TRADE COMPETITIVENESS STUDY
- FINAL REPORT -

Prepared For: External Affairs and International Trade Canada

Prepared By: Angus Reid Group Inc.

AUGUST 1990

TRADE COMPETITIVENESS STUDY
- FINAL REPORT -

Prepared For: External Affairs and
International Trade Canada

Prepared By: Angus Reid Group Inc.

AUGUST 1990

TABLE OF CONTENTS

1.0 OVERVIEW 01

1.1 Introduction and Methodology 01
1.2 Executive Summary 04
1.3 Psychographic Segmentation 16

1.3.1 Overview of the Psychographic Segments 16
1.3.2 Derivation of the Psychographic Segmentation 26
1.3.3 Results for the Psychographic Variables 28

2.0 PUBLIC OPINION ON THE ECONOMY 30

2.1 Economic Outlook 30
2.2 Demographic Results 33

3.0 PUBLIC OPINION ON COMPETITIVENESS 35

3.1 Competitive Strengths and Weaknesses 35
3.2 Competitiveness - Present, Past and Future 36
3.3 Demographic Results 38

4.0 CANADA'S ABILITY TO COMPETE 39

4.1 Market Factors 39
4.2 Structural Issues in the Canadian Economy 41
4.3 Labour Issues 42
4.4 Government Influence 44
4.5 Subsidies to Canadian Business 45
4.6 Impact of Increased Competition 46
4.7 Demographic Results 48

5.0 ROLE OF EXPORTS 50

5.1 Canada and the Exporting Industry 50
5.2 Impact on Economy, Prices and Jobs 50
5.3 Commodities Canada Can Export 52
5.4 Canada's Trade Partners and Competitors 52
5.5 Demographic Results 54

6.0 PUBLIC PERCEPTIONS OF THE GOVERNMENT'S FOCUS ON TRADE 59

6.1 Recognition and Association of "Going Global" 59
6.2 Public Perceptions of Government's International Trade Initiatives 60
6.3 Perceptions of the Government's Role in International Trade 62
6.4 Impact of Global Economic Changes on Government 62
6.5 Foreign Ownership in the Economy 64
6.6 Demographic Results 65

7.0 BELIEVABILITY OF VARIOUS SOURCES ON INTERNATIONAL TRADE 69

7.1 Research Findings 69
7.2 Demographic Results 72

8.0 PUBLIC ATTITUDES TOWARDS THE FREE TRADE AGREEEMENT 73

8.1 Support/Opposition to Free Trade Agreement 73
8.2 Perceptions of the Impact of Free Trade Agreement 74
8.3 Long-Term Expectations for Free Trade 75
8.4 Long-Term Impact of Free Trade on Jobs 76
8.5 Long-Term Impact of Free Trade on Canadians' Financial Well-Being 77
8.6 Long-Term Impact of Free Trade on Canada 78
8.7 Demographic Results 79

APPENDIX 1: Research Findings of Psychographic Segments

APPENDIX 2: Questionnaire

1.0 OVERVIEW

1.1 Introduction and Methodology

This report presents a description and analysis of the research findings drawn from a national telephone survey conducted by the Angus Reid Group in June of 1990. The national sample for the telephone survey included 1500 Canadians, 18 years of age or older. Telephone numbers for the sample were randomly generated using the Angus Reid Group in-house computerized sample selection procedure. This program generates telephone numbers randomly by census division such that the sample is selected proportionate to population distributions consistent with Census data. The survey results for the national sample are accurate within ± 2.5 percent at the 95 percent confidence level.

The questionnaire for the survey was designed by the Angus Reid Group in close consultation with representatives from External Affairs and International Trade Canada. The survey was approximately 25 minutes in length and field interviewing was carried out through the Angus Reid Group's nine supervised telephone interviewing centres across Canada. All data tabulation and analysis was undertaken through the Group's in-house facilities in Winnipeg. A copy of the questionnaire used in the survey has been appended to this report.

This quantitative survey was part of a larger, comprehensive study involving a series of eight focus group discussions across Canada. The focus groups were designed to provide an in-depth exploration of issues and concerns with respect to international trade and competitiveness and to provide some qualitative input into the design of the national telephone survey instrument.

The focus group findings have been detailed in a separate report.

The overall purpose of this national survey was to examine Canadian attitudes and perceptions on issues related to international trade, specifically on the question of competitiveness. Specific research objectives included:

1. To assess public perceptions and levels of confidence in the condition of the Canadian economy.

2. To examine Canadian public opinion on trade competitiveness, with specific attention to public perceptions and impressions regarding the "Going Global" strategy and the extent to which Canada is able to compete effectively in world matters.

3. To measure public opinion on the impact of increased international trade and competitiveness.

4. To examine public opinion on the government's focus on international trade and the extent to which the public is aware of actions undertaken by the government to prepare Canada for the future in terms of international trade and competitiveness. The survey also examined perceptions of the role of government versus business in promoting international trade and the effect of changes in the global economy on Canadians.

5. To measure the extent to which the public places trust in various information sources including government, media, experts and business in terms of statements made regarding international trade.

6. To examine Canadians' attitudes towards the immediate and long term impacts of the Free Trade Agreement. Aside from measures of support/opposition to the Agreement, the survey examined Canadians' expectations concerning the long term impacts of the Agreement including its impact on jobs, financial well-being and Canada's ability to compete internationally in world markets.

A psychographic segmentation was employed to identify the size and demographic composition of groups as defined by their attitudes and perceptions. The segments were derived from a cluster analysis of key attitudinal items in the survey. The segmentation provides a very useful profile of Canadian attitudes toward international trade, competition, and the Free Trade Agreement. The five attitudinal segments identified in the study are described in Section 1.3 of the report. Reference is made to the attitudinal segments throughout the report in the description of the research findings.

1.2 Executive Summary

Economic Outlook

Canadians surveyed in this study were somewhat pessimistic about the future of the economy in the coming year, as 45 percent felt that the economy will get worse, versus 17 percent who said that it would improve. Regionally, Albertans were most pessimistic with 54 percent believing the economy will become worse.

Respondents were more optimistic that their provincial economy would fare better than the national economy (36% said it would get worse vs. 20% who said it would improve), and that their personal economic situation would improve (32%).

The public's appraisal of the federal government's performance in providing economic leadership is low: over two-thirds of Canadian adults (68%) disapprove of the government's performance. The highest levels of dissatisfaction were in Manitoba/Saskatchewan (79%), Ontario (76%), and Alberta (73%). On the contrary, while the national average approval of the federal government's economic leadership was limited to 28 percent, Quebec weighed in at 54 percent approval.

Public Opinion on Competitiveness

Compared to other developed countries, Canada is better able to sell goods and services internationally, according to a majority (52%) of those surveyed.

While thirty percent of respondents believe that Canada has become more competitive in world markets over the last three years, 45 percent say that we will become more so over the next three years. The great majority (83%) of Canadians think the nation should strive to become more competitive in world markets.

According to Canadians polled in this survey, the factors that most help Canada be competitive are:

- Natural resources (21%)
- The quality of our goods (9%)
- The value of our dollar (8%)
- Our relationship with the rest of the world (7%)
- Our "good reputation" internationally (7%)

In the alternate, the factors identified that most hinder Canada's competitiveness are:

- Wage rates (8%)
- Federal government (7%)
- Lack of confidence (7%)
- Lack of risk taking (7%)

Factors in Canada's Ability to Compete

Respondents were presented with a series of statements with which they were asked to show their agreement or disagreement on a scale of "1" (completely disagree) to "7" (completely agree). The areas examined included market factors, structural issues, labour issues, and actions and intentions of the nation's government. In the following commentary, the reported scores are average response values:

- In terms of market factors examined in this survey, very strong support was registered for the suggestion that our products are "as high quality as the products of our competition" (5.7). Moderate support was registered for the suggestion that "Canadian businesses are becoming more aggressive in selling to other countries" (5.0). Comparatively less support went to the assertion that Canadian businesses charge competitive prices in the international marketplace (4.5).

- On structural issues in the economy (such as what we trade and how it affects our country's environment), respondents strongly advocate a reduction in the export of natural resources, in order to preserve these resources for our own future use (5.1). Moderate support was shown for limiting the amount of foreign goods sold in Canada (even if it means Canadians will have to pay more for products) (4.3), and for the contention that Canadian companies should not have to accept lower profits in order to become more competitive (4.3). Canadians are relatively unsupportive of the suggestion that "our environmental laws should be no tougher than our competitors, even if it means that we will have to reduce our expectations for a cleaner environment" (2.8). (Notably, residents of the resource-rich provinces were less agreeable to a reduction in the export of natural resources).

- On labour issues, respondents strongly believe that Canadian workers must work harder in order for Canada to be more competitive (5.2). Moderate accord was given to the criticism that workers should be less concerned about wage increases so that Canadian products can be priced more competitively (4.5). And finally, when respondents were posed with the position that there is no need for Canadians to learn to speak foreign languages and learn about foreign cultures in order to be more competitive in international markets, there was only limited support for the statement (2.9). (Conversely, support for learning foreign languages and cultures ranked 4.1).

- Concerning the actions and intentions of the nation's government with respect to international competitiveness, the results of this survey suggest that the public is either unaware or unconvinced that the government is playing as positive a role as is possible at this time. Few respondents agreed strongly with the statements that "The government has a well-organized plan to prepare Canadians" (3.9), "The Canadian government is adequately preparing Canadians for international competitiveness" (3.7), and "The educational system does a good job in preparing Canadians to compete internationally" (3.6). On average, respondents were as likely to agree with the concern that "When the government talks about becoming more competitive they really mean that a lot of Canadians will be laid off or lose their jobs" (3.7), although many respondents agreed strongly with this concern.

The survey questionnaire contained two items aimed at measuring attitudes towards the provision of subsidies for Canadian businesses in order to more effectively compete internationally. Over two-thirds of respondents said that businesses must spend more money themselves (68%) to sell their products internationally. However, when it comes to research and development, about half (46%) felt that the government should provide subsidies for businesses to produce new and better products.

Respondents were asked their perceptions of how increased competitiveness in world markets may affect Canadians, and particularly Canadian workers, on an individual level. Canadians believe that they will have to accept as either "somewhat necessary" or "completely necessary" the following changes in current working conditions and benefits they currently enjoy, in order to remain internationally competitive (listed in increasing order of necessity):

- Keeping wage demands down (65%)
- Changes in government social programs (71%)
- Job relocation to another city (79%)
- Job Retraining (94%)

Role of Exports and Trading Partners

A plurality of Canadians (48%) say Canada places "too little" emphasis on exporting. The overwhelming majority (83%) of Canadians believe the economy would improve if we increased our exports. However, respondents were evenly divided on the effects of increased exports on prices (29% say prices will increase; 31% say no change; and 34% say prices will decrease). An overwhelming majority (80%) believe job opportunities would increase due to a boost in the Canada's exports.

While most Canadians view the United States as our current major trading partner (69%), a plurality (32%) believes that Eastern Europe offers Canada the greatest opportunities in terms of selling our goods and services in the future. In terms of items which Canada could export to compete on the world market, respondents ranked manufactured goods (52%), natural resources (42%), and technology (24%) as our most effective potential exports.

With respect to current and future competition from other countries, respondents believe that our greatest current competition comes from the United States (47%) and Japan (37%); however, respondents believe that ten years from now the balance of our international competition will have shifted significantly, with the majority of competition coming from Japan (33%), United States (25%), and Europe (23% -- comprising Western Europe 15%, the Soviet Union and Eastern Europe 8%).

The Federal Government's Focus on International Trade

The great majority of those interviewed (87%) had not heard of the term "Going Global". Nonetheless, when asked what the phrase "Canada is Going Global" means, slightly over a third of those interviewed (35%) associated the term with international trade. Another 5 percent associated it with Free Trade. However, only 13 percent of French speaking respondents, compared to 43 percent of English speaking respondents associated the phrase with international trade. This strongly suggests that the translation "Horizon le monde" does not translate directly with the phrase "Going Global".

Canadians are evenly divided in their perception of whether or not the federal government is undertaking any specific actions or initiatives to prepare Canada for the future in terms of international trade and competitiveness (41 percent believe the government is taking specific actions, whereas 43 percent hold the contrary opinion).

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

A great majority of the public (86%) believes that increased international trade may result in greater foreign ownership of the Canadian economy, and that tight controls on foreign ownership are necessary in order to retain control of our economy -- regardless of any benefits we might accrue (76%).

Believability of Information Sources

The survey findings show that, overall, Canadians believe that their most trusted sources of information on international trade ("believe most of what they say") are: local business owners (37%), trade economists and other experts in international trade (29%) and people who run major Canadian corporations (25%).

The Free Trade Agreement

The results of this survey show that a slim majority of Canadians currently support (50%) versus oppose (44%) the Free Trade Agreement. These figures represent an increased support for the Free Trade Agreement in comparison to previous Angus Reid Group Poll results.

While relatively few Canadians feel that there has been any benefit (9%) to date from the Free Trade Agreement -- with 40 percent believing that it has hurt Canada and 45 percent no impact -- Canadians are much more likely to expect that the Free Trade Agreement will benefit Canada over the longer term (44% benefit versus 40% hurt to Canada). In terms of short term impact, Canadians believe that the top benefits taking place include American's buying more Canadian goods (19%); better markets for Canadian's goods and services (16%); lower prices for things in the store (11%); and job creation/less unemployment (11%). Canadians are much more succinct in terms in what they see as the short term negative effects: job layoffs (51%) and plant closures (40%).

The plurality of those interviewed expect that the long-term impact of the Free Trade Agreement will become evident within the next 3 to 5 years (44%). To personally assess the impact of the Free Trade Agreement, Canadians would look for changes in employment (33%), prices (23%), the general economy (13%), Canadian companies gaining a competitive edge (11%), a greater balance of trade between the two countries (9%), changes in our standard of living (4%), a greater number of exports from Canada (4%) and a reduction in duties paid for U.S. goods (3%).

On the whole, more Canadians believe that more jobs will be lost (48%) than created (38%) as a result of the agreement. However, those surveyed were more likely to state that individual Canadians will be better off financially (42%) in the long-term than worse off (39%) as a result of the Free Trade Agreement.

The public believes that, in the long-term, the Free Trade Agreement will weaken (55%) rather than strengthen (35%) Canada's ability to make economic decisions on its own. But despite this perception, Canadians are more likely to think that the Agreement will help (57%) rather than hurt (33%) Canada in its effort to become more competitive internationally.

Segmentation Analysis

The survey respondents were divided into five constituent groups or 'segments' of Canadian society, which provide a glimpse of the major groups which occupy the public opinion landscape in the realm of trade competitiveness. The segmentation was derived using computer-aided analysis of the survey data, and a technique known as "hierarchical cluster analysis". In particular, the following segments were identified:

Enthusiasts

The Enthusiasts comprise roughly 25 percent of the Canadian adult population, and members of this group have generally positive views about Canada's ability to compete internationally. They strongly support the Free Trade Agreement reached between Canada and the United States. Compared to the other segments, Enthusiasts have a more positive economic outlook, and have more confidence in the government to prepare the Nation for increasing global competition. These people see themselves as successful, and they are confident about the future. "Competition is good for you" say the Enthusiasts, and they place a high degree of faith in the ability of Canada, particularly business, to compete internationally.

Enthusiasts tend to be older males and are more likely to be married. They tend to have higher incomes, and 20 percent are retired. Disproportionately more Enthusiasts live in Quebec, Alberta, and British Columbia.

Antagonists

Antagonists constitute 13 percent of the survey population and are characterized by a negative outlook on the economy and the government's role in international trade. This group is generally opposed to the Free Trade Agreement, and have little confidence in the government to solve our trade competition problems. They are traditional, wealthy, well-educated, and highly concerned about personal financial security. While they strongly agree with the Enthusiasts that competition is good for you, they are not similarly optimistic about Canada's ability to compete internationally. They are more receptive to compromises from labour than from business in order to improve competitiveness.

Antagonists are typically over 35 years of age (69%), married (67%), and well-educated. They are the highest income earning segment, with fifty eight percent earning more than $40,000 annually. Generally speaking, they are either gainfully employed (74%) or retired (14%). Compared to other segments, Antagonists are more often found in Ontario and less often in Quebec.

Apprehensive

The Apprehensive is the largest segment (27% of the population). While they are pessimistic about the future of the economy and disapproving of the government's economic leadership, as a group more support the Free Trade Agreement than oppose it. Compared to other segments, this group is least concerned about their own financial situation and most worried about the future of the country. They have the strongest sense of national pride, and feel a great responsibility to make the world a better place. They are less inclined to believe in luck and to take risks. They are not as optimistic as the Enthusiasts about our ability to compete presently, but they are generally receptive to a wide array of initiatives to improve our ability to compete internationally.

Apprehensive Canadians are younger (42% are under 35 years of age) and more likely to be English speaking. They are predominantly found in Ontario and Western Canada.

Pro-Labour Altruists

Pro-Labour Altruists represent roughly 23 percent of the survey population. Although they are generally opposed to the Free Trade Agreement and disapprove of the government's economic leadership, they are less concerned about the future of the country than most other groups. Relatively speaking they have greater faith in the government and the Nation to succeed in a global economy with increasing global competition. In contrast to the Apprehensive segment, Pro-Labour Altruists are much less willing to endorse changes aimed at improving competitiveness, especially when those changes might involve compromises on the part of Canadian workers.

Pro-Labour Altruists are the youngest segment (47% are under 35 years of age) and comprise proportionately more women. Disproportionately more Pro-Labour Altruists are French speaking, and comparatively more live in Quebec, Manitoba and Newfoundland. They claim the highest union memberships (41%) and are reasonably well-educated.

