the impact of the Free Trade Agreement and the impact of the NAFTA on employment [table 14].

Table 14: Impact of FTA and the NAFTA on Employment		
	FTA %	NAFTA %
A lot more jobs created	10	9
A few more jobs created	23	26
A few more jobs lost	20	23
A lot more jobs lost	39	33

A slightly higher percentage of respondents believed that the FTA would result in a lot more jobs lost as compared to the job loss resulting from the NAFTA on employment.

At the regional level, the concern that the country would lose more jobs than gained was most pronounced among Ontario residents (60%) with four in ten (42%) who believed that "a lot more" jobs would be eliminated. In terms of other socio-demographic segments, this anxiety was more evident among women than men (61% versus 51%), middle-aged respondents (59%, with fully 40% foreseeing that "a lot more" jobs would go down the tube), people who have not attained more than a high school education relative to those who have at least some post-secondary training (63% versus 52%), and households earning under $50,000 per year as opposed to more than this (60% compared to 50%). In addition, strong opponents of the NAFTA are more convinced that a lot more jobs would be lost (73%) than strong the NAFTA proponents believe that a lot more jobs would be produced (43%).

6.3.4 Long term effects of the NAFTA by Psychographic segments

Overall, Enthusiastic Advocates believed that in the long term, the NAFTA will benefit Canada, their province and that more jobs will be created, while the opposite is true for the Resolute Antagonists [table 15].

Table 15: Long Term Effects of the NAFTA						
	Total %	EA %	DS %	CP %	OO %	RA %
Long Term Effect on Canada						
Benefit	41	90	62	35	21	3
Hurt	38	3	13	39	53	81
No impact	11	3	13	16	16	8
Long Term Effect on Your Province						
Benefit	35	77	63	17	12	8
Hurt	41	7	10	55	61	75
No impact	15	10	15	19	17	12
Long Term Effect on Employment						
More jobs created	35	85	62	21	6	4
More jobs lost	56	10	27	67	88	93

As the table shows, the Concerned Pragmatists believed that the long term effects of the NAFTA will be negative; a majority of the segment believed it will hurt Canada, their province, and that more jobs will be lost rather than created as a result of the agreement.

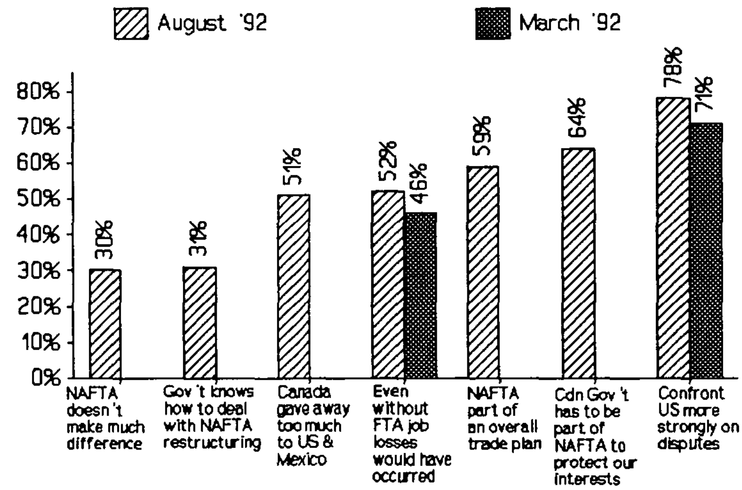
6.4 Public Anxieties Concerning the NAFTA

6.4.1 Agreement With Statements on Trade Issues - Current Situation

This research assessed respondents orientation on a number of general trade issues. Respondents were asked to indicate their level of agreement or disagreement with each of seven selected statements pertaining to trade, using a 7-point scale where a 1 meant they "totally disagree" with that statement and a 7 meant they "totally agree" [figure 25].

Figure 25

General Statements on Trade Issues
- Agreement* -



* 5, 6, or 7 on the 7-point scale.

The findings emerging from this component of the study are discussed below in descending order of "topbox" agreement (a 5, 6 or 7 on the scale) with the statements:

- **The federal government should confront the U.S. more strongly on trade disputes, even if this may cause other Canadian exporters difficulty in the U.S.** This statement elicited general agreement (a rating of 5, 6 or 7) from nearly eight out of every ten (78%) respondents responding to this August poll, up from 71 percent recorded in a March 1992 reading of public opinion. Strong concordance (a 6 or 7 on the 7-point agreement scale) was expressed by a solid majority (57%), the only statement for which this was the case. Relief that Canada should be more aggressive in its trade disputes with the U.S. was strong among all major population segments (but particularly those who strongly oppose the FTA and the NAFTA and people who feel the federal government is doing a very poor job of managing the national economy).

The Resolute Antagonists were more likely to agree to the statement (86%), while the Dispassionate Supporters were slightly less likely to agree (72%).

- **The Canadian government has to be part of the NAFTA in order to protect our economic interests** - Despite respondents' divided support for a three-way free trade agreement between Canada, the U.S. and Mexico, close to two-thirds (64%) of respondents expressed basic agreement with this statement, with close to half (46%) indicating strong agreement. Among those more likely to agree strongly with this sentiment were Ontarians, men, respondents over 55 and the most well-off (between 50% and 52% indicated a 6 or 7).

  A majority of respondents in each of the segments agreed with the statement, except the Resolute Antagonists (38%), with strong agreement by the Enthusiastic Advocates (91%) and the Dispassionate Supporters (81%). Sixty percent of the Old-fashioned Opponents, and 56 percent of the Concerned Pragmatists agree with this statement.

- **I see the North American free trade agreement as part of an overall plan by the government to improve Canada's trade situation with countries around the world** - General agreement with this statement was noted among a solid majority (59%) of study participants; one in three (33%) agreed strongly to this view. Socio-demographic population segments most likely to share this opinion were residents of Quebec and Atlantic Canada (37% and 38% respectively), men (36%), older respondents (36%), as well as the most highly educated and affluent (37% each); this figure exceeded the mid-way point among strong advocates of the FTA and the NAFTA (around 70%) and among respondents who think the federal government is doing a good job of managing the country's economy (51%).

A majority of respondents in each of the segments agreed that the FTA is part of an overall plan, except the Resolute Antagonists (24%). Ninety-three percent of the Enthusiastic Advocates agreed, followed by 73 percent of the Dispassionate Supporters, 61 percent of the Concerned Pragmatists and just slightly over a majority (54%) of the Old-fashioned Opponents.

- **Even without the free trade agreement between Canada and the United States, most of the job losses and industrial restructuring that Canada is experiencing today would have occurred anyway because of changes in the global economy** - A narrow majority (52%) of respondents agree with this statement, a 6 point increase compared to the figure yielded by the March poll. Fully one in three (32%) of those surveyed held this belief strongly. Looking across other population descriptors, the view that Canada would have experienced lost jobs and industrial restructuring even without the existing FTA is held most strongly by Quebecers and men (40% each), and generally tends to increase with age and socio-economic status. This argument is especially given credibility by strong supporters of the FTA and the NAFTA (nearly 70%), in sharp contrast to staunch opponents of these two deals (15%).

  Majority agreement with the statements is shown by the Enthusiastic Advocates (81%), and the Dispassionate Supporters (69%). Slightly less than a majority of the Concerned Pragmatists (44%) and the Old-fashioned Opponents (46%) agreed. One in four Resolute Antagonists (25%) agreed.

- **From what I've heard, Canada gave away too much to the Americans and Mexicans in the NAFTA** - General agreement with this statement (a 5, 6 or 7) was also voiced by a slim majority (51%) of respondents. One-third (36%) reported solid agreement, with higher proportions recorded among residents of Manitoba-Saskatchewan (43%), those with less than a high school education

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(47%, dropping to 23% of their university educated counterparts) and lower income respondents (45%, also declining steadily to 29% of individuals residing in households where total annual income is above $50,000); this figure reached the six in ten level among those strongly against the two free trade agreements and the majority (51%) among respondents who say the federal government is doing very poorly on economic management.

Close to a majority of the Resolute Antagonists strongly agreed with this statement (a rating of '7' on the scale), with overall agreement of 79 percent. A majority of the Old-fashioned Opponents (56%) and the Concerned Pragmatists (57%) agreed with the statement. Thirty-nine percent of the Dispassionate Supporters, followed by 18 percent of the Enthusiastic Advocates agreed.

- **I think the government has a good idea of how to deal with the changes the North American free trade agreement will bring in Canada** - Only one-third (31%) of survey respondents agreed in general with this statement (only 11% strongly), compared to close to one-half (47%) who disagreed. With regard to socio-demographic segments, British Columbians (40%) are the most likely to say that the government does not know how it would deal with the changes spawned by the NAFTA.

The level of agreement expressed by the Enthusiastic Advocates was over twice that of the national average (63%). Levels of agreement felt by the Dispassionate Supporters (40%), the Concerned Pragmatists (22%) and the Old-fashioned Opponents (24%) were closer to average. Only 8 percent of the Resolute Antagonists agreed.

- **A free trade deal including Mexico doesn't make much difference to Canada because we don't have much trade with them now and this won't change much with a new trade deal** - Similarly, fewer than one in three (30%) respondents surveyed in August agreed with this statement, with only half this number (16%) expressing strong agreement. Disagreement (a 1 or 2 on the 7-point scale) was indicated by fully one in three (34%) of all those polled - increasing with level of education (from 22% of those with grade school or secondary education to 43% of those who have a university degree) and household wealth (from 26% to 41% of people in the $50,000 plus income bracket). Further, dramatic differences in the level of strong disagreement with this statement were not observed between supporters and opponents of the FTA and the NAFTA.

  Agreement among the segments varied from 40 percent of the Resolute Antagonists to 10 percent of the Enthusiastic Advocates. Thirty-six percent of the Dispassionate Supporters, 28 percent of the Concerned Pragmatists and 26 percent of the Old-fashioned Opponents agreed with the statement.

A table showing the demographic variations by region, age and education is presented below [table 16].

6.4.2 Canada's Ability to Compete With Mexico

Respondents are almost evenly split on this country's ability to battle the Mexicans on the business front. Slightly less than one-half (49%) of the total national sample agreed that businesses in Canada "cannot compete with Mexican businesses in a free trade agreement because wages and environmental and safety standards are much lower in Mexico". However, a comparable number of respondents - 47 percent of those queried - take the view that the business community in Canada "can compete with Mexican businesses because

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Table 16: LEVELS OF AGREEMENT WITH SELECTED STATEMENTS ON GENERAL TRADE ISSUES

		REGION						AGE			EDUCATION			
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	18-34 (568)	35-54 (521)	55+ (407)	<H.S. (217)	H.S. (414)	P.S. (498)	Univ. (367)
CONFRONT U.S. MORE STRONGLY ON DISPUTES:														
Totally agree *	37	61	60	60	58	53	59	53	58	62	62	58	55	57
Agree **	79	80	80	80	81	73	83	79	77	79	79	80	78	78
CANADIAN GOVERNMENT MUST BE PART OF NAFTA TO PROTECT OUR INTERESTS:														
Totally agree	46	39	42	47	50	44	46	41	47	51	45	44	49	44
Agree	64	61	61	62	65	65	68	60	65	69	61	63	66	65
NAFTA IS PART OF GOVERNMENT'S OVERALL TRADE PLAN:														
Totally agree	33	27	33	32	31	37	38	31	34	36	28	31	34	37
Agree	49	54	58	58	57	66	60	59	58	60	57	57	60	60
EVEN WITHOUT FTA, JOB LOSSES WOULD HAVE OCCURRED:														
Totally agree	32	32	32	31	27	40	33	26	35	37	29	27	33	40
Agree	52	54	57	60	44	58	48	48	52	56	48	48	51	59
CANADA GAVE AWAY TOO MUCH TO U.S. AND MEXICO:														
Totally agree	36	30	31	43	37	34	38	32	37	39	47	41	36	23
Agree	52	47	44	55	54	50	54	50	51	53	64	58	50	38
GOVERNMENT KNOWS HOW TO DEAL WITH NAFTA RESTRUCTURING:														
Totally agree	11	9	6	11	11	15	14	9	13	14	14	11	11	11
Agree	21	26	22	32	26	38	36	27	31	33	36	30	31	27
NAFTA MAKES NO DIFFERENCE BECAUSE LITTLE TRADE WITH MEXICO:														
Totally agree	17	19	15	15	16	16	21	12	17	23	28	15	16	11
Agree	29	33	29	29	26	32	40	26	28	37	45	33	28	20

* Percent of respondents indicating a "6" or "7" on a "7" point scale where 1 = Totally Disagree and 7 = Totally Agree.
* Percent of respondents indicating a "5," "6" or "7" on this scale.

Canadian workers are better trained and Canada has better facilities like roads, airports and communications".

Certain population sub-groupings are more confident than others in the ability of Canadian businesses to compete with their Mexican rivals. More specifically, these include men and people who have graduated from university (51% each). Meanwhile, other segments are less confident on this count, including: residents of Manitoba-Saskatchewan and Ontario (53% and 51% respectively said Canada's businesses would not be able to compete), women, individuals between 35 and 54 years of age, and middle income earners (53% each).

The overwhelming majority of Enthusiastic Advocates (86%) and Dispassionate Supporters (77%) believed that Canada can compete with Mexican business. The Concerned Pragmatists, however, were three to one more likely to believe that Canada cannot compete (66% cannot versus 29% can compete). Seventy-three percent of the Old-fashioned Opponents and 79 percent of the Resolute Antagonists felt Canada cannot compete with Mexican business.

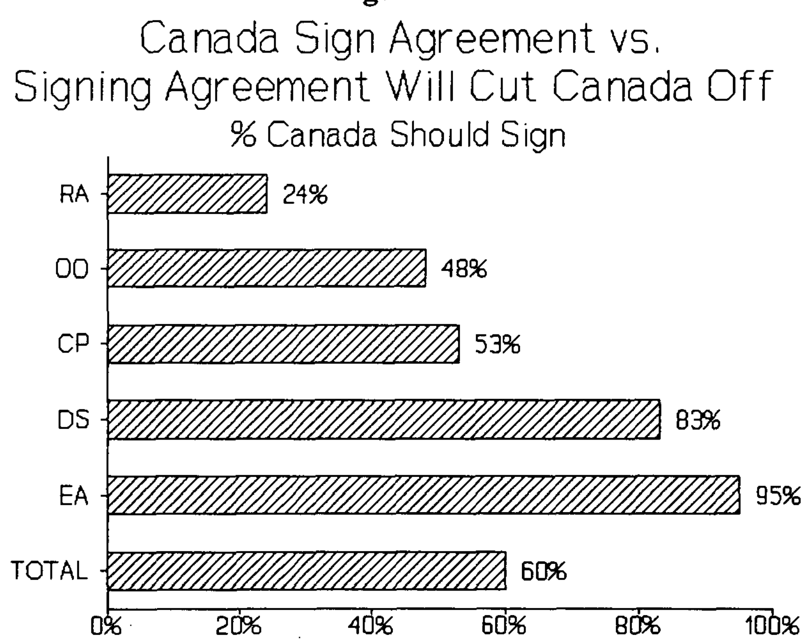
6.4.3 Canada's Trade With Other Countries

Most respondents do not adhere to the view that by signing the NAFTA, this country will isolate itself from other nations in the global marketplace. Sixty percent of respondents sided with the argument that "Canada should sign the North American Free Trade Agreement because Canada needs freer trade with the U.S. and Mexico now in order to increase its exports while it continues to work toward freer trade with other countries". The opposing viewpoint is taken by half as many (32%) residents: that "by signing the North American Free Trade Agreement, Canada will tie itself too closely to the U.S. and Mexico and will cut itself off from countries outside North America".

Being a signatory to the NAFTA will not isolate Canada from non-North American countries according to at least half of respondents from all parts of the country and other demographic sub-groupings of the population. This argument was relatively more acceptable to Albertans (67%) and Quebecers (64%), men (64%), and attracted more adherents with increased levels of education (49% of those who have not finished high school, up to 70% of the university educated) and income (hitting 69% with respect to respondents from $50,000+ households). Many of those very much against the two free trade agreements also do not subscribe to the view that Canada will isolate itself from other countries around the world by signing the trilateral agreement.

A majority of the Enthusiastic Advocates, Dispassionate Supporters, and Concerned Pragmatists were more likely to believe that Canada should sign the NAFTA [figure 26].

Figure 26



A near majority of the Old-fashioned Opponents felt that Canada should sign the NAFTA because of the importance of freer trade.

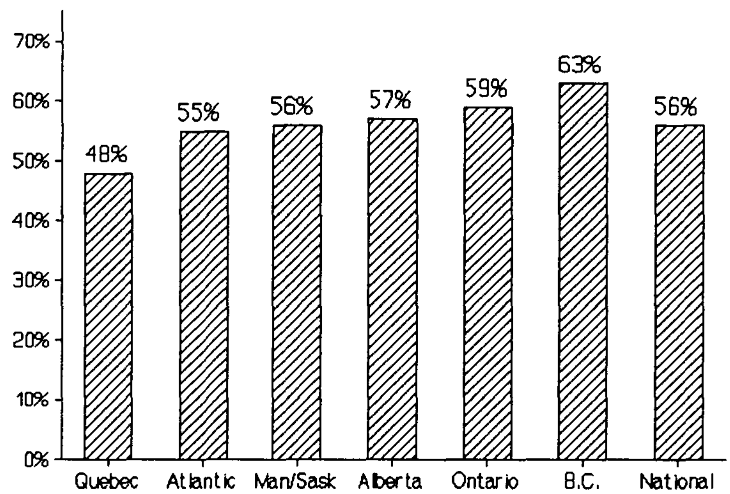
6.4.4 New Investment in Canada

Consistent with their belief that Canada stands to lose rather than gain more jobs as a result of the NAFTA, most respondents take the position that any new investment in this country accruing from the deal would be out-weighed by businesses moving out of Canada to set up shop in Mexico. Of the total survey sample, a comfortable majority (56%) thought that any new investment in Canada will be cancelled out by industries in this country moving down to Mexico [figure 27].

Figure 27

New Investments In Canada Cancelled Out By Plants Moving

- Agreement -



Countering this viewpoint are the four in ten (39%) respondents who believe that it is critical for Canada to be part of the NAFTA if it is to be an attractive location for plants to supply the entire North American market.

That any new investment in Canada due to the NAFTA will be negated by the flow of plants to Mexico is a stance taken by a majority of respondents from nearly all walks of life. British Columbians (63%) are especially disposed to this argument, particularly when compared to their counterparts in the province of Quebec (50%). This viewpoint also displays a negative correlation with education . Whereas just short of two-thirds (64%) of respondents with less than a high school education think that new business to Canada would be nullified by plant relocations to Mexico, this opinion becomes less popular the higher schooling one has (the university educated are evenly split at 47% each).

While a majority of the Concerned Pragmatists believed that Canada should sign the NAFTA, 68 percent felt that under the NAFTA any new investment in Canada will be cancelled out by plants moving from Canada to Mexico. Eighty three percent of the Enthusiastic Advocates, and 58 percent of the Dispassionate Supporters believed that Canada will be an attractive location for plants to supply the North American market. Over three-quarters (77%) of the Old-fashioned Opponents, and 87 percent of the Resolute Antagonists felt that new investment will be cancelled out by plants moving from Canada to Mexico.

6.4.5 Improved Standard of Living for Mexico

Just over half (55%) thought the NAFTA "will mostly benefit big U.S. corporations and that ordinary Mexicans will not enjoy any of the benefits", compared to (41%) who felt it "will help build the Mexican economy so that Mexican workers will gain a substantially improved standard of living" [figure 28].