Protectionists

About 12 percent of the population belongs to the Protectionists segment. This group has a negative economic outlook, disapproves of the government's economic leadership and opposes the Free Trade Agreement. They are more disadvantaged than other groups, having generally lower incomes, less education and fewer employed by comparison. These people are concerned about their personal financial security, as well as the future of the country. They worry that when the government talks about becoming competitive they really mean that many Canadians will lose their jobs. They are generally less sure about our ability to compete, and feel that the government should take action to protect business and industry by limiting the amount of foreign goods sold here (even if it means higher prices as a result).

The Protectionists are demographically speaking, 'disadvantaged' Canadians. They have the lowest education levels (35% have no high school diploma), as well as employment level (47% employed). Many are retired (17%), at home (13%) or unemployed (7%). They tend to be either under 35 years of age (40%) or over 55 (25%), and have the lowest income levels (28% earn less than $20,000 annually). Protectionists are more predominant in Quebec, Atlantic Canada, Saskatchewan and Manitoba.

1.3 Psychographic Segmentation

The Canadian population was segmented into homogenous groups on the basis of their views and attitudes towards competitiveness, international trade and the Canada-U.S. Free Trade Agreement. The utility of the segmentation technique is not only in the identification of the different segments, but also with the broad array of supporting data that are collected in the survey, the analysis provides clues as to why these groups hold the views that they do. In this way, the segmentation provides a very useful profile of Canadian attitudes towards international trade, competition, and the Free Trade Agreement.

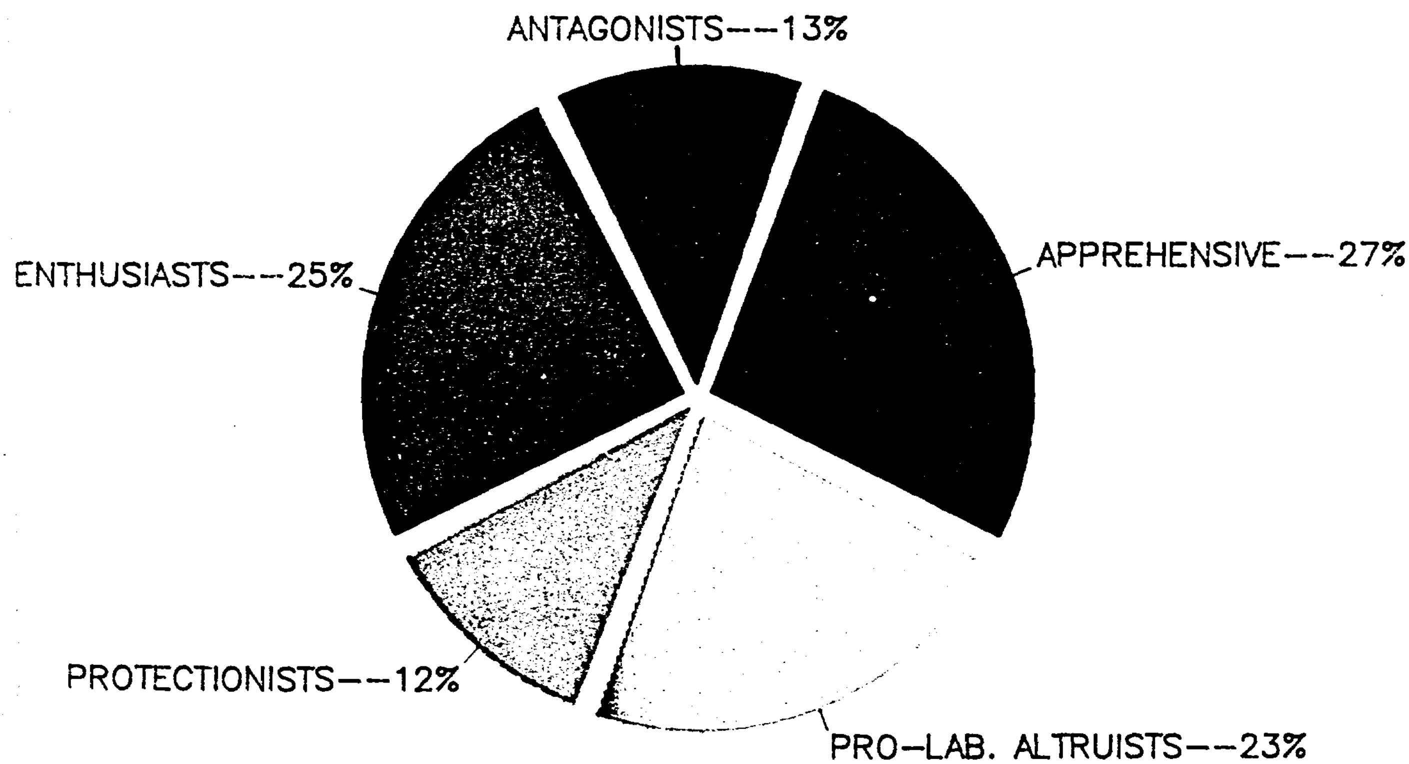
The analytical technique which was used to produce the psychographic segmentation is known as hierarchical cluster analysis. The relative size of the segments is displayed in Graph 1.1. Details on how these segments were produced may be found in Section 1.3.2 of this report. A point-form summary of the research findings for the psychographic segments in particular may be found in the Appendices.

1.3.1 Overview of the Psychographic Segments

The segmentation analysis determined there were five different groups of Canadians who hold substantially different attitudes in the realm of trade competitiveness. Three of those groups, in particular, support a thrust towards increased competitiveness and international trade - but for very different reasons. The following analysis provides an overview of the rationale and outlook of these five different constituents of public opinion.

GRAPH 1.1

POPULATION DISTRIBUTION BY PSYCHOGRAPHIC SEGMENT



A) Enthusiasts

The Enthusiasts comprise roughly 25 percent of the Canadian adult population and members of this group have very positive views about Canada's ability to compete internationally. They are also very supportive of the Free Trade Agreement reached between Canada and the United States. Enthusiasts are a well-educated, high income group. This segment was named the Enthusiasts, because these Canadians have the most enthusiastic outlook of all respondents who were interviewed. For example, when asked whether Canada produces superior or inferior goods, this group feels that Canada produces very superior goods.

This group feels very positive about our country, and looking at their psychographic portrait, also feel very positive about themselves. These are empowered Canadians who see themselves as successful and they are confident about the future. "Competition is good for you", according to the Enthusiasts and they place a high degree of faith in the ability of Canada, particularly business, to compete internationally. They have an intrinsic pride about the ability of Canada to compete in the world.

Enthusiasts have the most positive economic outlook, with an equal number believing that the national economy will improve or get worse. They have the highest regard for the government's economic leadership, too, as 50 percent approve of that leadership.

Enthusiasts are very positively disposed to the idea of competitiveness and they welcome the opportunities that the Free Trade Agreement brings. They are most likely (59%) to say that Canada is better able to sell our goods and services than other countries. As well, they are more likely (82%) to say that the Free Trade Agreement will help Canada become more competitive internationally.

Enthusiasts tend to be older males, are more likely to be married and 20 percent are retired. Disproportionately more Enthusiasts live in Quebec, Alberta, and British Columbia.

B) Antagonists

Antagonists constitute 13 percent of the survey population and derive their namesake from the somewhat cynical outlook they have on the Free Trade Agreement and the leadership of the Canadian government in the realm of trade and international competitiveness. The group is very pro-trade and pro-competitiveness, but very "anti-Free Trade". The group is also characterized by a negative outlook on the economy, and the government's role in international trade. Perhaps their opposition to the Free Trade Agreement is based upon a feeling that we got a bad deal, or perhaps some nationalistic overtones. In any case, possibly as a direct result of their sentiments on the Free Trade Agreement, they have little confidence in the government to solve our trade competition problems. They are traditional, wealthy, well-educated, and highly concerned about their personal financial security.

Antagonists, in fact, have the most negative outlook on both the national and provincial economies, as 57 percent predict that Canada's economy will get worse, and 47 percent foresee the same fate for their own provincial economy. Eighty-three percent say they disapprove of the government's performance in providing economic leadership.

Although the Antagonists feel that competition is good for you, and in this regard they could be mistaken for the Enthusiasts segment, they are not so similarly optimistic about Canada's ability to compete internationally. They are least likely (43%) to say that Canada is better able to sell our goods and services than other developed countries. In order to improve Canada's competitiveness, they are more disposed to call for compromises by labour than they are towards compromises by business in order to effect the necessary changes. Fully 63 percent agree strongly that workers must work harder, and 42 percent agree strongly that workers should be less concerned about wages.

This segment is least likely to agree that the government has a plan to prepare Canadians to compete internationally. They are also more strongly supportive than the other segments of business and industry (as opposed to government) taking a leadership role in this area. Opposition to the Free Trade Agreement is highest among this group (69%).

Antagonists are typically over 35 years of age (69%), married (67%), and well-educated. They are the highest income earning segment, with 58 percent earning more than $40,000 annually. Generally speaking, they are either gainfully employed (74%) or retired (14%). Compared to other segments, Antagonists are more often found in Ontario and less often in Quebec.

C) The Apprehensive

The Apprehensive segment is the largest of the five segments identified in this study (27% of the population). For the purposes of this study, the group is characterized as being "Apprehensive" for a number of reasons. Broadly speaking, these individuals are very sensitive to developments in the area of trade, international competition and the Canadian economy. Of all the segments, the Apprehensive are the most worried about the future of the country.

Their worries are not explained by their concern about their own financial situation, as this group is the least concerned about this matter. Their concerns arise out of a strong feeling of responsibility to make the world a better place and a simultaneous sense of being left out of decisions that may affect them.

The Apprehensive are pessimistic about the future of the economy and disapprove of the government's economic leadership. In view of some of the other sentiments of this group, however, these results are probably best interpreted as a signal that this group is looking for more leadership in this domain. The Apprehensive are more likely than any other group to say they like to read, watch and listen to international news and, as such, it is reasonable to assume that their perceptions of Canada's performance are shaped by what they see and read about the Free Trade Agreement - much of which has been negative in recent months.

The group is quite receptive to a wide array of initiatives to improve our ability to compete internationally and this receptiveness can also be interpreted as a desire for greater leadership and initiatives on the part of the government. This segment is least likely to agree that the government has a well organized plan at the moment or that the government is currently preparing Canadians for international competitiveness. Psychographically, the Apprehensive are less inclined to believe in luck and to take risks, an indication that this group would probably like to see more evidence of an actual plan and definite progress being made in the future.

While they are apprehensive about the present, they are hopeful about the future. At present, this group is more likely to support (53%) than oppose (43%) the Free Trade Agreement. In spite of holding some perceptions that the short-term has seen somewhat negative effects, the

Apprehensive are much more likely to expect long-term benefits from the Free Trade Agreement. The group does reflect a wariness that Canada's economic decision making ability will be weakened rather than strengthened under the Free Trade Agreement. However, 62 percent are more likely to say that the Free Trade Agreement will help Canada to become more competitive internationally.

In summary, the hopes and expectations of the "Apprehensive" Canadians for the future of Canada in world markets are tempered somewhat by a wariness of the current economic ills of the country and the negative effects of the Free Trade Agreement. They are looking for leadership, and are very receptive to the ideas of what a thrust in the area of competitiveness and the Going Global program will do for the future prospects of the country's economy. They are somewhat sceptical about the effects of Free Trade in the short-term but they believe that the long-term effect of the Agreement will be positive. This group is not confident in the international marketability of Canadian goods and services. They score low both on the quality of our goods as well as the aggressive sales factor behind our international marketability.

D) Pro-Labour Altruists

The Pro-Labour Altruists represent roughly 23 percent of the survey population. Although they are generally opposed to the Free Trade Agreement and disapprove of the government's economic leadership to date, they are less concerned than most other groups about the future of the country. Relatively speaking, they have a greater faith in the government and the nation to succeed in the global economy with increasing global competition. They are sceptical of the Free Trade Agreement and are wary about any new initiatives aimed at increasing our competitiveness. This group demonstrates above average concern that an approach to increased competitiveness not be "put on the backs" of Canadian labour.

The psychographic profile of this group speaks to a strong degree of self-empowerment on the part of these individuals. This is the youngest and least traditional segment. The Pro-Labour Altruists are reasonably well-educated and are disproportionately more female than the other segments. They also have the highest incidence of labour union membership.

The Pro-Labour Altruists are less sure than other groups that Canadian products are as high quality as those of our competitors and that Canadian businesses are becoming more aggressive in international sales. On the specific issue of competitiveness, however, they are more likely than the norm to support the view that Canada is better able to sell our goods and services than other developed countries and they are likely to feel that the next three years will see Canada become increasingly competitive. Perhaps as a result of these sentiments, this group is less concerned about the future of the country than most other segments.

The Pro-Labour Altruists are the least likely to call for Canadian labour to work towards increased competitiveness. Only one-third feel strongly that Canadian workers must work harder compared to one-half of the general population who hold the same view. Relatively speaking, they do not agree that it is so necessary to reduce employer benefit programs, nor with keeping wage demands down, in terms of how necessary it will be for Canadians to accept these changes in current working conditions and benefits they enjoy.

The view that government control over the economy will be reduced as a result of global economic changes was strongly felt among those in this segment. These individuals were also highly likely to feel that the global economic changes will reduce the government's ability to protect its citizens from the impact of international competition. They are more likely than those in other segments to feel that controls over foreign ownership are necessary. This segment places reasonable faith in the federal government. They have the strongest sense that the government has a plan and is preparing Canadians to compete internationally. They are more likely than other segments to state that the federal government is undertaking specific actions to prepare Canada for international trade and competitiveness.

The Pro-Labour Altruists are more likely at present to oppose the Free Trade Agreement than to support it. They are largely of the opinion that jobs will be lost rather than created under the new Agreement. More are likely to state that Canadian companies will be hurt than helped in the long-term by the Free Trade Agreement. Their responses reflect a perception that Canada's economic decision making ability will be weakened rather than strengthened as a result of the deal. The group is not unanimously convinced that the Free Trade Agreement will help Canada become more competitive internationally - only 46 percent agree with this statement as compared with 42 percent who disagree.

While the Pro-Labour Altruists show a significant trust in federal and provincial government leaders, they are distinct from the other segments in the high degree of confidence they place in union leaders and their low trust in statements made by people who run foreign-owned, Canadian, or local businesses. They are much more likely to trust federal and provincial government leaders than are members of the other psychographic segments in terms of believability of various statements concerning international trade.

Disproportionately more Pro-Labour Altruists are French-speaking and comparatively more live in Quebec, Manitoba and Newfoundland. In summary, the Pro-Labour Altruists are much less willing to endorse changes aimed at improving competitiveness, especially when those changes involve compromises on the part of Canadian workers.

E) Protectionists

About 12 percent of the population belongs to the Protectionist segment. This group is more disadvantaged than others, having generally lower incomes, less education and fewer employed by comparison. These people are concerned about their personal financial security as 23 percent anticipate a worsening of their financial situation in the coming year (a higher level than any other segment). This fact more than likely underlies their high concern for the future of the country. Protectionists express concern for job security, the future of the country and the survival of Canadian business. More than any other segment, they are worried that when the government talks about becoming competitive they really mean that many Canadians will lose their jobs.

The segment derives its name from the high level of support it gives the government in playing a central role in the economy and in international trade as well as their support for various forms of trade protectionism. Their "protectionist" sentiments are likely borne out of a concern that an emphasis on Going Global and competitiveness will result in a weakening of the social safety net in Canada. Most likely these individuals support protectionism because they feel a need for protection in their own lives. More than any other group, this segment is most likely to be receiving various forms of assistance from the government and would like to see this process continue, even if it is assistance provided to business rather than individuals. Protectionists are generally less sure about our ability to compete, and feel that the government should take action to protect business and industry by limiting the amount of foreign goods sold here (even if it means higher prices as a result).

Compared to other segments, fewer Protectionists believe we are better able than other countries to sell our wares internationally. They are less optimistic about the future, with only 37 percent convinced that we will become more competitive in world markets. Protectionists are distinguished in their considerably stronger support for import quotas. In keeping with their "protectionist" sentiments, this segment is least likely to agree with the view that the government would be less able to protect its citizens from the impact of international trade. They are more likely than those in other segments to support a lead role for the government in developing international trade opportunities, although they are more likely to state that the government does not have a specific plan in place at present to prepare Canada for international trade competitiveness.

Protectionists are much more likely than those in other segments to express a need for controls over foreign ownership. As well, they are least likely to foresee an increase in foreign ownership in the economy as a result of increased international trade. They have come to believe, and indeed to expect the government to be able to, on the one hand, promote increased international trade and export activity, but on the other hand to control any adverse effects that foreign competition and foreign imports might have on the Canadian economy.

Not surprisingly, Protectionists are opposed to the Free Trade Agreement. They are more likely to expect negative effects than benefits, both immediately, and in the long-term with respect to the Free Trade Agreement. Fully 71 percent state that jobs will be lost in the longer term as a result of the Free Trade Agreement. They are also more adamant in the opinion that

Canadian companies will be hurt by the Agreement and 73 percent feel that Canada's ability to make its own economic decisions will be weakened as a result. Protectionists are more likely to say that the Free Trade Agreement will hurt Canada than will help us in our effort to become more competitive internationally.

Many Protectionists are retired (17%), at home (13%) or unemployed (7%). They tend to be either under 35 years of age (40%) or over 55 (25%), and have the lowest income levels (28% earn less than $20,000 annually). Protectionists are more predominant in Quebec, Atlantic Canada, Saskatchewan and Manitoba.