Figure 28

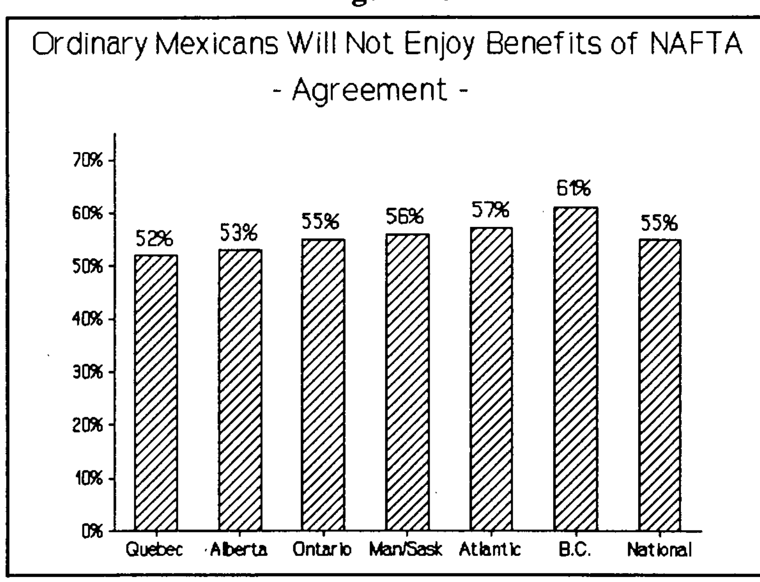


Table 17: CANADIAN'S PERSPECTIVES ON ISSUES SURROUNDING NAFTA

		REGION						SEX		EDUCATION			
(Base)	Total (1498)	B.C. (177)	Alberta (130)	Man/Sask. (122)	Ontario (551)	Quebec (387)	Atlantic (131)	Men (733)	Women (765)	<H.S (217)	H.S (414)	P.S. (498)	Univ. (367)
ABILITY TO COMPETE WITH MEXICO:													
Can compete	47	49	46	43	44	49	50	51	42	43	43	48	51
Cannot compete	49	45	48	53	51	46	46	44	53	49	54	49	43
(Unsure)	5	6	6	4	4	5	4	4	5	8	4	4	6
TRADE ISOLATION FROM OTHER COUNTRIES:													
Canada should sign NAFTA/Need freer trade now	60	57	67	56	57	64	59	64	56	49	55	62	70
By signing NAFTA, Canada will cut itself off from other countries	32	30	26	34	35	30	34	29	35	40	35	32	27
(Unsure)	8	13	7	10	7	5	7	6	9	12	10	7	4
NEW INVESTMENT:													
Any new investment in Canada will be cancelled out by plants moving to Mexico	56	63	57	56	59	48	55	54	58	64	60	55	47
Must be part of NAFTA so Canada can be attractive location for plants to supply North American market	39	32	38	37	36	45	40	42	35	31	35	39	47
(Unsure)	6	5	5	7	5	7	5	4	7	6	5	6	6
IMPROVED STANDARD OF LIVING FOR MEXICO:													
Ordinary Mexicans will not enjoy any NAFTA benefits	55	61	53	56	55	52	57	48	62	61	59	54	48
NAFTA will result in improved standard of living for Mexican workers	41	33	42	39	41	44	39	48	33	35	36	42	48
(Unsure)	4	6	5	5	4	4	3	4	5	4	5	4	4

This negative expectation was held by a majority of respondents from most population segments. Regionally, British Columbians once again are the least optimistic as fully six in ten (61%) believe that the average Mexican citizen will not gain anything under a the NAFTA scenario. Gender variations are also significant - women hold this outlook by a ratio of almost two to one (62% to 33%) while their male cohorts are evenly split. A divided opinion is also characteristic of the higher educated and affluent respondents, unlike those without a complete university education and members of households earning under $50,000 annually, majorities of whom (roughly 60%) predict the ordinary Mexican will not be any better off.

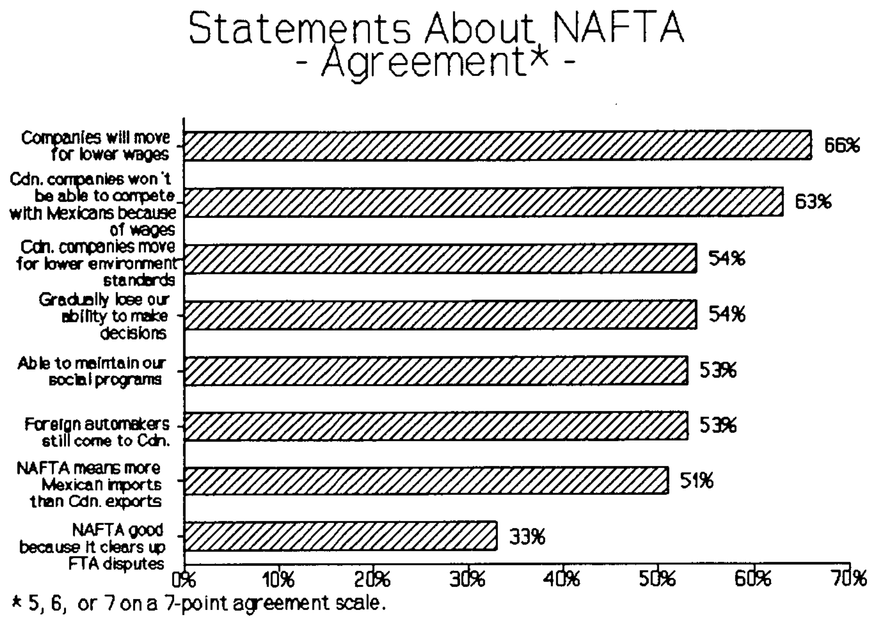
Eight in ten of the Resolute Antagonists (81%) believed that Mexican workers will not enjoy any of the benefits of the NAFTA, followed by 66 percent of the Old-fashioned Opponents, and two thirds (67%) of the Concerned Pragmatists. Fifty-seven percent of the Dispassionate Supporters and 76 percent of the Enthusiastic Advocates agreed that the NAFTA will help build the Mexican economy so Mexican workers will gain a substantially improved standard of living.

The following table shows Canadians' perspective on issue surrounding the NAFTA by region, gender and education [table 17].

6.4.6 Agreement With Statements on the NAFTA - Future Expectations

Respondents were asked to indicate their level of agreement or disagreement with each of eight selected statements pertaining to the North American Free Trade Agreement. A 7-point scale was employed where 1 meant they "totally disagree" with the sentiment expressed in that statement and 7 meant they "totally agree" [figure 29].

Figure 29



The findings yielded by this component of the research are outlined below in descending order of agreement with the statements:

- **Many companies will move their plants from Canada to Mexico to take advantage of lower wages there** - Basic agreement with this statement (the percent of respondents indicating a 5, 6 or 7 on the 7-point agreement scale) was exhibited by fully two-thirds (66%) of respondents. In fact, close to one-half (45%) of respondents agreed strongly (rated a 6 or 7) with this statement. Roughly comparable levels of firm agreement were recorded across most population segments, the exceptions being with respect to the education variable (declining from 55% of those without a high school education to 35% of respondents who have completed a university degree) and particularly three-quarters of respondents who strongly oppose both the FTA and the NAFTA.

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Three-quarters of the Concerned Pragmatists (77%) agreed with this statement, as did 82 percent of the Old-fashioned Opponents, and 91 percent of the Resolute Antagonists. Less than a majority of the Dispassionate Supporters (43%) and the Enthusiastic Advocates (31%) agreed.

- **Canadian companies will not be able to compete with Mexican companies because of the lower wage levels in Mexico** - Consistent with the above, nearly two in three (63%) respondents generally agree that companies in this country will not be able to compete with their Mexican counterparts because of the cheaper wages, with steadfast agreement at 48 percent - the highest recorded among all eight statements assessed. Strong agreement with this statement was recorded among a narrow majority of respondents from the following population segments: residents of British Columbia, Ontario and the Atlantic region, women, middle-aged individuals, persons with a high school education or less (58%, decreasing to 37% of their university educated counterparts) and members of households earning under $50,000 annually (53%). Not surprisingly, those strongly opposed to both free trade agreements expressed a very high level of solid agreement with this statement (80%).

  The levels of agreement with this statement were consistent with those of previous statement. A significant majority of the Concerned Pragmatists (77%), the Old-fashioned Opponents (92%) and the Resolute Antagonists (92%) agreed with the statement, while 38 percent of the Dispassionate Supporters and 17 percent of the Enthusiastic Advocates agreed.

- **Many companies will move their plants from Canada to Mexico to take advantage of low environmental standards there** - Coupled with their belief that companies in Canada will move to Mexico to take advantage of the lower wages there, most respondents believe that the lower environmental standards in Mexico will also be an incentive for businesses in this country - a majority (54%) expressed general agreement with this statement, more than one in three (37%) strong agreement. The level of complete agreement was generally consistent across most descriptors of the national population, but a marked education skew was evident (54% of respondents who have not attained a high school diploma agreed strongly, steadily sliding to 26% of those who have completed university) as was an inverse relationship with regard to income (43% among the least well-off, down to 28% of those from $50,000+ households). This view was especially popular among opponents of the FTA and the NAFTA (two in three expressed firm agreement).

Again, the Concerned Pragmatists (66%), the Old-fashioned Opponents (72%) and the Resolute Antagonists (83%) were more likely to agree. The Dispassionate Supporters (28%) and the Enthusiastic Advocates (17%) were more likely to disagree.

- **Our economy will become so closely tied to the American and Mexican economies that we will gradually lose our ability to make our own economic decisions** - Respondents also fear a loss of economic decision-making sovereignty as a result of the NAFTA. This statement generated basic agreement from over half (54%) of those surveyed, with many - 38 percent - saying they strongly concur with this argument. Socio-demographically, education was the strongest predictor of agreement with this statement - a majority (54%) of respondents with less than a high school education indicated a 6 or 7 on the 7-point agreement scale, falling consistently to only 28 percent of their counterparts who have graduated from university. An income skew was also apparent (strong agreement voiced by 44% of lower income respondents, decreasing to 32% of the most affluent respondents). Upwards of two-thirds of those against the two free trade deals were resolute in their agreement with this statement.

The Resolute Antagonists were most likely to agree to the statement, with 57 percent strong agreement. Fifty-eight percent of the Concerned Pragmatists agreed, while only 8 percent of the Enthusiastic Advocates believed Canada will lost its ability to make its own economic decisions.

- **We will be able to maintain current government programs such as unemployment insurance and medicare** - A majority of respondents do not believe that the NAFTA would pose a threat to the continuation of social programs in this country. Fifty-three percent of survey respondents generally agreed with this statement; one in three (34%) shared this view with much conviction. Nevertheless, overall disagreement was voiced by a significant minority (29%). Across regional lines, Quebecers are the most convinced that Canada would be able to maintain programs such as unemployment insurance and medicare under a the NAFTA scenario (44% agreed strongly, in greatest contrast to the 28% and 29% in Manitoba-Saskatchewan and Atlantic Canada respectively). Among supporters of the FTA and the NAFTA, 60 percent agreed solidly with this statement compared to about one-quarter of strong opponents.

  Over a quarter of Resolute Antagonists (27%) agreed to the statement. Close to a majority of the Old-fashioned Opponents (47%) and the Concerned Pragmatists (49%) agreed. Sixty-eight percent of Dispassionate Supporters and 79 percent of Enthusiastic Advocates agreed that we will be able to maintain current government programs under the NAFTA.