1.3.2 Derivation of the Psychographic Segmentation

Psychographic segmentation is a computer-assisted analysis which employs a multivariate data analytic technique known as 'hierarchical cluster analysis'. Senior researchers at the Angus Reid Group have considerable experience in preparing and evaluating this type of analysis, a factor which can be critical to the success of the segmentation technique. Guided by the researcher's specifications the computer algorithm will produce a host of candidate cluster solutions, before a final solution is derived which meets succinctly captures the essence of the public opinion landscape.

Essentially, the computer algorithm derives a cluster solution by grouping respondents into homogeneous segments of public opinion. At the same time, it maximizes the 'distance' between groups. The yardstick used in this by the computer is basically the list of variables specified by the researcher. In the case of this study, three groups of variables were employed:

1) Psychographic variables, representing people's core values and outlook on life.
2) Demographic variables, portraying basic social characteristics of individuals such as their education and family income.
3) Attitudinal variables, selected from the main topic area of the survey, including economic outlook, perceptions of trade competitiveness, and opinions on the Free Trade Agreement.

In the final segmentation, the variables which carried the greatest weight in the determination of the cluster solution were:

- Perceptions of the effects of the Free Trade Agreement (short and long term)
- Approval of the government's economic leadership (Question 5)
- The impact of increased exports (Questions 12, 13, and 14)
- Support/opposition to the Free Trade Agreement
- Concern for job lay-offs and preserving natural resources (Questions 18c and 18g)
- Selected psychographic variables (Questions 1c, 1h, 1i, 1k, 1l, 1m, and 1n)

1.3.3 Results for the Psychographic Variables

A series of 14 psychographic statements were presented to respondents in this study. A "psychographic statement" is a description of how different people approach life. Respondents were asked to score each statement on a 7-point scale, where a '1' means that they totally disagree, and a '7' means that they totally agree. The results of this section reveal that the psychographic portrait of the segments varies widely, for example from the pro-competitive optimism of the Enthusiasts to the guarded traditionalism of the Antagonists.

Enthusiasts express the lowest level of concern both for personal financial security as well as the future of the country. They identify most strongly with the statement "I am successful because I have worked so hard at it". Enthusiasts are least likely to feel that "there is too much Government red tape". Together with the Antagonists, they share the highest revere for the claim that "competition is good for you".

Antagonists are highly traditional, but don't mind causing waves either. Financial security is a major concern for this group. Together with the Enthusiasts, they are most likely to agree that competition is good for you. Compared to the other segments, the Antagonists have the lowest commitment to making the world a better place, and are much more likely to assert that "there is too much government red tape".

The Apprehensive do not enjoy taking risks, and do not tend to agree that "life should be enjoyed as much as possible today". In fact they believe they have a responsibility to make the world a better place, and worry about the future of the country. More than any other segment, they like to read, watch and listen to international news, and they often feel left out of decisions which affect them. The Apprehensive are least likely to agree that competition is good for you.

On many of these items, the Pro-Labour Altruists occupy the middle ground. They are least likely, however to like to keep up on international news, and least likely to feel left out of decisions which affect them. Nonetheless, they feel a high level of responsibility to make the world a better place.

Protectionists consider themselves relatively more experimental than the other segments, and enjoy taking risks. They believe in enjoying life as much as possible, and are more likely than the other segments to say they don't like causing waves. Protectionists are highly concerned with their personal financial security, and are extremely worried about the future of the country. More than any other segment, they believe that luck is the prime determinant of success in life.

2.0 PUBLIC OPINION ON THE ECONOMY

2.1 Economic Outlook

Consistent with other survey findings over the last few months, Canadians surveyed in this study were somewhat pessimistic about the future of the economy in the coming year. A plurality of respondents (45%) felt that the Canadian economy will get worse. In particular, this result is consistent with independent findings of the National Angus Reid Poll where, in July, 45 percent of Canadians polled felt that the economy will get worse.

Combining those who expect the economy to improve (17%) with those who expect things to remain the same (35%), a slim majority (52%) predict that the economy will remain buoyant for the next twelve months.

With few exceptions, respondents were more optimistic that their provincial economy would fare better than the national economy over the next year. Likewise, although the Canadian economy appears to be in for a rough ride, it will be smoother sailing on the home ground according to most respondents who either felt that their own economic situation would either stay the same (54%) or improve (32%).

The public's appraisal of the government's performance in providing economic leadership is low. Over two-thirds of Canadian adults disapprove of the government's performance. Respondents were roughly equally divided between disapproving 'somewhat' (35%) and disapproving 'strongly' (33%).

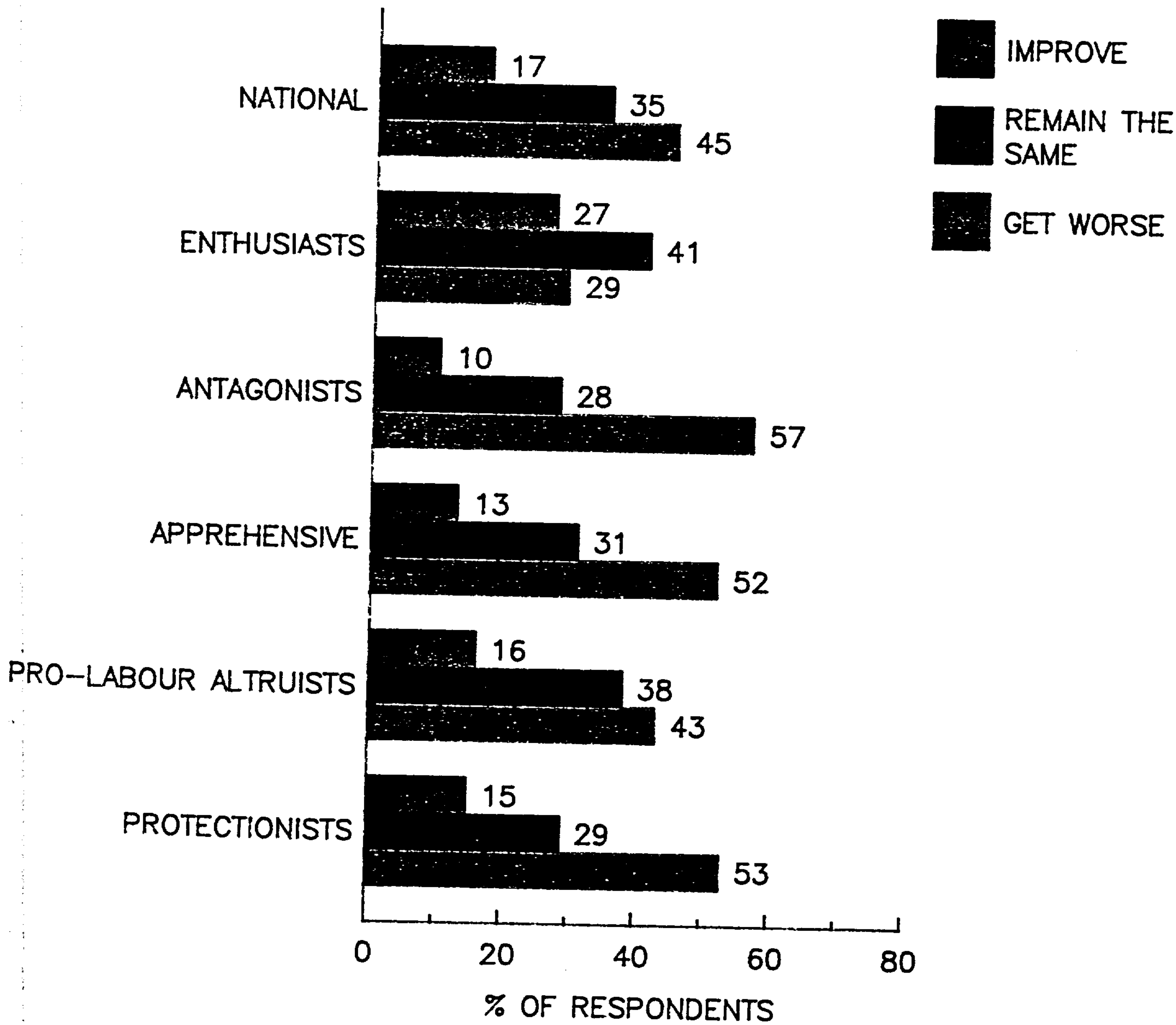
There are significant differences in the outlook on the economy from different segments of Canadians. For example, Enthusiasts are quite buoyant about the financial future of this country, whereas Antagonists are very grim. A portrait has been constructed below of each segment, based upon their views on the national economy (displayed in Graph 2.1), their provincial economy (displayed in Graph 2.2), their personal financial future (shown in Graph 2.3) and their rating of the government's economic performance (shown in Graph 2.4).

Compared to the other segments, Enthusiasts have the most positive economic outlook. Twenty-seven percent expect the Canadian economy to improve, while twenty-nine percent expect it to worsen; this is the only segment where the outlook is so evenly balanced. Similarly, their outlook on the provincial economy is brighter than any other segment - thirty percent expect an improvement in the next year while twenty-seven percent say things will get worse. Enthusiasts also have the most promising personal financial future, with ninety-three percent feeling things will either remain the same (57%) or improve (36%). Little surprise, therefore, that this segment has the highest regard for the government's economic leadership. Fifty percent approve and forty-seven percent disapprove. In summary, the Enthusiasts are true to their namesake, displaying a relatively enthusiastic outlook on all aspects of the economy and the government's performance.

In contrast, Antagonists have the most negative outlook on both the national and provincial economies. Fifty-seven percent predict that Canada's economy will get worse, and forty-two percent foresee the same fate for their provincial economy. Antagonists are not so negative, however, on the matter of their personal financial outlook, as their forecast here is the same as the national average. Nonetheless, they have clearly held higher expectations, for they have overwhelming contempt for the economic leadership of the government. Eighty-three percent

QUESTION #2

OUTLOOK ON CANADIAN ECONOMY
– Psychographic Segments –

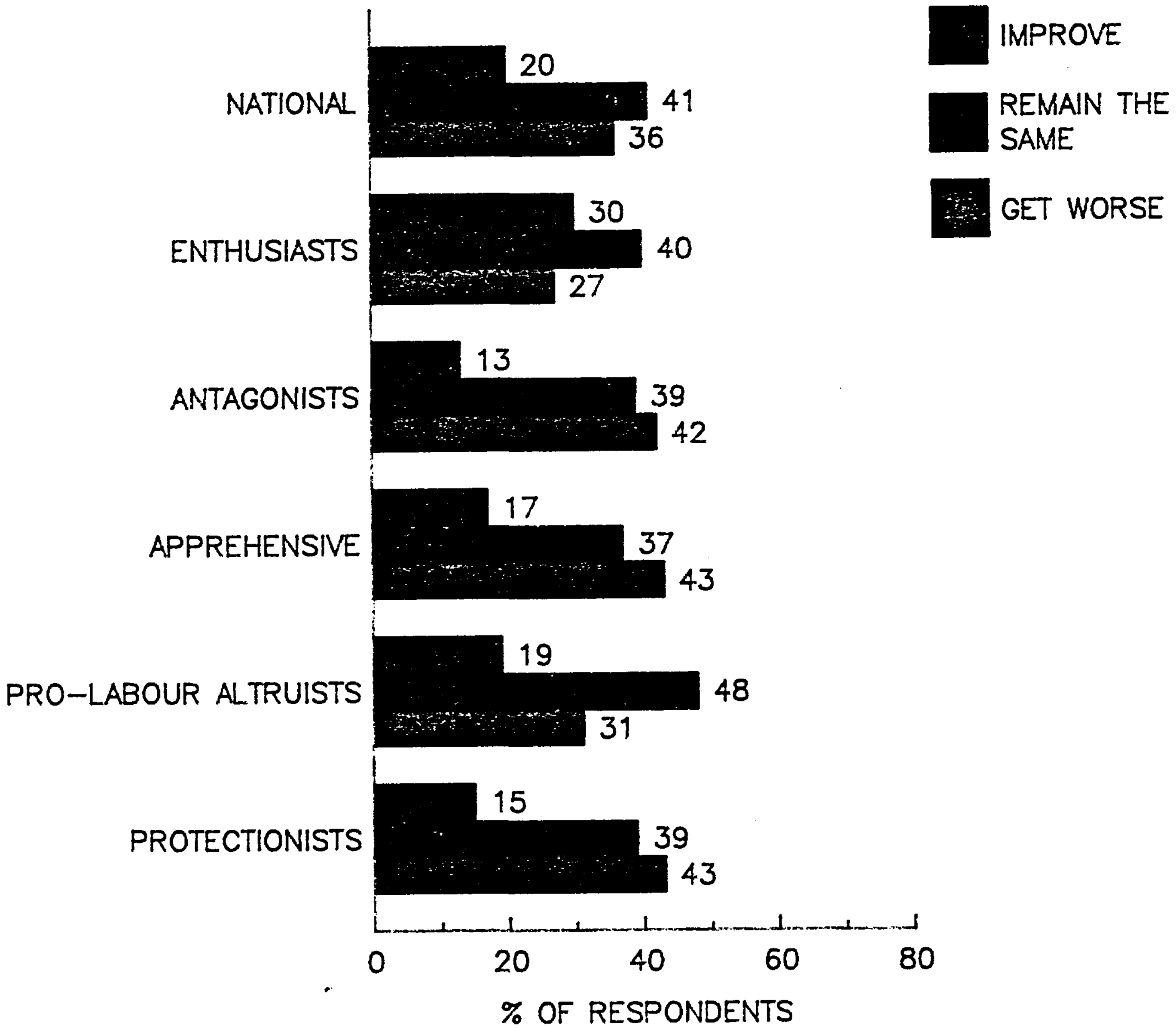


GRAPH 2.2

QUESTION #3

OUTLOOK ON PROVINCIAL ECONOMY

– Psychographic Segments –

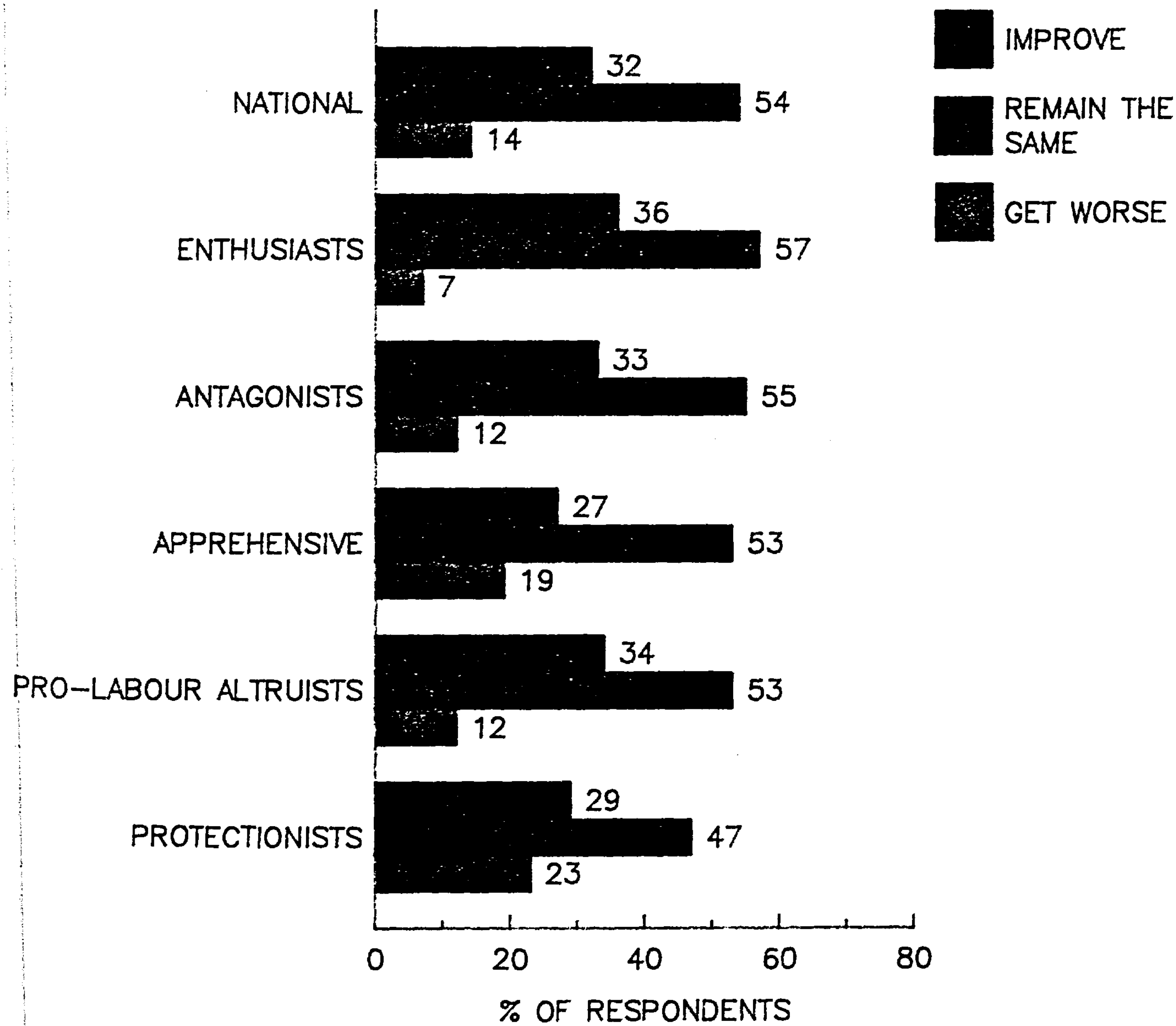


GRAPH 2.3

QUESTION #4

PERSONAL FINANCIAL OUTLOOK

– Psychographic Segments –

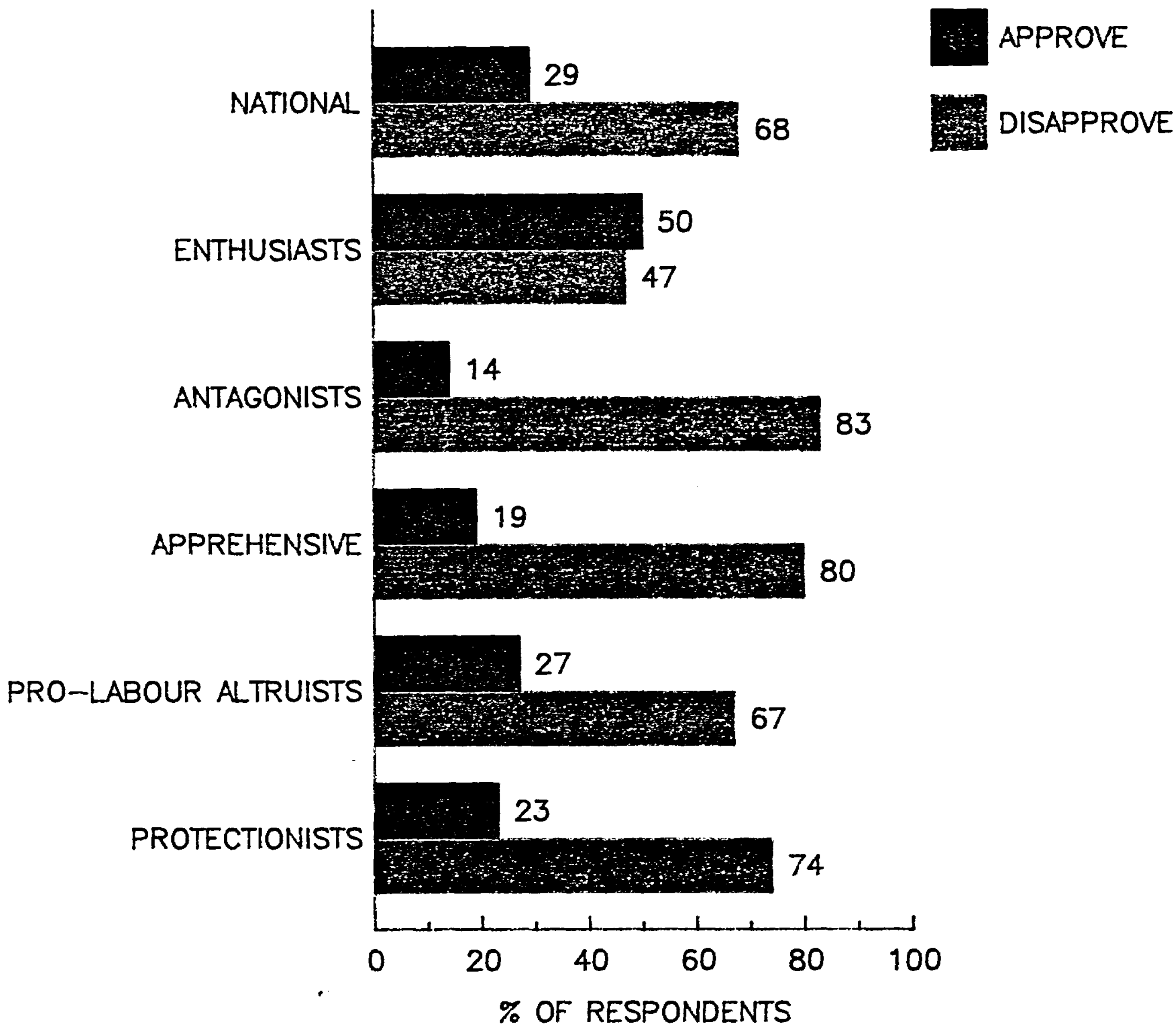


GRAPH 2.4

QUESTION #5

ASSESSMENT OF GOVERNMENT'S ECONOMIC LEADERSHIP

– Psychographic Segments –



say they disapprove of the government's performance in this area and over half (52%) disapprove strongly.

The Enthusiasts and the Antagonists can be viewed as the 'stakeholders' in this realm. Both groups are relatively well-educated, and these two groups are the highest income earning segments. While they often hold widely disparate views on the economy, international trade and competitiveness, they are united by the high level of concern they share for these subjects. This behaviour, together with the attitudinal profile and common socio-economic distinction held by these groups, suggests that these two segments believe they have the greatest 'stake' in the issues studied in this survey.

The Apprehensive segment is not dissimilar from the Antagonists in their views on the economy and the government's performance. They have only slightly less optimism about their own economic future, and only slightly less condemnation for the government. Other sections of this report shall reveal, however, that the opinions of the Apprehensive are tied mostly to their concern for the country as a whole, whereas the Antagonists are more concerned with their own personal economic agenda, by comparison.

Pro-Labour Altruists view the economy and the government with the outlook of 'average' Canadians. Their responses on all aspects of economic outlook mirror those of the Nation as a whole. Compared to the other segments however, this group remains attitudinally 'detached' from the issues of trade and competitiveness. Their overall assessment of the current economic situation is possibly more a reflection of perceptions gained from other sources than their own reasoned evaluations.

Protectionists views on the economy are similar to the Antagonists. They are only slightly less dismayed with the national and provincial economies, and the performance of the government. Their personal financial outlook is more grim, however. Twenty-three percent of the Protectionists anticipate a worsening of their financial situation in the coming year - more than any other segment. Underlying this result is the concern which Protectionists express for job security, the future of the country, and the survival of Canadian business (These concerns are revealed in other sections of this report).

2.2 Demographic Results

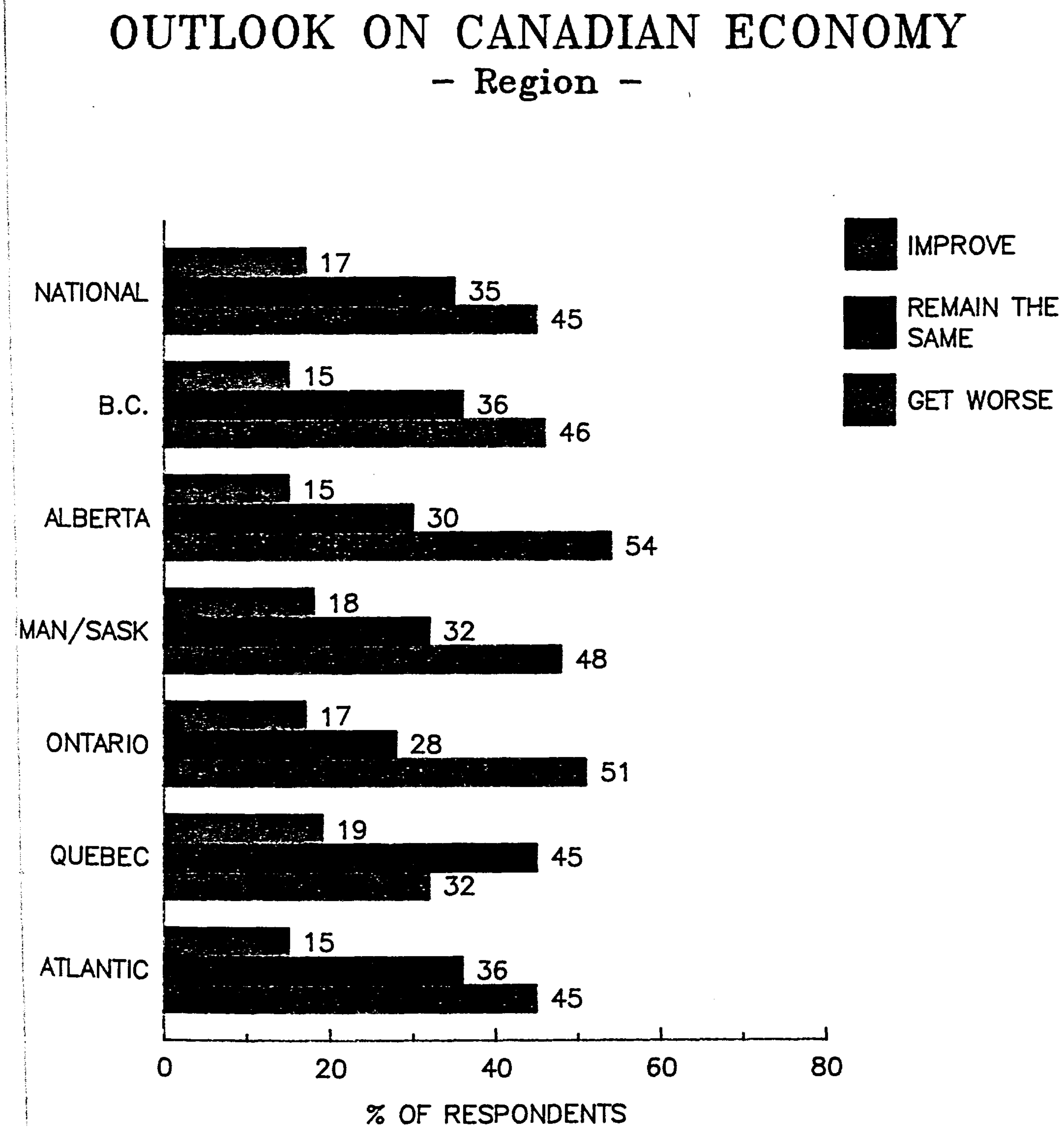
On the subject of the future of the national economy, regional differences are depicted in Graph 2.5. Quebecers are notably more optimistic than the rest of the nation, as a sizable majority (64%) expect the economy to either improve (19%) or stay the same (45%). Residents of Ontario and of Alberta are more pessimistic. A majority of respondents in these provinces said the economy will get worse.

Results shown in Graph 2.6 reveal that only in the Atlantic provinces do residents feel the national economy will out-perform their own province's. On the other hand, economic optimism and pessimism are well-balanced in Quebec only, where roughly equal numbers of respondents felt the provincial economy would improve (24%) or worsen (23%).

As revealed in Graph 2.7, there is very little regional variation in the view that individual economies will improve. Surprisingly, in the Atlantic provinces, where the expectations for the provincial and national economies are relatively bleak, the view is most hopeful for personal finances. Thirty-five percent of Atlantic Canadians feel their own financial situation will