- **Japanese auto makers, such as Toyota and Honda, will continue to build new plants in Canada to sell cars into the North American marketplace** - More than half of respondents are confident that the NAFTA would not deter foreign automobile manufacturers from investing in Canada - overall agreement with this statement was expressed by 53 percent of all respondents, while almost one-third (31%) strongly agreed. This statement was more likely to elicit firm agreement from Quebecers and Atlantic respondents (39% and 38%) relative to residents of Manitoba-Saskatchewan (21%), as well as from lower income respondents (37%, descending to 25% of members of $50,000+ households). A high level of confidence that foreign auto manufacturers will still invest in Canada when the NAFTA is in effect was most likely to be found among those respondents who said they strongly support the FTA (48%) and the NAFTA (41%) versus one in four of those who are opposed to these agreements.

  Three-quarters of the Enthusiastic Advocates agreed that Japanese auto makers will continue to build new plants in Canada, followed by 65 percent of the Dispassionate Supporters. The Concerned Pragmatists, and Old-fashioned Opponents each have close to majority (46%) in agreement. Over one-third of the Resolute Antagonists (36%) agreed with the statement.

- **Free trade with Mexico means Canada will import much more from Mexico than Canada will export to Mexico** - One-half (51%) of study participants also think that free trade with Mexico means Canada would have a trade deficit with that country, with one in three (35%) agreeing strongly with this statement. Interestingly, unyielding agreement with this statement tends to increase as one travels from west to east across the country (from 29% in B.C. to 41% in Atlantic Canada). Firm concurrence with this statement also displays an inverse relationship with respondents' level of education and income: in terms of formal schooling, this figure was highest among respondents who have not received a high school education (47%, dropping down to 26% of their university educated counterparts); turning to the income variable, the level of solid agreement stood at 40 percent for lower income respondents surveyed but went down to 27 percent of those from households earning more than $50,000 per year. Further, strong agreement hovered around the 55 percent mark among those individuals in very much opposed to the two free trade agreements.

Again, there were significant variations in the results among the psychographic segments. One in four Enthusiastic Advocates (25%) agreed, while 39 percent of the Dispassionate Supporters agreed. Sixty-two percent of the Concerned Pragmatists, 56 percent of Old-fashioned Opponents, and 69 percent of the Resolute Antagonists agreed that the Canada-Mexico trade balance under the NAFTA would be negative for Canada.

- **The North American Free Trade Agreement is good for Canadian exports because it clears up problems in the Canada-U.S. free trade agreement** - In sharp contrast to the other seven items examined in this exercise, this statement drew a significantly lower level of agreement from the Canadian public. Overall agreement with this statement measured 33 percent, with only one in ten (13%) expressing strong agreement. Indeed, respondents are just as likely to disagree that the NAFTA clears up problems with the FTA (37% basic disagreement, with fully 22% strongly disagreeing). Analysis of the survey results across descriptors of the population show that the level of overall agreement (a 5, 6 or 7) with this statement was highest among residents of Quebec and the Atlantic provinces (38% and 36% respectively), men (37%) and staunch supporters of the FTA and the NAFTA (one in three).

Slightly over 50 percent of the Enthusiastic Advocates (56%) agreed with the statement, while less than a majority of the other segments agreed. Forty-five percent of the Dispassionate Supporters, followed by 31 percent of the Concerned Pragmatists agreed. Agreement from the Old-fashioned Opponents was twenty-four percent, followed by only 11 percent of the Resolute Antagonists.

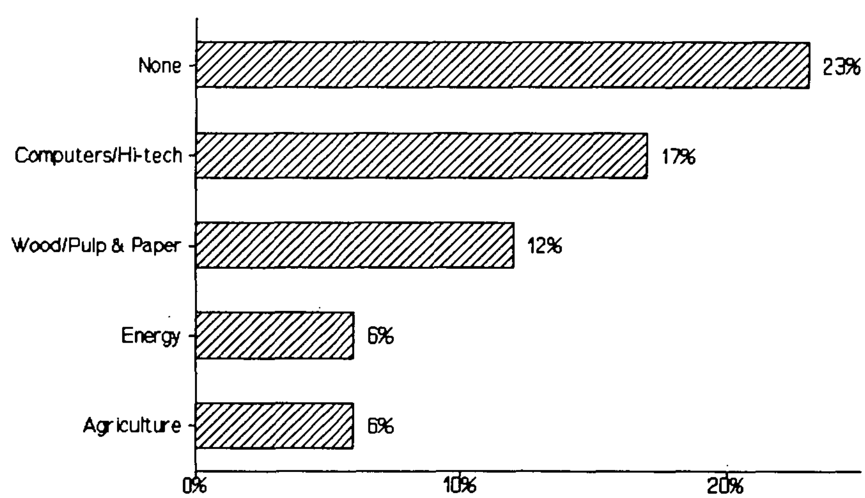
6.5 the NAFTA'S Impact on Canadian Industries

6.5.1 "Top-of-Mind" Perceptions of the NAFTA Winners and Losers

When residents of this country are asked on which Canadian industries they think would benefit under the NAFTA, they are most likely to say that none would come out ahead. On an unaided basis, the most frequently provided response to this question was "none" (23%) [figure 30].

Figure 30

Industries That Will Benefit From NAFTA
- Volunteered Responses -



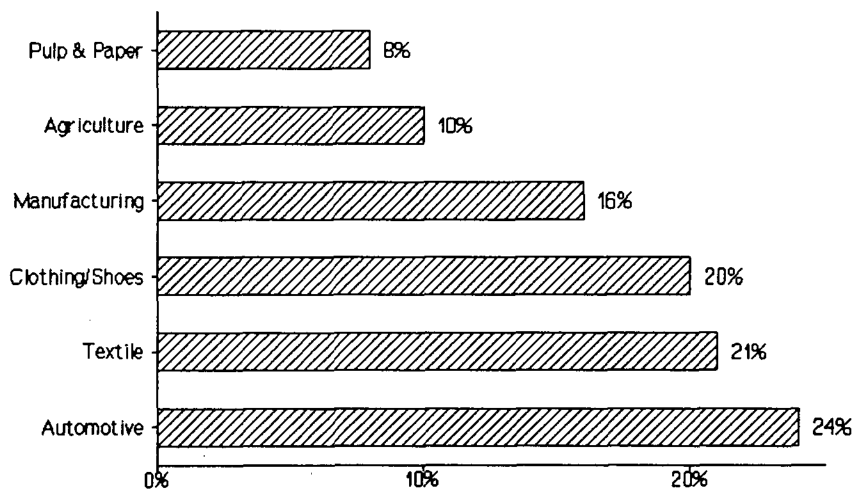
This apparent pessimism was most characteristic of respondents from Manitoba-Saskatchewan (33%), women (28%), those with not more than a high school education (28%) and lower income respondents (27%). The next most common responses were: computer/telecommunications companies or other hi-tech industries (17%, up to 24% in Quebec); the pulp and paper/forestry sector (12%, almost double this in B.C. - 21%); automobile manufacturers (10%); the energy sector (6%, nearly triple this in Alberta - 15%); and agriculture-related industries (6%, twice as many in the prairie provinces and on the east coast).

Meanwhile, respondents find it much easier to pinpoint industries in this country which they expect would be adversely affected by the NAFTA [figure 31].

Figure 31

Industries That Will Be Hurt By NAFTA

- Volunteered Responses -



Three types of companies were at the top of respondents' "top-of-mind" list of industries which they believe would be harmed by a trilateral free trade agreement with the United States and Mexico: automobile manufacturers (24%, rising to 32% in Ontario where most of this industry is based); the textile industry (21%, climbing to 32% in the province where this industry is an important component of the economy, Quebec); and clothing manufacturers (20%, once again markedly higher (31%) in Quebec). Other notable mentions were: manufacturing in general (16%); agriculture-related industries (10%); and pulp and paper companies/forestry (8%, exactly double this in B.C.).

6.5.2 Perceptions as to How Selected Industries Would Fare Under the NAFTA

Study participants were asked how they think each of 13 selected types of industries would fare as a result of the trilateral free trade agreement between Canada, the U.S. and Mexico - would that particular industry be better off or worse off? On this count, respondents are most optimistic about the prospects for high-tech companies, the energy industry and the financial sector, but are very worried about how the NAFTA would affect clothing and textile industries, automobile manufacturers and the manufacturing sector in general [figure 32].

International Trade Issues Study
- TOPLINE RESULTS -
(2-723-08)

All figures quoted in percent

British Columbia	12
Alberta	9
Saskatchewan	4
Manitoba	4
Ontario	37
Québec	26
New Brunswick	3
Nova Scotia	3
Newfoundland	2
Prince Edward Island	1

Hello, my name is ________________ and I'm calling from the Angus Reid Group. We're a professional public opinion research company. Today, we're talking to people about some important issues facing Canadians, and would appreciate a few minutes of your time to ask your opinions.

Are you 18 years of age or older?

Yes - (CONTINUE)
No - May I speak with someone who is? (REPEAT INTRODUCTION)

SEX: (DO NOT ASK: WATCH QUOTAS)

Male	49
Female	51

A. PSYCHOGRAPHICS

1. Before we get into our main topic for today, I'd like to read you some general descriptions of how different people approach life. Please tell me how you feel about each statement on a scale of 1 to 7, where "1" means you totally disagree and "7" means you totally agree. (ROTATE FROM X)

	Completely Disagree 1	2	3	4	5	6	Completely Agree 7	(DK/NS) 9
__ a) There is too much government red tape interfering in practically everything these days	4	3	5	11	17	18	42	1
__ b) I enjoy taking risks, especially if there's a good chance of getting ahead as a result	6	5	12	18	26	13	19	0
__ c) Financial security is a major concern to me right now	4	3	5	8	15	18	47	0
__ d) Life should be enjoyed as much as possible today, without worrying about the future	12	9	14	15	20	8	20	0
__ e) I like to read, watch and listen to international news as much as I can	4	3	7	11	19	17	40	0

	Completely Disagree						Completely Agree	(DK/NS)
__ f) I don't like causing waves, so I usually don't make a fuss about things that bother me	14	13	15	16	18	12	12	0
__ g) I often feel left out of decisions that affect me	16	16	13	14	15	11	14	1
__ h) I think that competition is good for you	2	1	4	8	18	25	41	0
__ i) I am extremely worried about the future of this country	5	4	8	10	18	16	41	0
__ j) I am proud to be Canadian	5	2	3	4	5	8	73	1
__ k) I'm financially successful because I have worked so hard at it	4	2	5	12	22	21	31	2
__ l) We all have responsibility to make the world a better place, so it's important to keep trying to change things	2	1	2	5	15	23	52	0
__ m) I consider myself more traditional than experimental	5	6	9	17	25	18	19	0
__ n) Whether or not you make it in life is mostly determined by luck	31	23	17	12	10	3	4	0

END OF ROTATION

B. ECONOMY

2. Overall, would you say the federal government is doing a good or a poor job in terms of managing Canada's economy? (Is that very or somewhat good/poor?)