GRAPH 2.5

QUESTION #2



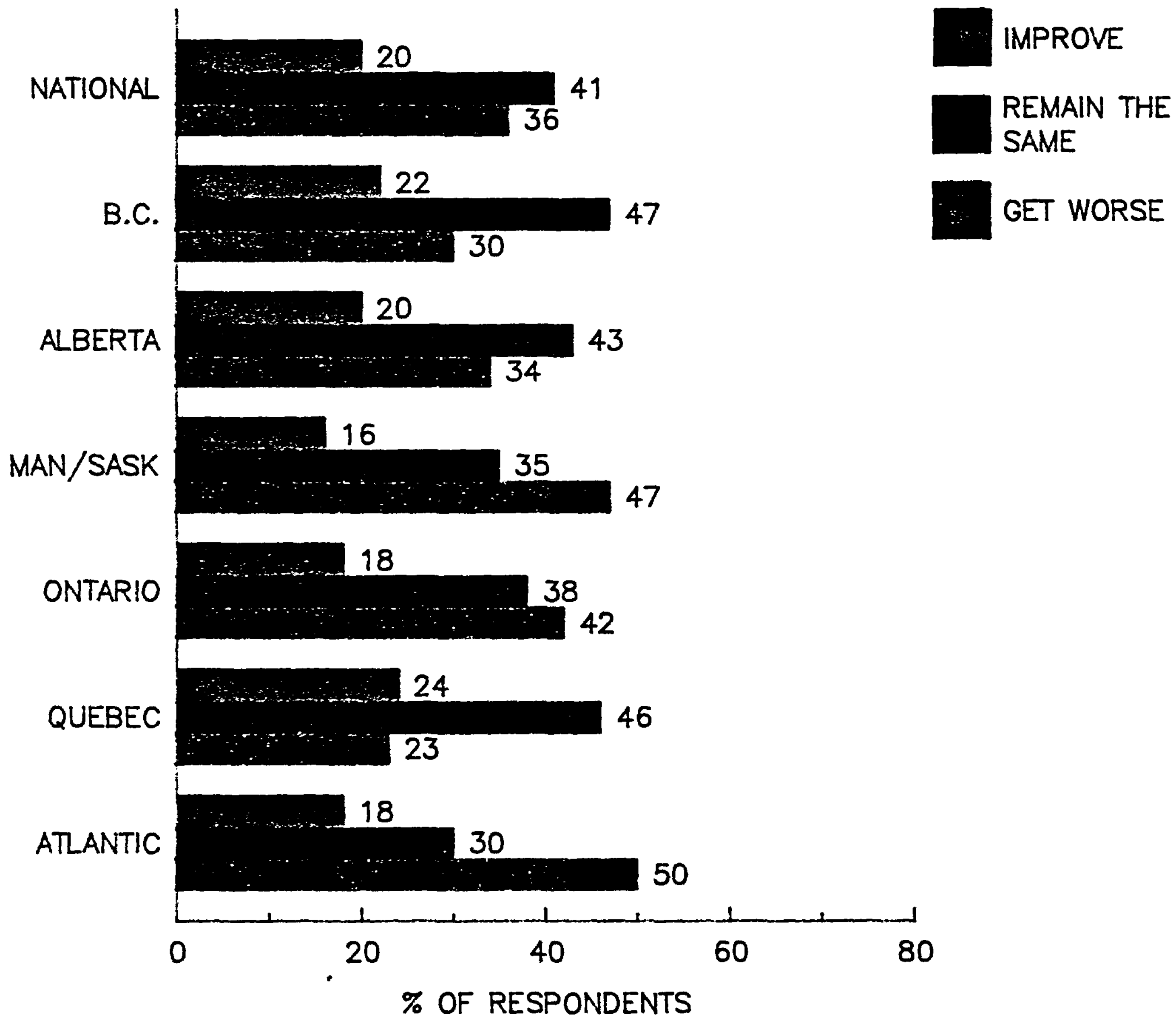
al
he
ial
ill
33

GRAPH 2.6

QUESTION #3

OUTLOOK ON PROVINCIAL ECONOMY

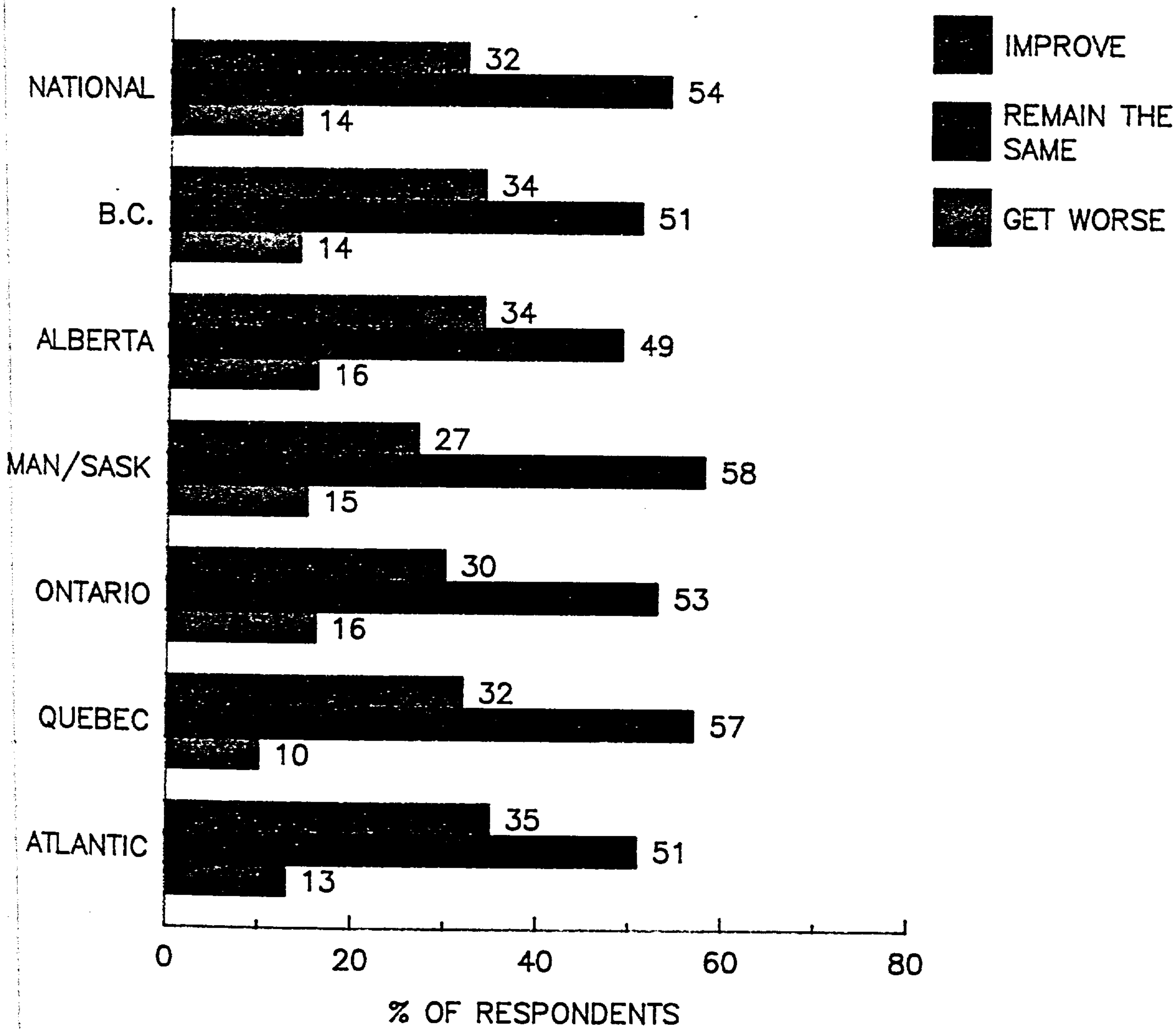
- Region -



GRAPH 2.7

QUESTOIN #4

PERSONAL FINANCIAL OUTLOOK
– Region –

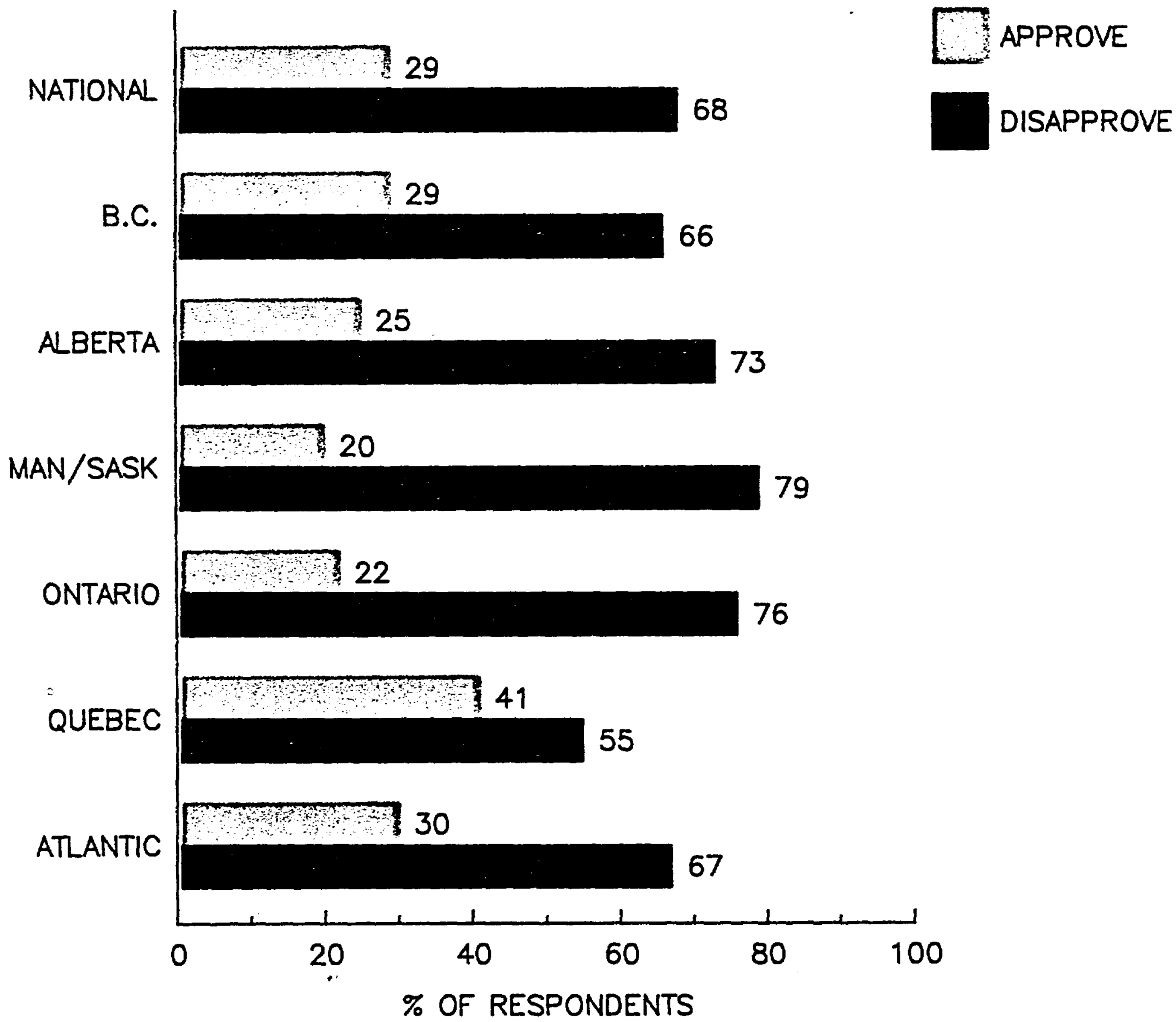


GRAPH 2.8

QUESTION #5

ASSESSMENT OF GOVERNMENT'S ECONOMIC LEADERSHIP

- Region -



improve and fifty-one percent expect things to remain the same.

Concerning public opinion on the government's performance in providing economic leadership, Quebec respondents were notably less disapproving of the government with only fifty-five percent overall disapproval. On the other hand, dissatisfaction was highest in Manitoba and Saskatchewan (79% disapproved), in Ontario (76% disapproved) and in Alberta (73% disapproved). These results are displayed in Graph 2.8.

TABLE 3.1

QUESTION #9

CANADA'S COMPETITIVE STRENGTHS
- REGIONAL -

	NATIONAL	BRITISH COLUMBIA	ALBERTA	SASK/MAN	ONTARIO	QUEBEC	ATLANTIC
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
Natural resources	21	27	28	19	17	22	16
Quality of our goods	9	9	4	9	8	11	7
Value of the dollar	8	16	4	9	7	10	6
Relationship with world	7	8	5	3	6	10	7
Good reputation	7	12	7	5	7	4	8
Unsure	24	16	22	33	26	20	32

3.0 PUBLIC OPINION ON COMPETITIVENESS

3.1 Competitive Strengths and Weaknesses

Compared to other developed countries, Canada is better able to sell goods and services internationally, according to a majority of those surveyed. Fifty-two percent said Canada is better able, eight percent said we are no different, while thirty-seven percent felt we are less able as a nation to sell our wares.

Our competitive strengths are both tangible and intangible, according to responses to the question, "What single factor do you think, at present, most helps Canada be competitive internationally?". Reviewing the top five response categories (Presented in Table 3.1) there are tangible factors such as natural resources (21%) the quality of our goods (9%), and the value of the dollar (8%). Canadians also cite somewhat intangible factors for our competitive strengths, such as our relationship with the rest of the world (7%) and our "good reputation" internationally (7%).

Other significant mentions on this question of competitive strengths include:

- Marketing and aggressive sales (4%)
- The Free Trade Agreement (4%)
- Work Habits and Workmanship (3%)
- Canadian Inventions (3%)
- Reasonable prices (3%)
- The government (3%)
- The products we sell (3%)

TABLE 3.2

QUESTION #10

CANADA'S COMPETITIVE WEAKNESSES
- REGIONAL -

	NATIONAL	BRITISH COLUMBIA	ALBERTA	SASK/MAN	ONTARIO	QUEBEC	ATLANTIC
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
Wage rates	8	11	7	7	7	10	7
Federal Government	7	10	9	9	7	4	9
Lack of confidence	7	15	4	8	4	9	4
Lack of risk-taking	7	19	5	3	7	4	4
Quebec separation	6	4	5	5	6	10	4
Not enough manufacturing	5	4	7	1	5	8	2
High cost of manufacturing	5	6	7	7	3	7	4
Export taxes/GST	5	7	6	3	6	4	3
Monetary policy	5	5	6	4	5	6	5
Unsure	20	12	15	21	18	22	32

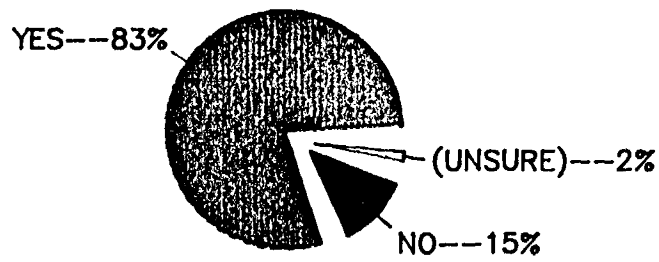
Respondents were also asked what factor they thought most hinders Canada from being competitive internationally. The results are displayed in Table 3.2. The most tangible factors cited were wage rates (8%), not enough manufacturing (5%), export taxes, the Goods and Services Tax (5%), and the monetary policy now in effect in this country (5%). Somewhat less tangible factors cited were: the federal government (7%), Canadians' lack of confidence (7%), our lack of risk-taking (7%) and the political turmoil over Quebec separation (6%).

3.2 Competitiveness - Present, Past and Future

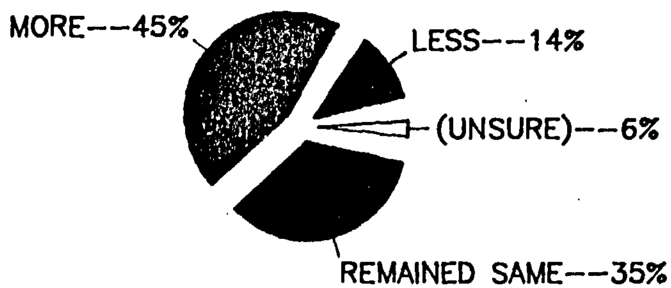
Canada has not really become more competitive in world markets over the last three years, but will become so over the next three years, according to a plurality of survey respondents (See Graph 3.1). These points of view are far from unanimous, however. Forty-seven percent said that Canada has remained the same over the last three years (30% said we have become more competitive and 17% said we have become less competitive). Forty-five percent said we will become more competitive over the next three years (14% said we will become less competitive and 35% said we will remain the same). Although the public is less than unanimous in their prediction of how competitive Canada will become, they are more certain of their prescription. The great majority (83%) of Canadians think the nation ought to become more competitive in world markets.

The views and expectations among the psychographic segments provide additional detail to the portrait we have drawn of these groups so far. Predictably, the Enthusiasts are most likely to say that Canada is better able to sell our goods and services than other developed countries (59%), and Antagonists are the least likely to say so (43%). These results are displayed in Graph 3.2. The Pro-Labour Altruists are more likely than the norm (55%) to support this view as well.

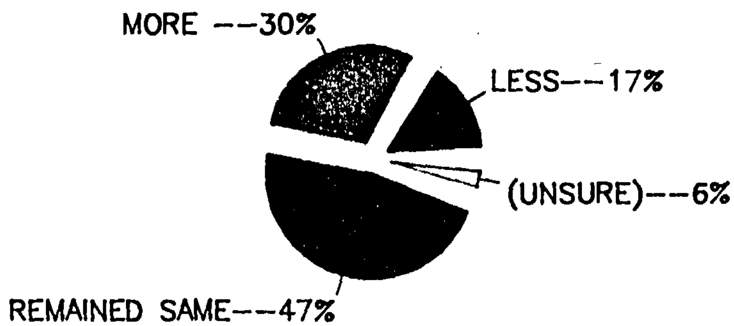
VIEWS AND EXPECTATIONS REGARDING CANADA BECOMING MORE COMPETITIVE



SHOULD BECOME MORE COMPETITIVE



WILL BECOME MORE COMPETITIVE



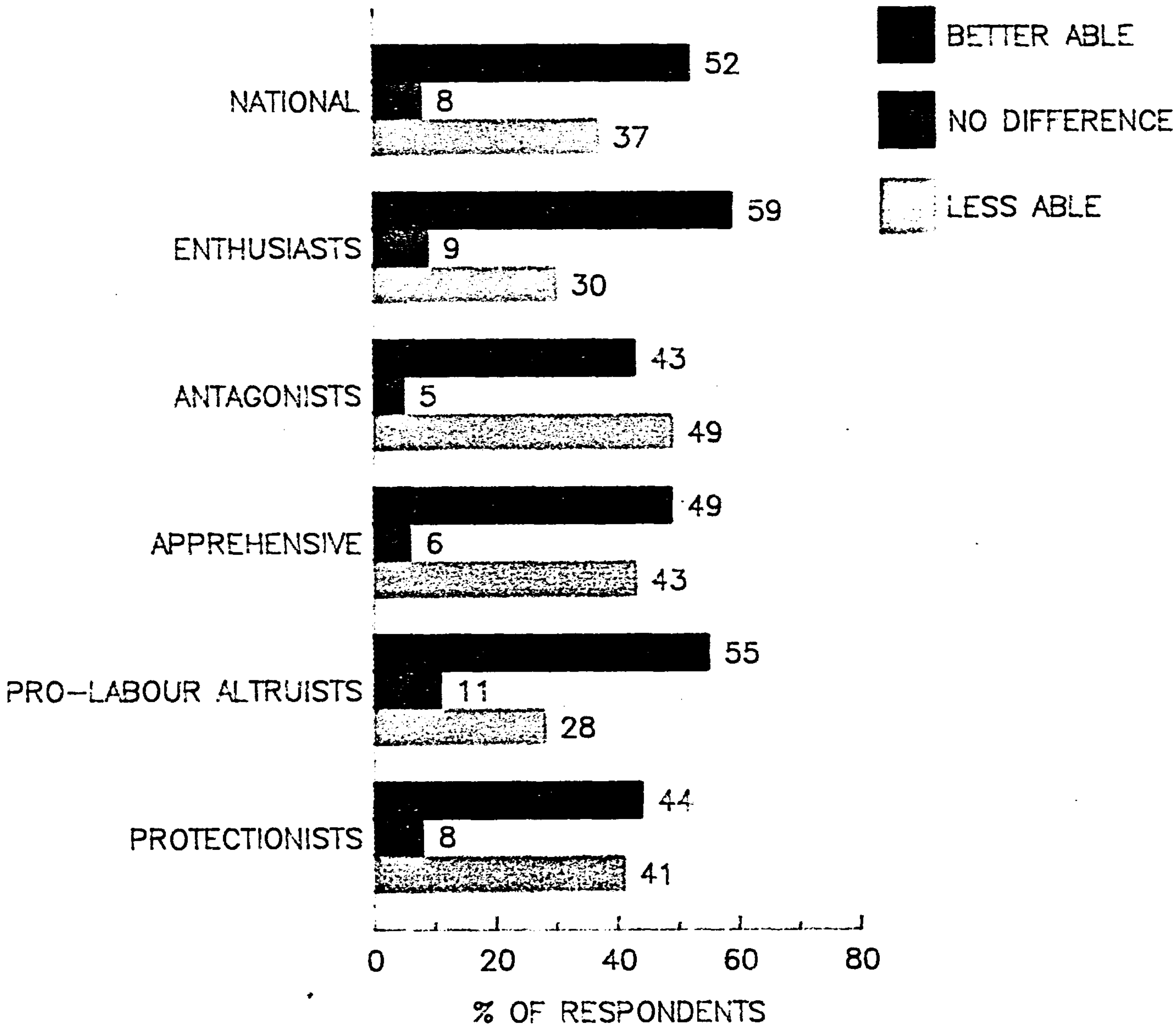
HAS BECOME MORE COMPETITIVE

GRAPH 3.2

QUESTION #8

CANADA'S COMPARATIVE ABILITY TO SELL GOODS AND SERVICES

- Psychographic Segments -



Apprehensive Canadians are less agreeable (49%) and Protectionists rank closer to the Antagonists, with only forty-four percent feeling we are better able than others to sell our wares internationally.

Enthusiasts are most likely to say that we have become more competitive (37%) and a majority (54%) feel we will become even more so in the next three years.

Antagonists on the other hand are least likely to say that we have become more competitive during the last three years (19%), and less likely than the norm to believe that we will become more competitive (39%). (Results for all the segments are compared in Graph 3.3). In spite of their present pessimism over our competitiveness, Antagonists more than any other segment feel that Canada **should** become more competitive (89%).

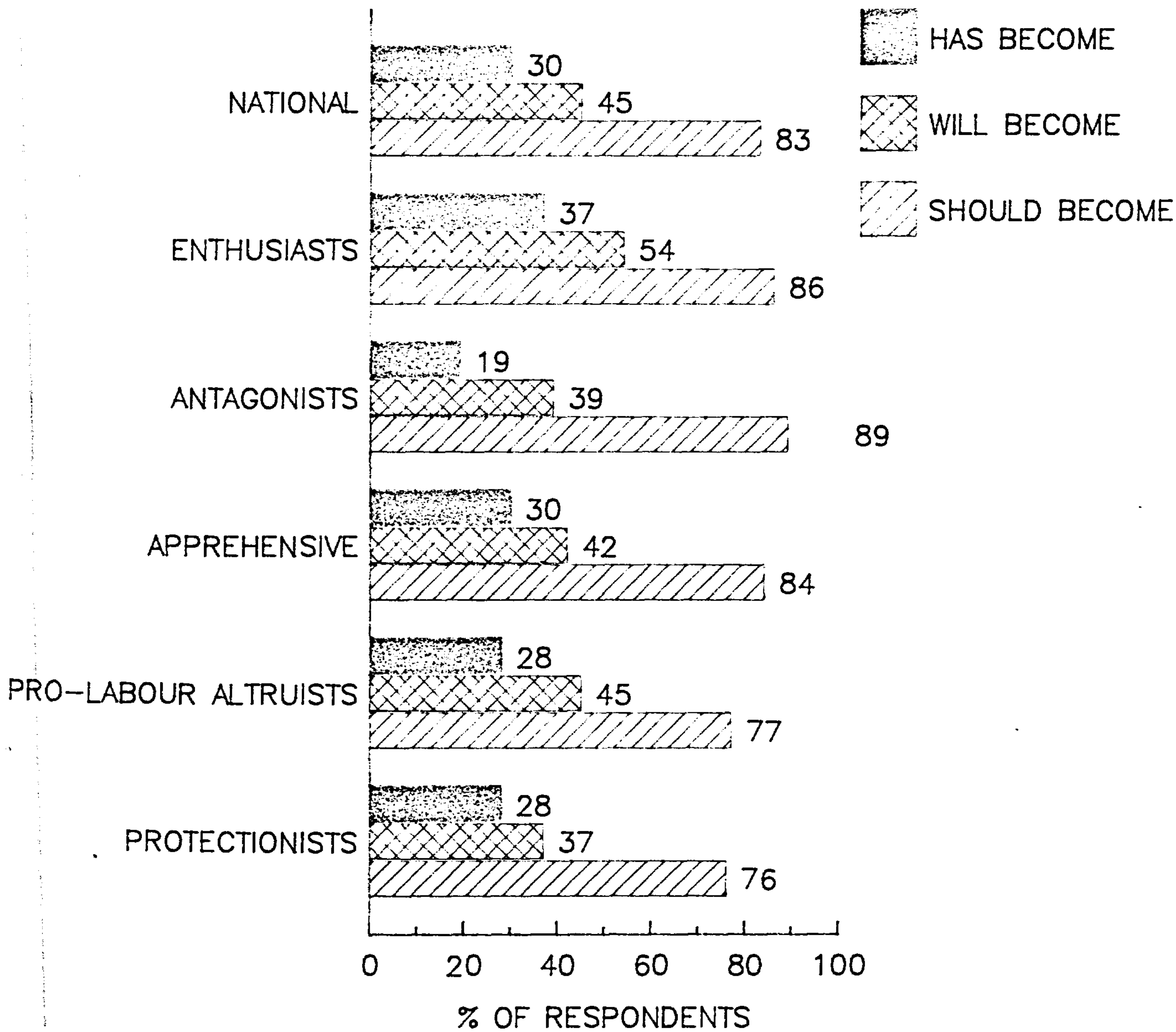
Similar to the Enthusiasts, the Pro-Labour Altruists are also likely to feel that the next three years will see Canada become increasingly competitive (45%). The Apprehensive are slightly less optimistic about the future at forty-two percent, followed by the Protectionists, of whom only thirty-seven percent are convinced that we will become more competitive in world markets.

GRAPH 3.3

QUESTION 15, 16, 17

VIEWS AND EXPECTATIONS REGARDING CANADA BECOMING MORE COMPETITIVE

– Psychographic Segments –



3.3 Demographic Results

Concerning Canada's ability to sell goods and services internationally, the distribution of regional perceptions is shown in Graph 3.4. Albertans are most confident in our ability to sell goods and services with sixty-five percent saying we are better able to do so than other developed countries, residents of Ontario (58%) and the Atlantic (57%) provinces follow closely behind. Quebecers remain sceptical, as more respondents from that province said that we are less able (41%) than those who said we are better able (35%) to compete internationally.

In response to the question "What single factor do you think, at present, most helps Canada be competitive internationally?", Albertans and British Columbians placed the highest weight (28% and 27% respectively) on the abundance of natural resources, whereas residents of Ontario and the Atlantic provinces placed less emphasis on this factor. British Columbians placed considerably more emphasis on the value of the dollar as a factor (16%) than any other region.

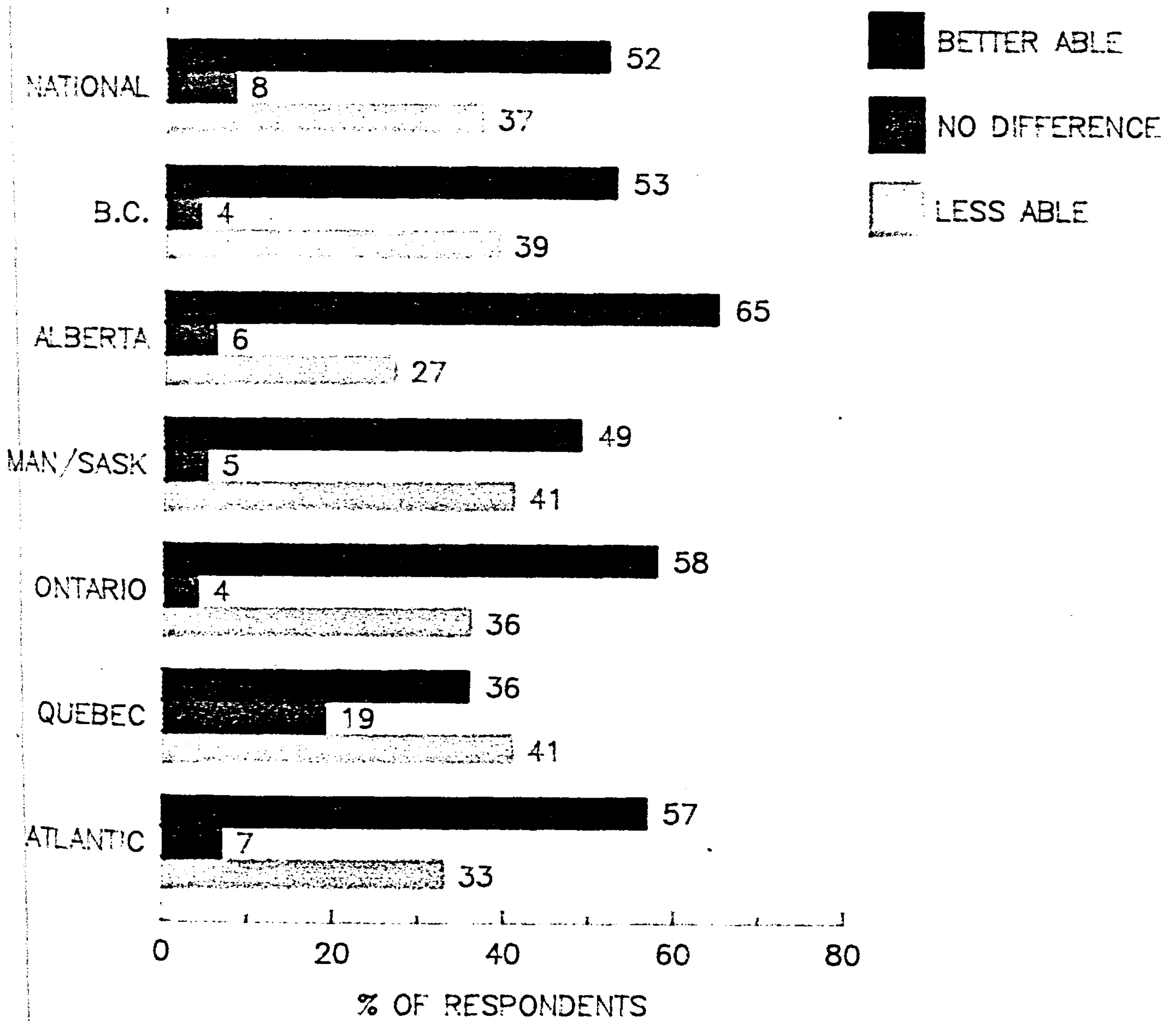
Regionally, there is little variation in desire for the country to become more competitive. Residents of the Atlantic provinces are a little more likely than others to say we have become more competitive (38%), and Canadians in Manitoba and Saskatchewan are least likely to say so (19%). Residents of Manitoba and Saskatchewan are also least likely to believe that Canada will become more competitive in the next three years (36%), while Canadians in neighbouring Alberta are most likely to say so (51%). These results are summarized in Graph 3.5.

GRAPH 3.4

QUESTION #8

CANADA'S COMPARATIVE ABILITY TO SELL GOODS AND SERVICES

– Region –

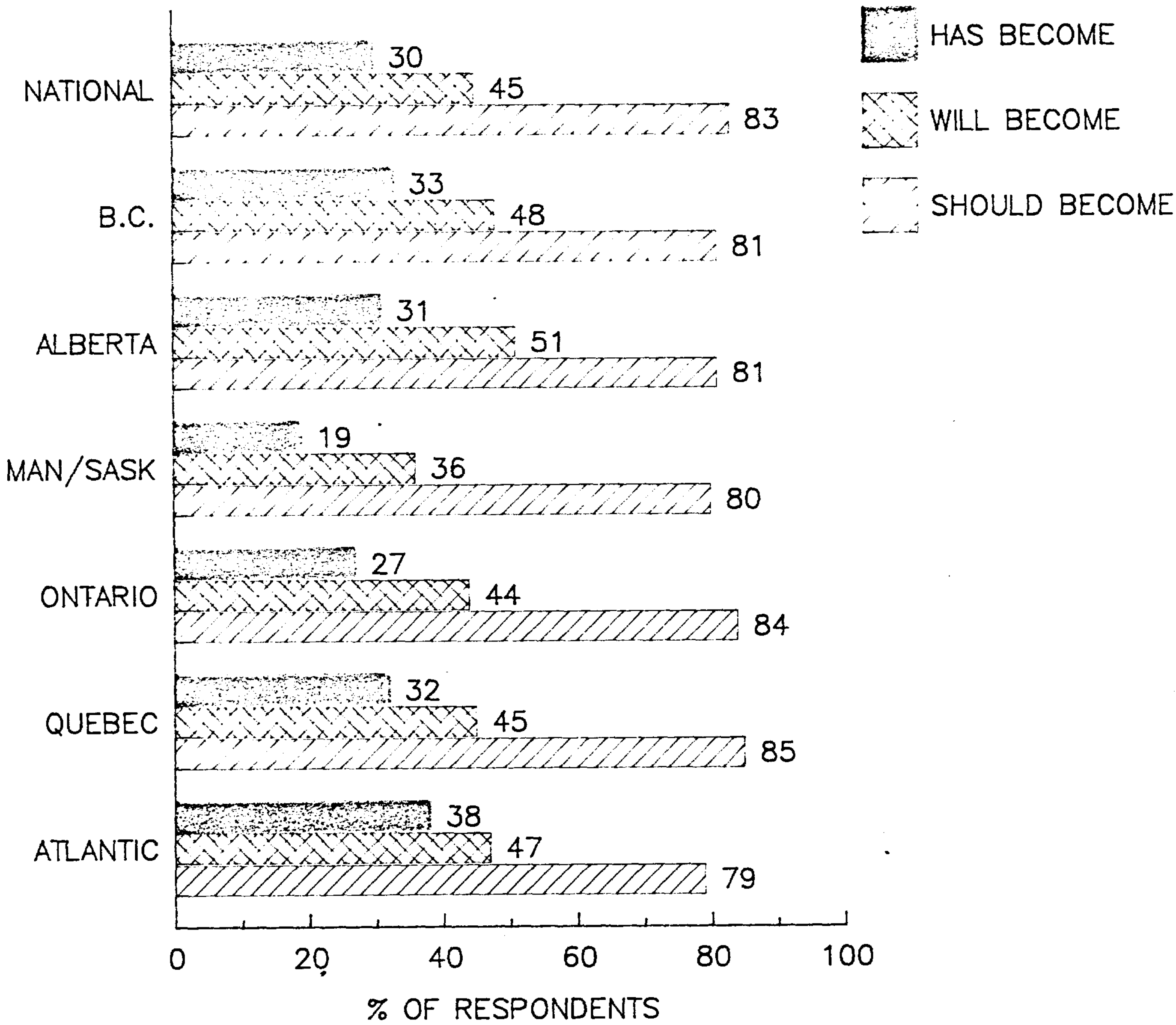


GRAPH 3.5

QUESTION #15.16. 17

VIEWS AND EXPECTATIONS REGARDING CANADA BECOMING MORE COMPETITIVE

– Region –



4.0 CANADA'S ABILITY TO COMPETE

Canada's ability to compete in world markets is subject to a myriad of complex and inter-related factors, many of which are commodity-specific. Nonetheless, there are other, more general factors and influences which can broadly affect our ability to produce and market our goods and services internationally. Canadians were surveyed broadly on the relevant issues in our market economy including:

- Market Factors
- Structural Issues in the Canadian Economy
- Labour Issues
- Government Influence
- Subsidies to Business

Respondents were asked to use a 7-point scale and rate a number of statements about Canada's ability to compete, where "1" means they completely disagree and "7" means that they agree completely.

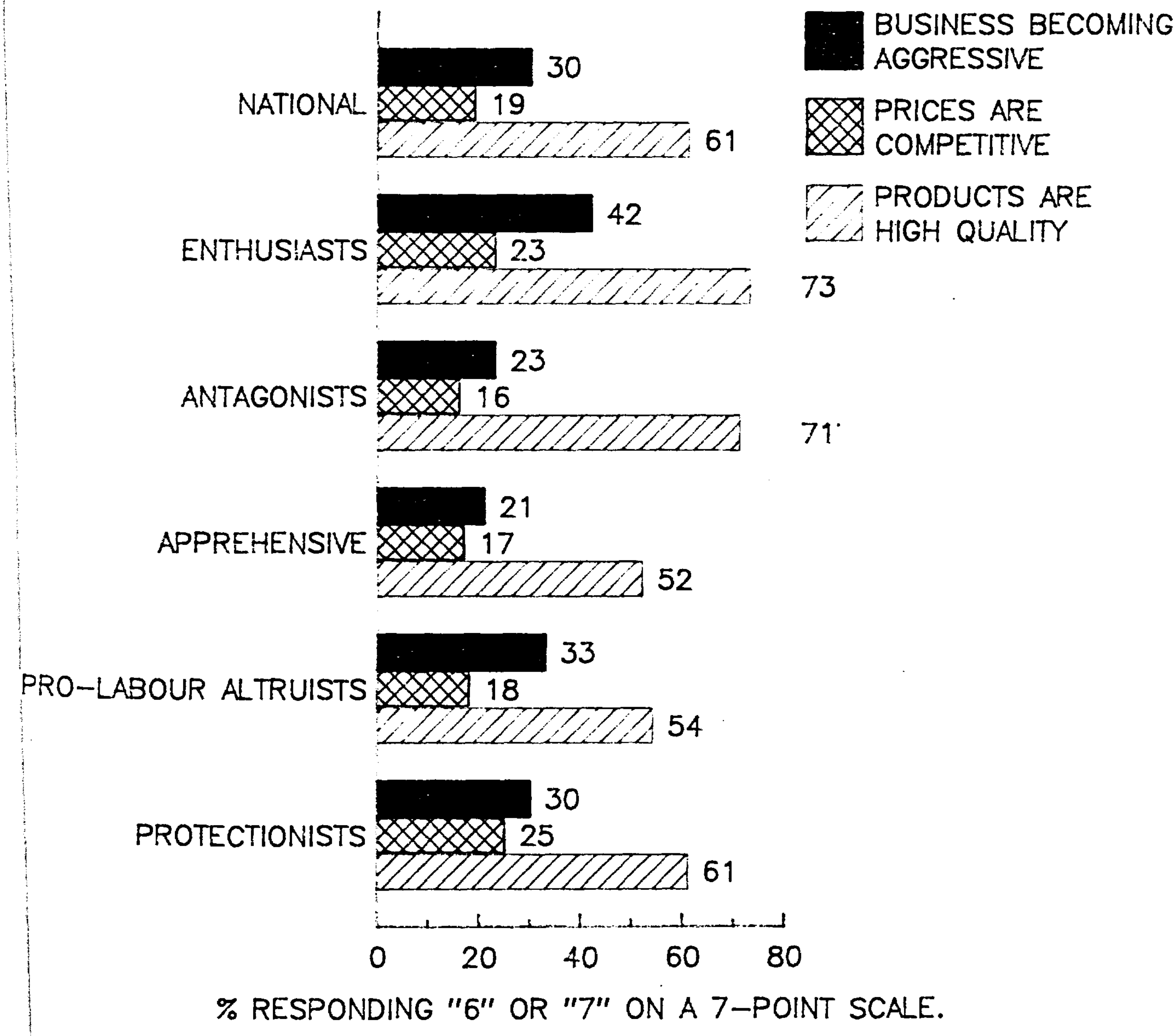
4.1 Market Factors

Responses to the survey items concerning market factors in our ability to compete, are summarized in Graph 4.1 which shows the percentage of respondents who rate either a "6" or a "7" on the 7-point scale. Canadians support the suggestion that our products are "as high quality as the products of our competition" very strongly (61%). Moderate support (30%) was registered for the suggestion that "Canadian businesses are becoming more aggressive in selling

QUESTION #18a,b,d

CANADA'S ABILITY TO COMPETE: MARKET FACTORS

– Psychographic Segments –



to other countries". Comparatively less support (19%) went to the assertion that Canadian businesses charge competitive prices in the international marketplace. Canadians in every region agree on that ranking of strength: first quality, second aggressive sales, and third, competitive prices.

The psychographic segments ranked these market factors in the same order, as well (Refer to Graph 4.1). Interestingly, the two stakeholder groups of Enthusiasts and Antagonists gave the highest praise of all groups to the high quality of Canadian products (73% and 71%, respectively). However, the Enthusiasts are almost twice as likely as the Antagonists to believe that Canadian businesses are becoming more aggressive in selling to other countries (42% versus 23%). The Enthusiasts are also considerably more impressed with the competitiveness of the prices Canadians charge on world markets (23% versus 16%).

The Apprehensive segment is the least confident of the international marketability of goods and services, owing to their lower scores on both the "quality" factor (54%) as well as the "aggressive sales" factor (33%). Pro-Labour Altruists, too, are comparatively less sure that Canadian products are as high quality as those of our competitors (54%) and that Canadian businesses are becoming more aggressive in international sales (33%). This is in keeping with their views on price competitiveness - neither the Apprehensive (17%) nor the Pro-Labour Altruists (18%) are very supportive of the contention that our prices are competitive in the international marketplace.