Very good...........2
Somewhat good......22
Somewhat poor......37
Very poor..........37
(DK/NS).............2

3. A number of statements have been made about Canada's ability to compete in world markets. Using a 7 point scale where "1" means you "Completely Disagree" and "7" means that you "Agree Completely", how would you rate each of the following statements? (READ LIST - ROTATE FROM X)

	Completely Disagree 1	2	3	4	5	6	Completely Agree 7	(DK/NS) 9
_ a. The government of Canada should take action to protect Canadian business and industry by limiting the amount of foreign goods sold here even if it means Canadians will pay more for their products	9	8	11	15	21	16	19	1
_ b. The government of Canada has an overall plan for improving Canada's international trade	11	13	15	18	21	8	8	5

END ROTATION

4. Who do you see as having the greatest responsibility for helping Canadians adjust to changes in the global economy. (READ AND ROTATE LIST... CIRCLE ONE RESPONSE ONLY)

_ The federal government.........45
_ The provincial government.......9
_ Business.......................28
_ Unions..........................5
(Other)...........................9
(DK/NS)...........................4

5. Do you feel that the federal government is doing a very good job, a good job, a poor job, or a very poor job in helping Canadians adjust to changes in the global economy?

A very good job...................1
A good job.......................29
A poor job.......................45
A very poor job..................22
(DK/NS)...........................3

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C. INTERNATIONAL TRADE -- GENERAL

6. From what you know, which of the following best describes the current situation for Canadian trade. (READ LIST A -> E)

	We export more goods than we import 1	We import more good than we export 2	Imports and exports about equal 3	(DK/NS) 9
a. With Western Europe	19	41	26	14
b. With Mexico	29	36	13	21
c. With the U.S	25	54	16	5
d. With Japan	8	76	7	9
e. Overall	22	56	16	6

7a. Have you heard anything about a North American Free Trade Agreement, or NAFTA *(NAF-tah)*, involving Canada, the U.S. and Mexico?

Yes...............88 - CONTINUE
No................12 - SKIP TO 8
(DK/NS)............0 -

IF "YES," ASK:

7b. And, what do you remember from what you saw, read, or heard?

24% lost jobs/low Mexican wages

ASK EVERYONE:

8. And, in your opinion, is the NAFTA an improvement over the current free trade agreement between Canada and the U.S.?

Yes..............27
No...............43
(DK/NS)..........30

D. FTA

9. The Canada-U.S. Free Trade Agreement has now been in effect for over three years. Generally speaking, would you say that, up until today, having the Free Trade Agreement with the United States has benefitted Canada, has hurt Canada, or do you think it hasn't really had any impact one way or the other?

Benefitted Canada....................11
Hurt Canada..........................67
No impact............................20
(DK/NS)...............................3

10. What about the long-term effects of free trade between Canada and the U.S.? Do you think that in the long run, the Free Trade Agreement will benefit Canada, will hurt Canada, or will have no impact one way or the other?

Benefit Canada..........37
Hurt Canada.............49
No impact................8
(DK/NS)..................6

11. Regardless of how you feel about the actual free trade agreement between Canada and the U.S., do you support or oppose the idea of freer trade between Canada and the U.S.?

Support.............66
Oppose..............30
(DK/NS)..............4

12. Would you say that, in the long-term, more jobs will be created or would you say that more jobs would be lost as a result of the free trade agreement with the United States? Would that be a lot more or a few more?

A lot more jobs created...............10
A few more jobs created...............23
A few more jobs lost..................20
A lot more jobs lost..................39
(DK/NS)................................8

13. Recently there have been a number of trade disputes between Canada and the U.S. In general, do you think that Canada has won more, or lost more of these trade disputes since the free trade agreement went into effect?

Won more............................10
Lost more...........................74
(Even draw)..........................7
(DK/NS)..............................9

14. 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.....10 --> SKIP TO 16
Moderately support...35 -
Moderately oppose....25 --> CONTINUE
Strongly oppose......26 -
(DK/NS)..............4 --> SKIP TO 16

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IF MODERATELY/STRONGLY OPPOSE CONTINUE -- ALL OTHERS SKIP TO Q16

(INTERVIEWER NOTE: ASK Q15a AND b OF EACH STATEMENT, ACROSS THE PAGE, BEFORE MOVING ON TO THE NEXT STATEMENT)

15a. I'd like you to tell me how much more likely you would be to support free trade if you heard that (READ STATEMENT -- ROTATE FROM X) Would this make you much more likely, somewhat more likely, not very likely or not likely at all to support Canada-U.S. free trade?

15b. And, how believable would you find this statement? Would it be very believable, somewhat believable, not very believable, or not believable at all?

	15a					15b				
	MUCH MORE	SOMEWHAT MORE	NOT VERY	NOT AT ALL	(DK/NS)	VERY BELIEVABLE	SOMEWHAT BELIEVABLE	NOT VERY BELIEVABLE	NOT BELIEVABLE AT ALL	(DK/NS)
	1	2	3	4	9	1	2	3	4	9
__ a. Seven of 12 trade disputes between the U.S. and Canada have been won by Canada under the dispute settlement system established by the U.S. Canada free trade agreement	11	46	23	17	4	7	35	36	19	3
__ b. Canada's exports to the U.S. have increased by $31 billion as a result of the free trade agreement	17	46	18	14	5	4	29	42	23	2
__ c. Several American and Canadian owned companies have closed plants in the U.S. and opened new or expanded facilities in Canada	20	45	18	16	2	5	22	39	33	1
__ d. The free trade agreement has been used to force the U.S. government to reverse earlier trade dispute decisions against Canadian companies	11	45	24	17	4	5	32	38	23	3
__ e. The free trade agreement permits Canadian exporters to settle disputes with the U.S. in a fast and impartial manner	14	47	19	18	2	4	30	40	25	1
__ f. The free trade agreement has been used successfully to exempt Canada from potentially damaging U.S. trade legislation	11	42	23	18	6	4	29	39	24	5

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	MUCH MORE	SOMEWHAT MORE	NOT VERY	NOT AT ALL	(DK/NS)	VERY BELIEVABLE	SOMEWHAT BELIEVABLE	NOT VERY BELIEVABLE	NOT BELIEVABLE AT ALL	(DK/NS)
__ g. Investment in Canada, particularly in manufacturing, has increased by $6 billion since the signing of the free trade agreement	23	42	17	15	3	5	24	40	30	2
__ h. The free trade agreement has <u>lessened</u> the severity of the recent economic downturn	16	37	21	24	2	4	16	37	42	2
__ i. Some prices have gone down in Canada because of the free trade agreement	17	40	20	21	2	10	30	29	29	2
__ j. The free trade agreement provides Canada with greater protection from U.S. trade action than is available to any other country	15	44	21	16	4	7	35	31	23	4
__ k. Canadians consumers saved $167 million on duties in 1991 because of the free trade agreement	16	39	22	20	4	9	37	27	23	3

END ROTATION

ASK EVERYONE:

16. Now, we would like to get an idea of how likely you are to trust statements about free trade coming from various sources. The first one is (**READ -- ROTATE FROM X**). Do you trust most of what they say about free trade, some, little, or nothing of what they say?

	TRUST MOST	TRUST SOME	TRUST LITTLE	TRUST NOTHING	(DK/NS)
	1	2	3	4	9
__ a. Federal government leaders	5	33	37	25	0
__ b. Provincial government leaders	8	41	33	17	1
__ c. Labour union leaders	9	34	32	23	1
__ d. Trade economists and other experts in internationaltrade	29	46	17	6	2
__ e. Journalists and reporters	11	43	31	14	1
__ f. Businessleaders	21	49	23	6	1
__ g. Interest groups opposed to the free trade agreement	8	39	35	16	2

END ROTATION

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E. NAFTA

17a. As you may know, the federal government has recently completed negotiations with the United States and Mexico on a three-way free trade agreement. Generally speaking, do you strongly support, somewhat support, somewhat oppose, or strongly oppose Canada entering into a three-way free trade agreement with the United States and Mexico?

Strongly support.............10 --> ASK Q17b THEN SKIP TO 19
Somewhat support.............36 -
Somewhat oppose..............24 --> CONTINUE
Strongly oppose..............24 -
(DK/NS).......................6 --> ASK Q17b THEN SKIP TO 19

17b. And, why do you (INSERT ANSWER TO Q17a) the three-way free trade agreement between Canada, the United States and Mexico?

(support) 18% Opens more markets for Canada than jobs lost

(oppose) 57% Wages are low in Mexico/cheap labour-lost jobs

ASK 18 ONLY IF RESPONDENT SOMEWHAT/STRONGLY OPPOSED IN Q17a:

(INTERVIEWER NOTE: ASK Q18a AND b OF EACH STATEMENT BEFORE MOVING ON TO THE NEXT)

18a. I'd like you to tell me how much more likely you would be to support the proposed three-way free trade agreement if you heard that (READ STATEMENT -- ROTATE FROM X) Would this make you much more likely, somewhat more likely, not very likely or not likely at all to support Canada-U.S.-Mexico free trade?

18b. And, how believable would you find this statement ... very believable, somewhat believable, not very believable, or not believable at all?

	18a					18b				
	MUCH MORE	SOMEWHAT MORE	NOT VERY	NOT AT ALL	(DK/NS)	VERY BELIEVABLE	SOMEWHAT BELIEVABLE	NOT VERY BELIEVABLE	NOT BELIEVABLE AT ALL	(DK/NS)
	1	2	3	4	9	1	2	3	4	9
_ a. A three-way trade agreement that includes Mexico would be good for Canada because it opens up a large new market for Canadian exports	16	41	20	22	1	5	27	36	30	1
_ b. Companies will continue to invest in Canada if we are part of a three-way free trade agreement so they can serve the whole North American market	15	45	20	19	2	2	30	40	25	3
_ c. Free trade with Mexico will help build the Mexican economy so that Mexican wages, environmental and safety standards will substantially improve over the long term	15	40	22	21	1	14	36	28	21	2

/56

	18a					18b				
	MUCH MORE	SOMEWHAT MORE	NOT VERY	NOT AT ALL	(DK/NS)	VERY BELIEVABLE	SOMEWHAT BELIEVABLE	NOT VERY BELIEVABLE	NOT BELIEVABLE AT ALL	(DK/NS)
__ d. The new three-way trade agreement is good for Canada because it clarifies and improves the rules of the existing free trade agreement between Canada and the United States	9	40	26	21	4	3	33	35	26	3
__ e. The NAFTA retains and improves all of the benefits gained by Canada in the Canada-U.S. Free Trade Agreement - especially when it comes to resolving trade disputes	10	44	23	19	4	3	36	36	22	3
__ f. Canada's sovereignty will not suffer under the NAFTA -- our cultural industries, our agricultural management policies, social and health care programs and water resource management are all protected	25	37	17	18	2	7	29	33	30	1
__ g. The NAFTA is beneficial because the three countries have recognized that they should not lower their environmental standards to attract investment	19	42	19	17	3	5	31	35	27	2

ASK EVERYONE:

19a. What about the long-term effects of the NAFTA? Do you think that in the long run the NAFTA will benefit Canada, will hurt Canada or will have no impact one way or another?