Protectionists report average scores on the "quality" factor and the "aggressive sales" factor, but are relatively more likely to agree with the claim that our prices are competitive on world markets (25% score a "6" or a "7").

4.2 Structural Issues in the Canadian Economy

Canadians were asked to rate several structural issues in the economy in terms of their support for increasing our ability to compete internationally. Respondents strongly advocate a reduction in the export of natural resources, in order to preserve these resources for our own future use. These results are shown in Graph 4.2, where it can be seen that forty-six percent of respondents rated the "national resources" item with a "6" or a "7". Moderate support was shown for limiting the amount of foreign goods sold in Canada (even if it means Canadians will pay more for their products), and for the contention that Canadian companies should not have to accept lower profits in order to become more competitive. Canadians are relatively unsupportive of the suggestion that "our environmental laws should be no tougher than our competitors, even if it means that we will have to reduce our expectations for a cleaner environment".

The views of the psychographic segments on these structural issues in the economy are depicted in Graph 4.2. Comparing the response patterns there, the Enthusiasts reflect a greater revere for unbridled competition and capitalism. They are the most supportive of the potential weakening of environmental laws (20% rate this item a "6" or a "7"), and least supportive of restrictive measures such as import quotas (20%), and reductions in the export of natural resources (27%).

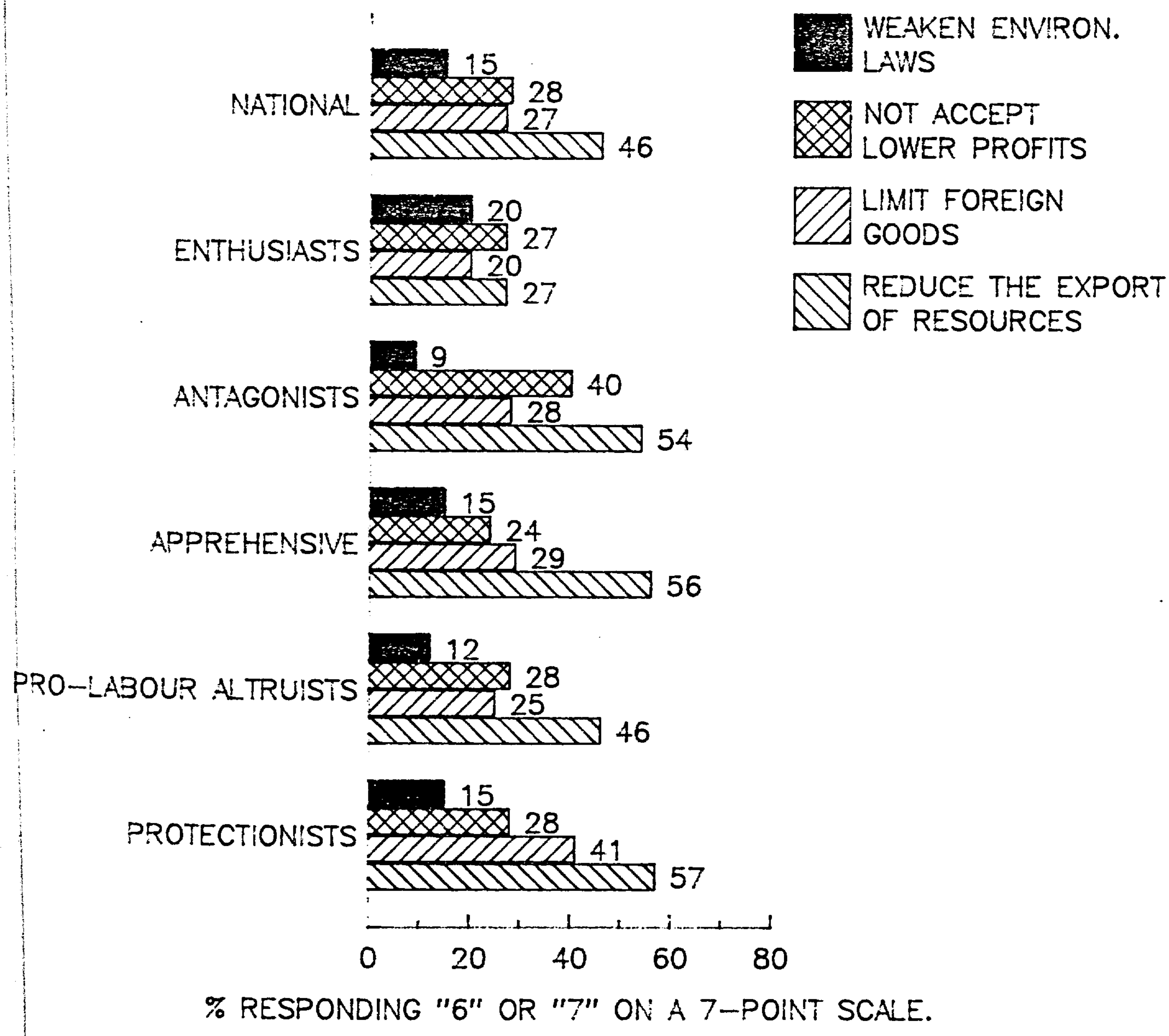
The Antagonists, by comparison, are not willing to compromise the good of the nation in order to advance the course of international competitiveness. They are the least willing to reduce their expectations for a cleaner environment (9%), and are on par with the other groups who moderately support import quotas (28%) and who strongly support a reduction in the export of

GRAPH 4.2

QUESTION #18g, i, l, n

CANADA'S ABILITY TO COMPETE: STRUCTURAL ISSUES

– Psychographic Segments –



natural resources (54%). Compared to other segments, the Antagonists are much more adamant that Canadian companies should not have to accept lower profits (40%).

The attitudes of the Apprehensive segment are roughly comparable to those of the nation as a whole. They are slightly less insistent that Canadian companies should retain their current profit margins (24%, versus 28% for the nation), and slightly stronger in supporting the reduction of natural resource exports (56% versus 46% for the nation). The opinions of Pro-Labour Altruists are virtually the same as those of the nation on these structural issues.

Protectionists are distinguished in their considerably stronger support for import quotas. Fully forty-one percent advocate limiting the amount of foreign goods sold here in order to protect Canadian business and industry (even if it means we will pay more for our products as a result). On other matters, their views are similar to the overall average, although like the Antagonists and the Apprehensive, they are slightly stronger in their call for cutting the exporting of natural resources (57%).

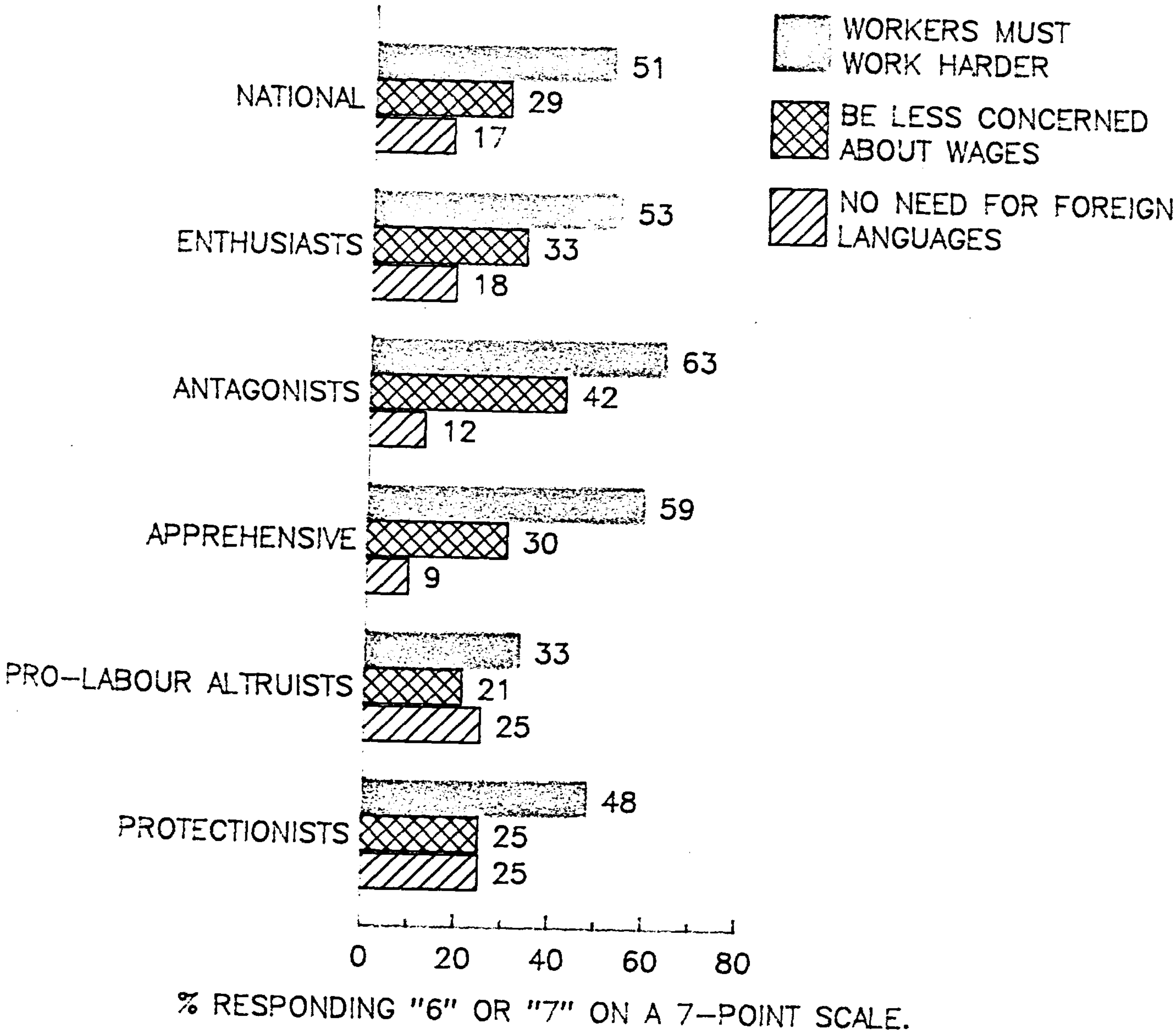
4.3 Labour Issues

Canadians were asked about their views on actions which workers might take which can affect our ability to compete internationally (See Graph 4.3). Respondents overwhelmingly agree with the notion that Canadian workers must work harder, with fifty-one percent rating this factor a "6" or a "7" on the 7-point scale. Similarly, twenty-nine percent agreed strongly with the criticism that workers should be less concerned about wage increases so that Canadian products can be priced more competitively. It may also be time for Canadians to learn foreign languages and learn about foreign cultures. Only seventeen percent of respondents were in strong

QUESTION #18e,f,j

CANADA'S ABILITY TO COMPETE: ACTIONS FOR CANADIAN WORKERS

- Psychographic Segments -



agreement with the proposition that "there is no need" for Canadians to adopt these measures to bridge cultural boundaries.

Variation in opinions on actions for Canadian workers was vivid among the psychographic segments (Refer to Graph 4.3). Enthusiasts were on par with Canadians as a whole, strongly agreeing that workers must work harder, moderately agreeing that wage concerns should be reduced, and being less agreeable to Canadians not learning foreign languages. Antagonists, more than any other segment, call on labour to respond to the need for increased competitiveness for the nation. Sixty-three percent of Antagonists strongly agree that workers must work harder, and forty-two percent strongly agree that workers should be less concerned about wages. This segment would welcome the initiative of Canadians to learn foreign languages and foreign cultures (only 12% agree there is no need for this).

The Apprehensive segment also shows above average support for initiatives on the part of Canadian workers. In particular, half (59%) strongly agree that workers must work harder, and only nine percent feel strongly that there is no need to learn foreign languages.

Pro-Labour Altruists are the least likely to call for Canadian labour to work towards increased competitiveness. On the contrary, only one-third feel strongly that Canadian workers must work harder (compared to one half of the general population who hold the same view). One-quarter agree strongly that there is no need for learning foreign languages or learning about foreign cultures (compared to 17% of the general population). On the issues of work ethics and wages, Protectionists have only slightly lower levels of agreement compared to the general population.

4.4 Government Influence

Canada's ability to compete in world markets is also affected by the actions and intentions of our nation's government. The results of this survey suggest that the public is either unaware or unconvinced that the government is playing as positive a role as is possible at this time. Scores on a series of "preparedness" statements were lower than those reported for any other item discussed in this section. The reader is referred to Graph 4.4 for results on these items. Ten percent of respondents agreed strongly with the statement that "The government has a well-organized plan to prepare Canadians". Similarly, eleven percent were convinced that "The Canadian government is adequately preparing Canadians for international competitiveness", and sixteen percent that "The educational system does a good job in preparing Canadians to compete internationally". However, respondents were somewhat more likely (19%) to agree with the concern that "When the government talks about becoming more competitive they really mean that a lot of Canadians will be laid off or lose their jobs".

The views of the psychographic segments on the government influences are depicted in Graph 4.4. Somewhat predictably, it is the Enthusiasts and the Pro-Labour Altruists who have the strongest sense that the government has a plan and is preparing Canadians to compete internationally. Conversely, the Antagonists and the Apprehensive are least likely to agree that the government is in motion on this issue.

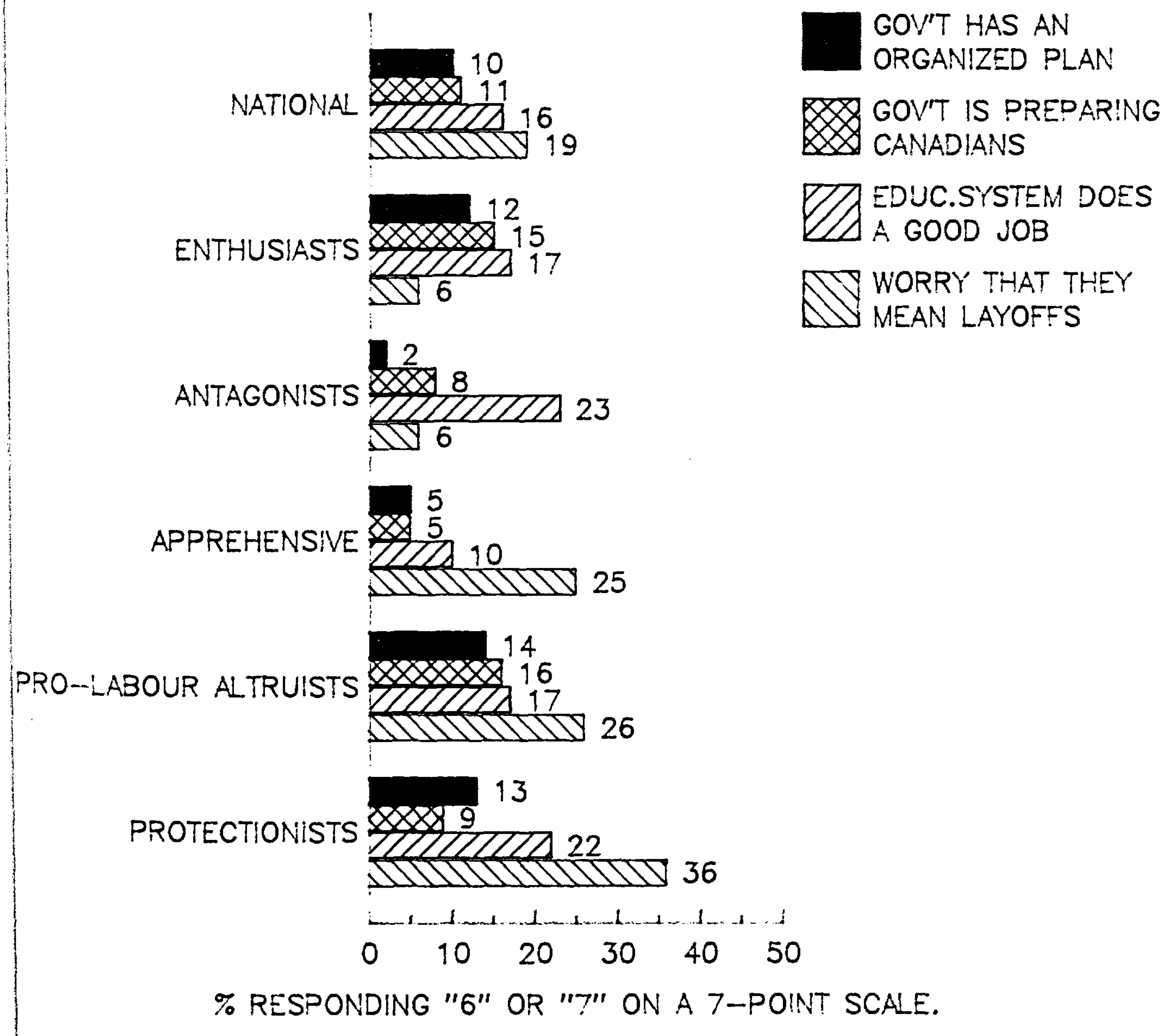
It is also not surprising that the Enthusiasts and the Antagonists are not too worried about lay-offs, since these are the two most affluent segments. Protectionists, on the other hand are quite concerned - 36% are worried that the government really means "lay-offs" when it talks about being "more competitive". There is also a moderate level of concern about lay-offs among the

GRAPH 4.4

QUESTION #18c.h.k.m

CANADA'S ABILITY TO COMPETE: GOVERNMENT INFLUENCE

– Psychographic Segments –



Apprehensive (25%) and the Pro-Labour Altruists (26%).