Benefit Canada..............41
Hurt Canada.................38
No impact...................11
(DK/NS)......................9

19b. And what about the long-term effects of the NAFTA on your province. Do you think that it will benefit, hurt or have no impact one way or another on your province?

Benefit province............35
Hurt province...............41
No impact...................15
(DK/NS)......................9

19c. Why do you say that the NAFTA will **(INSERT RESPONSE TO 19b)** your province?

(benefit) 16% Expanded export market

(hurt) 46% Loss jobs - Mexican wages

(no impact) 31% Won't make any difference to province

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20. Regardless of how you feel about the actual free trade agreement between Canada, Mexico and the U.S., do you support or oppose the <u>idea</u> of freer trade between Canada, Mexico and the U.S.?

Support	67
Oppose	29
(DK/NS)	5

21. Would you say that, in the long-term, more jobs will be created or would you say that more jobs would be lost as a result of the free trade agreement between Canada, Mexico and the U.S.? Would that be a lot more or a few more?

A lot more jobs created	9
A few more jobs created	26
A few more jobs lost	23
A lot more jobs lost	33
(DK/NS)	8

22. Some people have said that Canadian businesses <u>cannot</u> compete with Mexican businesses in a free trade agreement because wages, environmental and safety standards are much lower in Mexico.

Others have said that Canadian businesses <u>can</u> compete with Mexican businesses because Canadian workers are better trained and Canada has better facilities like roads, airports and communications.

Which viewpoint would be closer to your own?

Cannot compete	49
Can compete	46
(DK/NS)	5

23. I'm now going to read you some statements about general trade issues. Please tell me how you feel about each one on a scale of 1 to 7, where "1" means you "Totally Disagree" and "7" means you "Totally Agree" **(READ AND ROTATE FROM X)**.

	TOTALLY DISAGREE 1	2	3	4	5	6	TOTALLY AGREE 7	(DK/NS) 9
__ a. The federal government should confront the U.S. <u>more strongly</u> on trade disputes, even if this may cause other Canadian exporters difficulty in the U.S.	2	2	5	10	21	25	32	1
__ b. The Canadian Government has to be part of the NAFTA in order to protect our economic interests	7	6	8	12	18	18	28	2
__ c. A free trade deal including Mexico doesn't make much difference to Canada because we don't have much trade with them now and this won't change much with a new trade deal	15	19	18	15	13	8	9	3

	TOTALLY DISAGREE 1	2	3	4	5	6	TOTALLY AGREE 7	(DK/NS) 9
__ d. Even without the free trade agreement between Canada and the United States, most of the job losses and industrial restructuring that Canada is experiencing today would have occurred anyway because of changes in the global economy	10	8	13	15	19	17	16	2
__ e. I see the North American free trade agreement as part of an overall plan by the government to improve Canada's trade situation with countries around the world	8	6	10	15	26	18	15	2
__ f. From what I've heard, Canada gave away too much to the Americans and Mexicans in the NAFTA	5	6	9	16	15	16	20	12
__ g. I think the government has a good idea of how to deal with the changes the North American free trade agreement will bring in Canada	16	15	16	19	19	8	4	3

24. Some people say that by signing the North American Free Trade Agreement, Canada will tie itself too closely to the U.S. and Mexico and will cut itself off from countries outside North America.

Other people say that Canada should sign the North American Free Trade Agreement because Canada needs freer trade with the U.S. and Mexico now in order to increase its exports while it continues to work toward freer trade with other countries.

Which of these two viewpoints is closer to your own?

Cut itself off..............32
Should sign.................60
(DK/NS).....................8

25. Some people say that Canada has to be part of the North American Free Trade Agreement so that Canada will be an attractive location for plants to supply that whole North American market.

Other people say that under the North American Free Trade Agreement, any new investment in Canada will be cancelled out by plants moving from Canada to Mexico.

Which viewpoint is closer to your own?

Attractive location..........38
Cancelled out................56
(DK/NS).......................6

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26. Some people have said that the North American Free Trade Agreement will help build the Mexican economy so that Mexican workers will gain a substantially improved standard of living.

Other people have said that the North American Free Trade Agreement will mostly benefit big U.S. corporations and that the ordinary Mexicans will not enjoy any of the benefits.

Which viewpoint is closer to your own?

Will help build	41
Not enjoy benefits	55
(DK/NS)	4

27. I'm now going to read you some more statements about the NAFTA. Please tell me how you feel about each one on a scale of 1 to 7, where "1" means you totally disagree and "7" means you totally agree. **(READ AND ROTATE FROM X)**

	1 TOTALLY DISAGREE	2	3	4	5 TOTALLY AGREE	6	7	9 (DK/NS)
_ a. We will be able to maintain current government programs such as unemployment insurance and medicare	10	8	11	14	19	16	18	4
_ b. Many companies will move their plants from Canada to Mexico to take advantage of lower wages there	5	6	10	12	21	16	29	1
_ c. Canadian companies will not be able to compete with Mexican companies because of the lower wage levels in Mexico	6	8	10	12	15	18	30	1
_ d. Japanese auto makers, such as Toyota and Honda will continue to build new plants in Canada to sell cars into the North American marketplace	8	9	12	16	21	18	14	3
_ e. Free trade with Mexico means Canada will import much more from Mexico than Canada will export to Mexico	7	9	12	18	17	17	17	4
_ f. The North American Free Trade Agreement is good for Canadian exports because it clears up problems in the Canada-U.S. free trade agreement	11	10	15	23	19	9	5	9
_ g. Many companies will move their plants from Canada to Mexico to take advantage of low environmental standards there	7	11	14	14	17	15	22	1

	TOTALLY DISAGREE						TOTALLY AGREE	DK/NS
__ h. Our economy will become so closely tied to the American and Mexican economies that we will gradually lose our ability to make our own economic decisions	10	12	11	11	16	15	23	2

END ROTATION

28. Various people have said that some industries will benefit from the North American Free Trade Agreement and that some will be harmed.

a. Can you think of a Canadian industry that would benefit from the North American Free Trade Agreement?

none 23%

Computers 17%

b. Can you think of a Canadian industry that would be harmed by the North American Free Trade Agreement?

cars/car parts 24%

29. Now I'm going to list some Canadian businesses and I'd like you to tell me for each one whether you think the North American free trade agreement with the United States and Mexico will mean the industry will be better off or worse off as a result. How about... (READ AND ROTATE FROM X)

	BETTER 1	WORSE 2	(NO IMPACT) 3	(DK/NS) 9
__ a. the energy industry?	54	23	17	7
__ b. the clothing manufacturing industry? which manufactures finished garments	15	80	3	2
__ c. the wood and paper industry	47	37	12	5
__ d. the trucking industry	45	38	11	6
__ e. fish and fish products industry	33	41	18	8
__ f. the textile industry which manufactures yarn and fabric	16	77	4	3
__ g. the agriculture industry	35	46	14	5
__ h. cars and car parts	26	61	9	4

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__ i. computers and other high technology products such as telecommunications	57	28	9	5
__ j. aircraft and aircraft parts	45	34	13	8
__ k. The manufacturing industry	23	66	6	4
__ l. Banking and financial services	53	19	21	8
__ m. the iron and steel industry	36	43	12	9

END ROTATION

F. Demographics

This survey is being conducted by the Angus Reid Group on behalf of the Government of Canada. Now, before I let you go, I need to ask you a few questions for our statistical calculations. Your answers to all questions in the survey are strictly confidential.

30. Which of the following categories does you age fall into?

18 to 24 years	13
25 to 34 years	25
35 to 44 years	21
45 to 54 years	14
55 to 64 years	14
65 years and older	13
(Refuse/Not Stated)	0

31. Which is the highest level of formal education that you have completed?

Grade school or some high school	14
Completed high school	28
Some technical/post-secondary	9
Completed technical/post-secondary	15
Some university	9
Completed university degree	18
Post graduate degree	7
(Don't Know/Not Stated)	0

32. Which of the following categories best describes your family income? That is the total income before taxes of all persons in your household combined?

Under $10,000	4
$10,000 to $19,999	10
$20,000 to $29,999	15
$30,000 to $39,999	16
$40,000 to $49,999	14
$50,000 to $59,999	12
$60,000 to $69,999	6
$70,000 to $79,999	5
$80,000 to $89,999	4
$90,000 to $99,999	3
$100,000 and over	6
(Refused/Not Stated)	5

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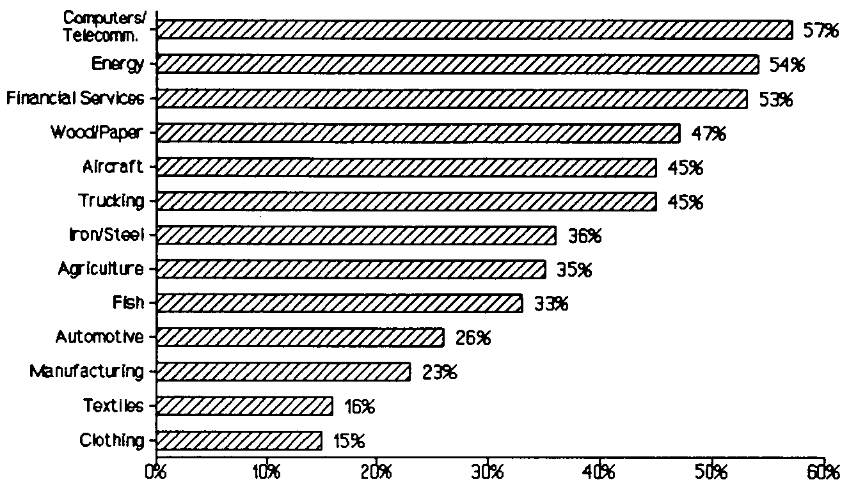
Figure 32

Industry Better Off Because of NAFTA



Of the 13 types of industries tested in this component of the research, respondents hold out the brightest expectations for the following three sectors:

- **Computers and other high technology products such as telecommunications -** By fully a two to one margin, survey respondents said they expect this type of industry would be "better off" (58%) rather than "worse off" (28%) as a result of the NAFTA. One in ten (9%) volunteered that the three-way deal would have no impact on these businesses. Roughly one-half or more of respondents from almost all walks of life foresee more prosperous times ahead for the computer/high-tech sector due to the NAFTA, especially British Columbians (64%, compared to 47% in Manitoba-Saskatchewan), men (65%), respondents under 35 years of age (62%), university graduates (68%) and members of higher income ($50,000+) households (64%).

- **Energy industry** - The general public is more than twice as likely to expect that the NAFTA would be good rather than bad for the energy industry (54% versus 2%); a response of "no impact" was offered by one in six (16%) of those polled. Regionally, Quebecers (62%) and Atlantic respondents (60%) are the most inclined to feel that the energy sector would be positively affected by this deal. Optimism is also more pronounced among men than women (61% compared to 47%), younger respondents (61% of those under 35%, declining to 43% of their 55+ counterparts), and heightens with socio-economic status (approaching 60% of individuals with at least some post-secondary schooling and those in the highest income category).

- **Banking and financial services** - Most respondents also predict that the financial sector would be better off under the NAFTA (53% as opposed to 19% who said they see a worse situation as a result). One in five (21%) survey participants volunteered that this sector would not be affected either way. Positive expectations were most in evidence among residents of British Columbia (60%, versus 45% in Manitoba-Saskatchewan), men (59%), younger respondents (58%), and increased in frequency with higher levels of education in particular (from 35% of those without a high school diploma to 64% of university graduates) as well as with higher income (from 43% to 61%).

Three other industrial sectors are also seen by respondents as net the NAFTA beneficiaries by a narrower margin:

- **Wood and paper industry** - Just under one-half (47%) of respondents thought that the pulp and paper industry would experience better times under the NAFTA, compared to more than one in three (37%) who believed the industry would be worse off; one in ten (12%), on a voluntary basis, said this sector would not be affected at all. Along geographic and gender lines, optimism for

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this industry was most characteristic of Albertans and men (53% each). When we look at the age variable, the likelihood of offering a bright forecast waned as one got older (from 55% of those under 35 to 38% of people older than 55) but, conversely, increased steadily with level of education (31% to 54%) and income (39% to 54%).

- **Trucking industry** - Respondents were somewhat more likely to believe that trucking companies would gain (44%) rather than lose (38%) with the NAFTA in effect; 11 percent volunteered that this type of company would not be impacted whatsoever. Albertans (55%) were most optimistic in this regard, in contrast to four in ten (40%) Ontarians who said they think this industry will be better off, and positive expectations once again became less common with age (53% of people under 35, declining to 36% of those 55+).

- **Aircraft and aircraft parts** - A brighter future for this sector was also forecasted by a clear plurality (45%) of those polled in August, while one in three (34%) predicted worsened conditions. (No impact was predicted by 13 percent.) Quebec residents (56%) are significantly more disposed than their counterparts elsewhere in the country to believe that the aerospace industry would prosper under the NAFTA, as are men (52%), younger respondents (50%) and university graduates (51%).

On the negative side of the ledger, respondents expect that four of the 13 industrial sectors assessed would clearly be in the "loser" column with the NAFTA in effect:

- **The clothing manufacturing industry which manufactures finished garments -** Fully 80 percent of polled respondents felt that this sector of the industrial economy would be worse off under the NAFTA, overshadowing by far the 15 percent who thought these companies would be better off. A huge majority of respondents from all walks of life believe that the clothing manufacturing industry would not improve by the NAFTA.

- **The textile industry which manufactures yarn and fabric** - The general public is just as convinced that the NAFTA would not assist the textile industry - fully three-quarters (77%) imagine the industry would be worse off and only 16 percent are optimistic. These expectations are generally mirrored right across various population segments.

- **Manufacturing industry** - respondents, at a ratio of three to one, predict the manufacturing industry would suffer with the NAFTA in place (67% to 23%). Once again, this negative outlook is held by a large majority of all segments of the Canadian population (the smallest being the 57% recorded in the Atlantic region).

- **Cars and auto parts** - Pessimism also greatly outweighs optimism (61% versus 26%) with regard to the prospects for Canada's automobile industry in the context of an operational North American Free Trade Agreement. Across all population segments, a sound majority of respondents believed the automobile industry would be worse off.

Respondents also tend to offer higher negative than positive expectations for the following three sectors under a the NAFTA climate:

- **Agriculture industry** - Almost one-half (46%) of respondents polled this August said that, in their opinion, the agriculture industry would be worse off instead of better off (35%) with the NAFTA. One in seven (14%) volunteered that this sector of the economy would not be impacted at all. A majority or large plurality of most major segments of the country's population share the view that the agriculture industry will experience worse conditions under the NAFTA, including: residents of British Columbia (59%), Ontario (45%) and Quebec (505), women (49%), people 35 and older (50%), respondents who have received at least some post-secondary schooling (46%) and those from all income sub-groupings (between 44% and 48%). Albertans distinguish themselves for being the only segment more inclined to predict that this resource-based sector will be better off rather than worse off (49% to 34%). Other population sub-groupings were divided on this question.

- **Iron and steel industry** - Respondents are somewhat divided on how this sector would manage with the NAFTA, nonetheless, they are more likely to believe the iron and steel industry will be worse off rather than better of (42% versus 36%); on a voluntary basis, 12 percent of respondents thought the NAFTA would have no ramifications on this sector of the economy. The national survey results are, in most instances, echoed with respect to other population sub-groups: the exceptions are Quebecers, who tend to believe the agriculture industry will suffer under the NAFTA (41% versus 33%), and Atlantic respondents and younger people, who are evenly split on this question.

- **Fish and fish products industry** - In terms of this resource-based industry, a plurality (41%) of respondents think it would be hurt by the NAFTA compared to one in three (33%) who believe it would benefit. (Fully 18 percent of those surveyed volunteered that no impact on this industry would occur.) Once again, the predictions noted at the national level are largely consistent across various population descriptors, the exceptions being: men, who are decidedly optimistic that the fish and fish products industry would see gains under the NAFTA (41% compared to 33% who saw worse times); and Quebecers, younger respondents, university graduates and higher income respondents, who are divided on how this economic sector would fare with a trilateral free trade arrangement in effect.

6.5.3 Industry Assessments by the Psychographic Solution

The table below shows the variation among segments by industry for the percentage of respondents who believed the industry will be better off under the NAFTA [table 18].

Table 18: Industry Assessment by Psychographic Segments

% Better

	Total %	EA %	DS %	CP %	OO %	RA %
Energy	54	72	67	49	55	31
Clothing/Manufacturing	15	22	22	14	10	5
Wood & Paper	47	73	58	42	38	25
Trucking	44	61	57	45	32	25
Fish and Fish products	33	54	39	33	28	16
Textile	16	26	23	13	9	6
Agriculture	35	55	43	35	24	20
Car & Car parts	26	46	39	21	12	10
Computer & other hi-tech	58	84	71	53	50	34
Aircraft	45	69	58	40	40	21
Manufacturing	23	48	37	15	14	4
Banking & Financial Service	53	74	64	51	40	35
Iron & Steel	36	56	48	33	28	18

Enthusiastic Advocates

A majority of the Enthusiastic Advocates believed that all industries tested will be better off under the North American Free Trade Agreement, with the exception of the clothing and manufacturing industry, and the textile industry. Similar to the national average, computers and the hi-tech industry is given the highest rating by the Enthusiastic Advocates.

Dispassionate Supporters

Overall, the dispassionate supporters share the same views as the Enthusiastic Advocates in terms of their assessment of industry performance under the NAFTA, although not with the same intensity. In addition to the clothing and textile industries, less than a majority of the Dispassionate Supporters also believed that agriculture, fish and fish products, car and car parts, and manufacturing will fare better under the NAFTA.

Concerned Pragmatists

The results for the Concerned Pragmatists were either the same as or slightly lower than the national average for each industry. The only industries that a majority of the Concerned Pragmatists felt would be better off under the NAFTA is the computers and hi-tech industry and the banking and financial industry.

Old-fashioned Opponents

The Old-fashioned Opponents are consistently lower than average, with the exception of the energy industry (55% better under the NAFTA). For all other industries, less than a majority of the Old-fashioned Opponents believed the industry would fare better under the NAFTA.

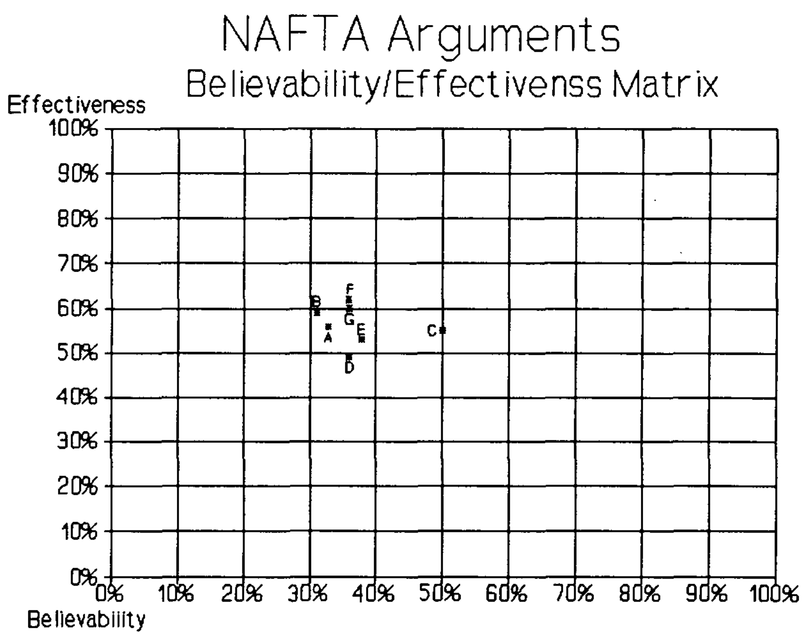
Resolute Antagonists

As expected, the Resolute Antagonists are significantly less likely to believe that each industry would fare better under the NAFTA. In fact, for not one industry did more than four in ten believe that the industry would be better off.

6.6 Believability and Impact of Selected Information Statements Regarding the NAFTA

This research also gauged the believability and impact of seven different information statements pertaining to the NAFTA among those opposed to the trilateral trade agreement. These survey respondents (48% of the total sample) were first asked to indicate whether the information in each statement would make them more likely to support North American free trade and, secondly, the extent to which they found each of the statements believable [figure 33].

Figure 33



A. A three-way trade agreement that includes Mexico would be good for Canada because it opens up a large new market for Canadian exports

B. Companies will continue to invest in Canada if we are part of a three-way free trade agreement so they can serve the whole North American market

C. Free trade with Mexico will help build the Mexican economy so that Mexican wages, environmental and safety standards will substantially improve over the long

D. The new three-way trade agreement is good for Canada because it clarifies and improves the rules of the existing free trade agreement between Canada and the United States

E. The NAFTA retains and improves all of the benefits gained by Canada in the Canada-U.S. Free Trade Agreement - especially when it comes to resolving trade disputes

F. Canada's sovereignty will not suffer under the NAFTA -- our cultural industries,our agricultural management policies, social and health care programs and water resource management are all **protected**

G. The NAFTA is beneficial because the three countries have recognized that they should not lower their environmental standards to attract investment

The results are outlined below in descending order of the statements' impact, higher impact being defined as those statements which meet with the greatest number of respondents reporting an increased likelihood of supporting the NAFTA given that information. Importantly, the results show very consistent level of believability associated with six of the seven statements: roughly one in three of the NAFTA opponents polled described these information statements as very or somewhat believable while two in three question their credibility. The one exception is the information statement referring to the NAFTA's anticipated positive impact on Mexico which was believed by one-half of those surveyed (C).

- ***Canada's sovereignty will not suffer under the NAFTA - our cultural industries, our agricultural management policies, social and health care programs and water resource management are all protected.*** **(F)**

  Just over six in ten (62%) of the NAFTA opponents surveyed indicated they would be much (25%) or somewhat (37%) more likely to support North American Free Trade on the basis of the argument that the trilateral arrangement would not compromise Canadian sovereignty. This statement has a particularly high impact among residents of the Atlantic regions (81% said it would make them more likely to support the NAFTA), and much less among western respondents, particularly residents of Manitoba-Saskatchewan (47%). Demographically, the impact of this statement is highest among younger respondents, with little significant differences across education and income levels.

While this statement ranks very high in terms of potential impact, it does not enjoy a high degree of credibility among respondents opposed to the NAFTA. Overall, 36 percent of opponents rated this statement as either very (7%) or somewhat (28%) believable. Almost two-thirds of the opponents polled, meanwhile, described the argument that Canadian sovereignty would not suffer under the NAFTA as not very (33%) or not at all (30%) believable.

- ***The NAFTA is beneficial because the three countries have recognized that they should not lower their environmental standards to attract investment.*** (G)

The statement that environmental standards will not be lowered due to the NAFTA is also a fairly persuasive one among those opposed to the trade agreement. Six in ten (61%) of the NAFTA opponents participating in this research said that this information statement made them much (19%) or somewhat (41%) more likely to support Canada-U.S.-Mexico free trade. Regionally, this argument is particularly persuasive for the NAFTA opponents living in Alberta (67%) and the Atlantic regions (65%). Younger the NAFTA opponents are also among the most likely to indicate that this argument is a persuasive one for them (68%) of the NAFTA opponents under 35 said this information statement made them much or somewhat more likely to support trilateral free trade.

With respect to the believability of the claim that the NAFTA will not compromise the three countries' environmental standards, just better than one in three (36%) of those polled indicated that they find the statement very (5%) or somewhat (31%) believable. Six in ten, on the other hand, described this claim as very (34%) or not at all (27%) believable.

- ***Companies will continue to invest in Canada if we are part of a three-way free trade agreement so they can serve the whole North American market.*** **(B)**

Six in ten the NAFTA opponents also find the argument that Canada will continue to attract investment because of its access to the entire North American market a persuasive reason for supporting the proposed agreement: 15 percent of those polled said this information statement made them more likely to support the NAFTA and 44 percent said it made them somewhat more inclined to do so. This statement is particularly persuasive for the NAFTA opponents residing in the Atlantic region (77%, declining as low as 52% among opponents living in Manitoba-Saskatchewan). Also consistent with some of the other findings, opponents under the age of 35 are more likely than those over 35 to say that this information would make them more likely to support the NAFTA.

While the NAFTA opponents respond well to the statement that Canada would continue to attract investment under the deal, they greet this statement with considerable scepticism only 32 percent of the NAFTA opponents polled said they find this statement very (2%) or somewhat (29%) believable compared to fully two in three who tend to disbelieve this claim.

- ***A three-way trade agreement that includes Mexico would be good for Canada because it opens up a large market for Canadian exports.*** (A)

A majority (57%) of the NAFTA opponents respond favourably to the statement concerning the NAFTA's prospective benefits for Canadian exporters: 16 percent of those polled indicated this information statement makes them much more likely to support the NAFTA and an additional 41 percent indicated it makes them somewhat more inclined to do so. This argument is particularly persuasive among opponents living in the Atlantic provinces (68%), younger the NAFTA opponents (59%), and those in the middle income grouping (63%).

Once again, only one in three the NAFTA opponents are disposed to believe that the NAFTA would be good for Canada because it would open up export markets for Canadian firms - only 6 percent of those polled described this information statement as very believable while 27 percent described it as somewhat believable. Two in three of the opponents to the NAFTA find this statement somewhat or very unbelievable.

- ***Free trade with Mexico will help build the Mexican economy so that Mexican wages, environmental and safety standards will substantially improve over the long term.*** (C)

Opponents of the NAFTA are also persuaded by the argument that a trilateral deal would benefit Mexico. Most (55%) of the NAFTA opponents surveyed said the information statement concerning the benefits of the NAFTA to Mexico made them much (15%) or somewhat (40%) more likely to support the trade agreement. the NAFTA opponents living in the two western provinces as well as their counterparts in the eastern coast find this information particularly compelling (almost two in three opponents from each of these three regions said this statement made them more likely to support the NAFTA). Once again, consistent with many of the other information statements examined, the NAFTA opponents under the age of 35 also find this consideration a good reason for the NAFTA (63% indicated this made them more likely to support the deal versus only 47% of their counterparts over 55). These research results also show a strong positive correlation between the NAFTA opponents' education and income levels (particularly the former) and their response to this information statement.

The statement that the NAFTA will provide benefits for the Mexican economy enjoys the highest believability of the seven examined in this research. One-half (50%) of the NAFTA opponents polled indicated they find this statement to be very (14%) or somewhat (36%) believable. Just as many, however, do not attach a high degree of credibility to the claim that the NAFTA will benefit the Mexican economy.

- ***The NAFTA retains and improves all of the benefits gained by Canada in the Canada-U.S. Free Trade Agreement - especially when it comes to resolving trade disputes.*** (E)

A slim majority (54%) of the NAFTA opponents indicated this information statement makes them much (9%) or somewhat (44%) more likely to support North American free trade. This argument is particularly persuasive for opponents living in British Columbia (48%) and least so for their counterparts on the opposite coast (only 34%, in contrast to Atlantic Canadian opponents' reaction to most of the other information statements).

The statement that the NAFTA improves the FTA particularly in the area of dispute settlement enjoys a fair degree of credibility among the NAFTA opponents - 39 percent of those polled indicated they find this statement very (only 3%) or somewhat (36%) believable, although almost six in ten do not believe this claim.

- ***The new three-way trade agreement is good for Canada because it clarifies and improves the rules of the existing free trade agreement between Canada and the United States.*** **(D)**

Of the seven information statements examined, that concerning the NAFTA's improvements of the existing FTA is the least persuasive to the NAFTA opponents. Just less than one-half of those responding indicated that the NAFTA's improvements on the FTA make them much (9%) or somewhat (40%) more likely to support the trilateral trade agreement. Forty-seven percent indicated this argument is not persuasive. The research results indicate that this information statement enjoys the most "pull" among the NAFTA opponents living in the Atlantic regions (64% said it made them more likely to support a three-way deal). Also consistent with many of the other findings, younger opponents tend to find the NAFTA's improvements of the existing bilateral arrangement a compelling reason to support the North American package.

This information statement falls in the mid-range in terms of its credibility - just better than one in three (36%) of those surveyed indicated they find the statement describing the NAFTA as an improvement over the FTA as very (only 3%) or somewhat (33%) believable whereas fully six in ten do not believe this is true.

6.6.1 Psychographic Segments

The statements testing effectiveness and believability were only asked of those who opposed the North American Free Trade agreement. Only 12 of the Enthusiastic Advocates, and 54 of the Dispassionate Supporters opposed the agreement, sample sizes which are too small to discuss the results. Therefore, the believability and impact of the statements are only discussed for the Concerned Pragmatists, the Old-fashioned Opponents, and the Resolute Antagonists.

Concerned Pragmatists

The Concerned Pragmatists reacted well to the statements, with each statement found to be effective by a majority of the segment. Seventy-four percent found the statement regarding the NAFTA and environmental standards to be effective. Fifty-five percent, the lowest rating for all the statements, found the statement that the NAFTA clarified the rules of the existing FTA to be effective.

In terms of believability and effectiveness, the optimal statements for the Concerned Pragmatists are:

> *"The NAFTA is beneficial because the three countries have recognized that they should not lower their environmental standards to attract investment." (74% much more/somewhat more likely to support, 47% very/somewhat believable); and "Free trade will help build the Mexican economy" (64% impact, 60% believability).*

Old-fashioned Opponents

Similar to the Concerned Pragmatists, the impact of the each the statements is quite high, with very little variability among them. In terms of believability, the statements received fairly low ratings ranging from 51 percent (free trade will help build the Mexican economy) to 32 percent (3 way trade agreement that include Mexico would be good for Canada). The optimal statement for the Old-fashioned Opponents is the same as that for the general population, which is:

> *"Canada's sovereignty will not suffer under the NAFTA - our cultural industries, our agricultural management policies, social and health care programs and water resource management are all protected."* (62% effective, 38% believable).

Resolute Antagonists

The Resolute Antagonists were both less likely to find any of the statements effective or believable. Fifty-two percent of the Resolute Antagonists found the statement that Canada's sovereignty will not suffer effective; however, only 22 percent found the statement believable. This statement is considered one of the optimal messages for the Resolute Antagonists, with the statement that "...the three countries have recognized they should not lower environmental standards" (51% effective, 23% believable) and the statement "free trade with Mexico will help build the Mexican economy" (46% effective, 39% believable).

VANCOUVER CALGARY WINNIPEG TORONTO OTTAWA MONTRÉAL MINNEAPOLIS