4.5 Subsidies to Canadian Business

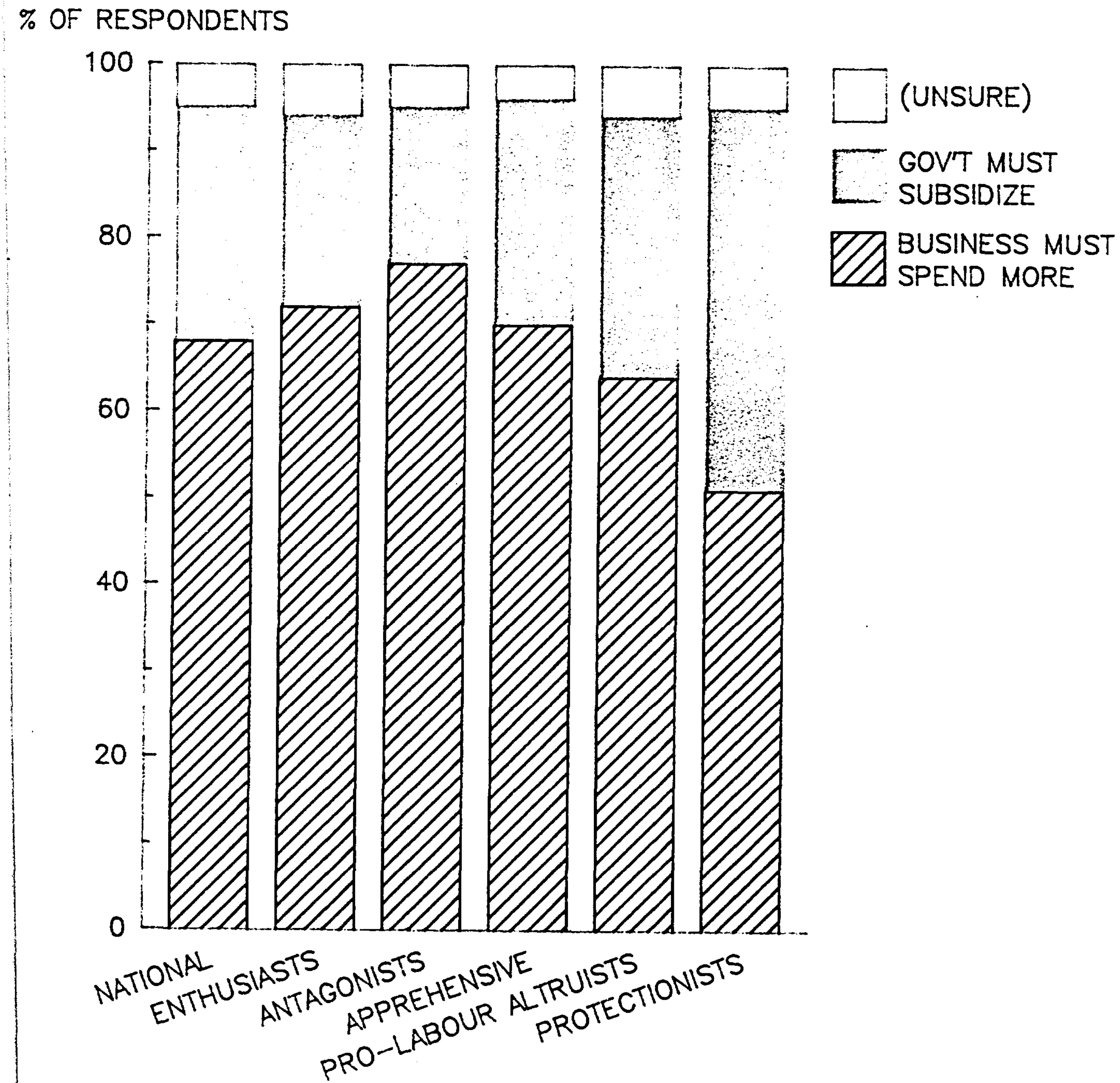
The survey questionnaire contained two items aimed at measuring public opinion on subsidies for Canadian businesses. Respondents were given the choice: "Should the government provide subsidies for Canadian businesses to successfully sell their goods internationally, or must businesses spend more themselves on selling their products internationally?" Over two-thirds of respondents said that businesses must spend more money themselves (68%). Canadians were also asked about subsidies for scientific research and development. Here, Canadians are more generous - only 47 percent said that Canadian businesses must spend more themselves on research and development, whereas an almost equal number (46%) felt that the government should provide subsidies to produce new and better products.

Among the psychographic segments, the Protectionists emerged as most supportive of government subsidies, as might be expected from their psychographic profile. Results for this and other psychographic segments are shown in Graph 4.5 and 4.6. Forty-four percent of Protectionists support subsidies for businesses to successfully sell their goods and services internationally, while 59 percent support subsidies for research and development. At the other extreme, only 22 percent of Enthusiasts and 18 percent of Antagonists agree with subsidies for international sales efforts. Similarly, only 44 percent of Enthusiasts and 41 percent of Antagonists approve of subsidizing research and development in order to produce new and better products.

GRAPH 4.5

QUESTION #19

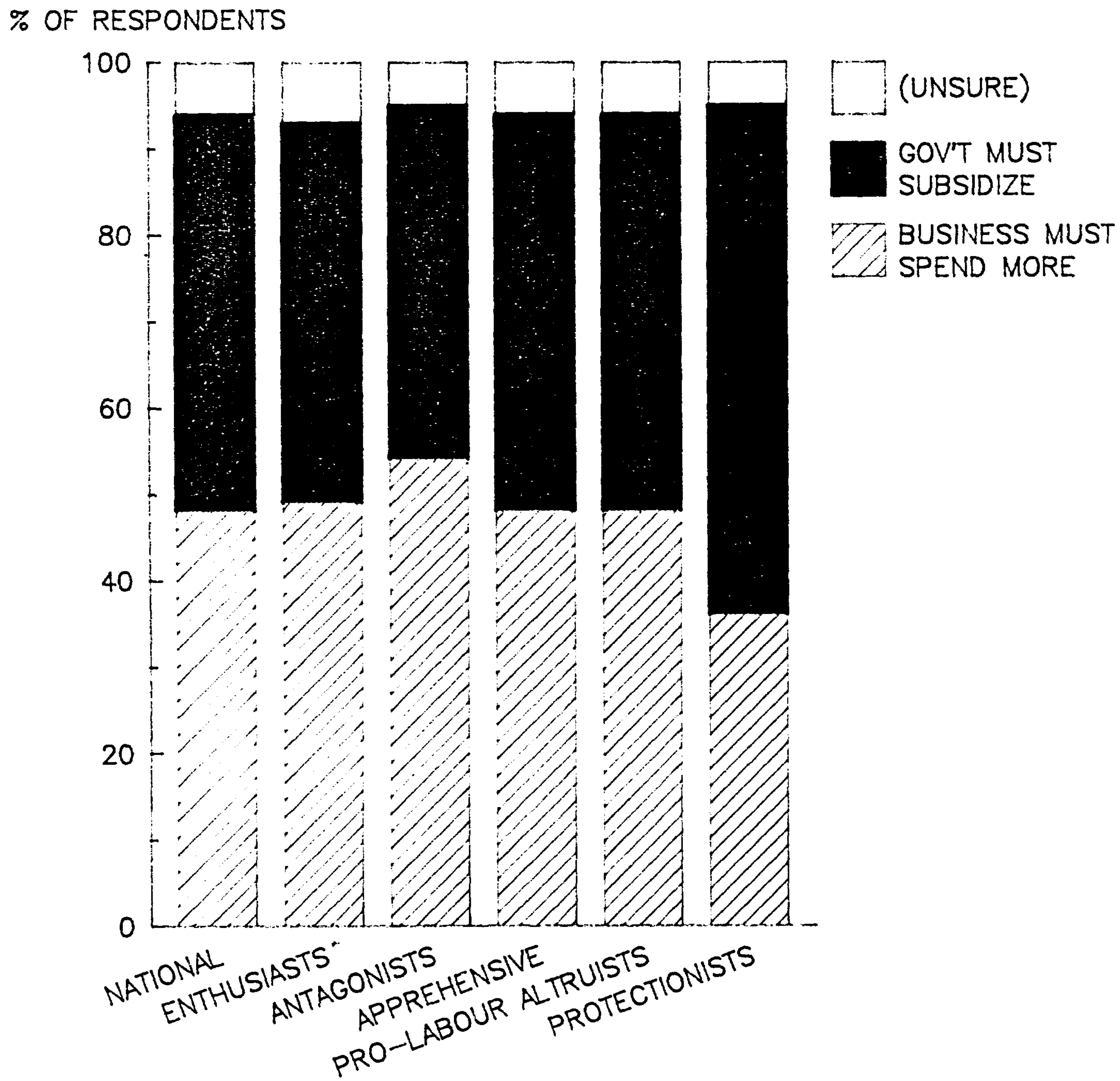
SUBSIDIZING CANADIAN BUSINESS TO EXPORT INTERNATIONALLY: GOVERNMENT OR BUSINESS



GRAPH 4.6

QUESTION #20

SUBSIDIZING CANADIAN BUSINESS FOR SCIENTIFIC RESEARCH & DEVELOPMENT: GOVERNMENT OR BUSINESS



4.6 Impact of Increased Competitiveness

Respondents were queried on their perceptions of how increased competitiveness in world markets may affect Canadians on an individual level. Specifically, respondents were asked how necessary it will be for Canadians to accept changes to current working conditions and benefits they enjoy. As depicted in Graph 4.7, respondents had little difficulty in setting priorities among the various changes which were proposed to them. Canadians believe they will have to accept as either "somewhat necessary" or "completely necessary" the following changes to the status quo (listed in increasing order):

- Keeping wage demands down (65%)
- Changes in government social programs (71%)
- Job relocation to another city (79%)
- Job Retraining (94%)

It is interesting to note that the majority of Canadians rejected the other two items, namely:

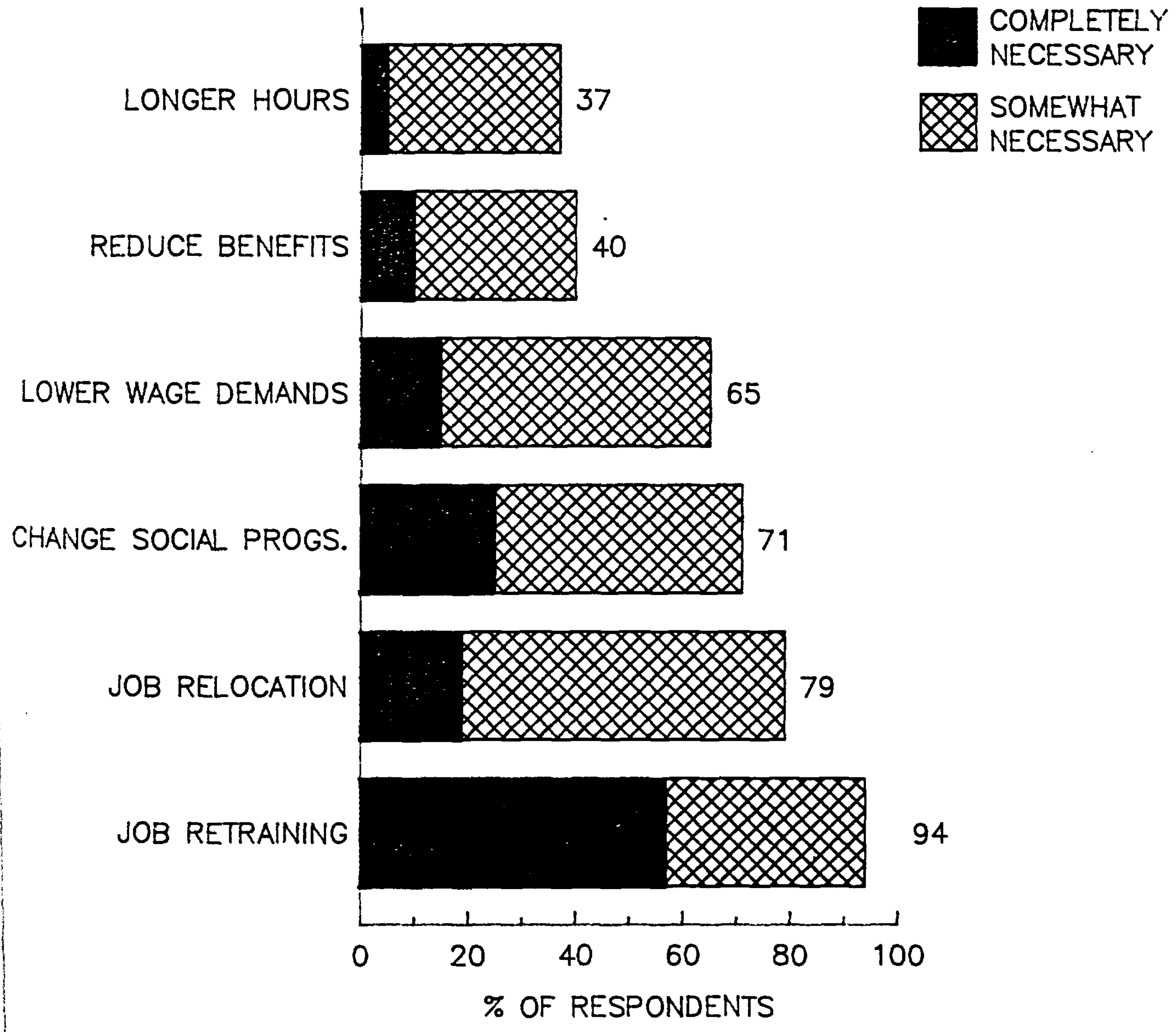
- Longer working hours (37%)
- Reductions in employer benefit programs, such as paid leave and pensions (40%)

These items are the two which would likely affect Canadians most on a personal level. Conversely, Canadians were most accepting of items such as job retraining and job relocation, the financial cost of which would most likely be born by either business or government. Many respondents would probably also be thinking that not they, but some other Canadians, would be the unlucky participants in job relocation and job retraining efforts.

GRAPH 4.7

QUESTION #21

IMPACT OF INCREASED COMPETITIVENESS: NECESSARY EFFECTS ON CANADIANS



It is nonetheless surprising to see the high degree of necessity which the public attaches to these effects of increased competitiveness in world markets. In fact, a 60 percent majority of Canadians expect job retraining will be completely necessary, as a direct consequence of increased competitiveness.

Results for the psychographic segments are presented in Table 4.1. Comparatively, the differences in perceptions of the psychographic segments on these items are:

- The Enthusiasts and the Antagonists attach a greater necessity to keeping wage demands down (73%).
- The Apprehensive are more convinced of the necessity for longer working hours (46%), keeping wages demands down (69%), and job relocation (87%).
- Pro-Labour Altruists are not so agreeable that it is necessary to reduce employer benefit programs (27%), nor that wage demands must be kept down (51%).
- Protectionists are more certain that reductions will be necessary to employer benefit programs (63%), but less adamant about job relocation (68%).

QUESTION #21

TABLE 4.1

THE IMPACT OF INCREASED COMPETITIVENESS
VIEWS OF THE PSYCHOGRAPHIC SEGMENTS

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
A) LONGER WORKING HOURS						
Completely necessary	5	4	7	4	5	3
Somewhat necessary	32	30	29	42	28	9
Not necessary	62	63	63	53	66	67
(DK/NS)	1	2	2	2	0	1
B) REDUCTIONS IN EMPLOYER BENEFIT PROGRAMS						
Completely necessary	10	10	11	5	8	24
Somewhat necessary	30	36	27	32	19	39
Not necessary	58	53	60	62	71	35
(DK/NS)	2	1	3	2	3	2
C) KEEPING WAGE DEMANDS DOWN						
Completely necessary	15	18	26	12	9	20
Somewhat necessary	50	55	47	57	42	43
Not necessary	32	24	22	30	48	34
(DK/NS)	3	3	5	2	2	2
D) JOB RETRAINING						
Completely necessary	57	61	62	64	53	36
Somewhat necessary	37	34	34	31	42	52
Not necessary	4	3	3	4	4	11
(DK/NS)	1	2	2	2	1	1
E) JOB RELOCATION TO ANOTHER CITY						
Completely necessary	19	14	18	23	25	11
Somewhat necessary	60	59	61	64	57	57
Not necessary	19	24	17	12	16	31
(DK/NS)	2	2	4	2	2	2
F) CHANGES IN GOVERNMENT SOCIAL PROGRAMS						
Completely necessary	25	19	35	20	33	25
Somewhat necessary	46	49	39	47	46	48
Not necessary	24	27	22	29	17	22
(DK/NS)	4	4	3	4	5	5

4.7 Demographic Results

Regional results concerning Canada's ability to compete are displayed in Graphs 4.8 through 4.11. As revealed in Graph 4.8, there is very little regional variation in the public's perception of the effects of market factors on our ability to compete internationally.

Not surprisingly, residents of the resource-rich provinces were less agreeable to a reduction in the export of natural resources, since their provincial and local economies depend to some extent on these exports (see Graph 4.9). Ratings were comparatively lower in British Columbia (38%), Alberta (38%) and Quebec (39%). On the question of setting import quotas, respondents in central and Atlantic Canada were more supportive than Westerners on limiting the amount of foreign goods sold here. Residents of Atlantic Canada were more adamant that Canadian businesses should not have to accept lower profits, as well.

Graph 4.10 shows that, regionally, there was little variation in the belief that Canadian workers must work harder; the Atlantic provinces show the highest level of strong support for this work ethic (62%). Respondents in Atlantic Canada were also more agreeable to workers becoming less concerned about wages (37%, compared to the national average of 29%). On the other hand, Quebecers were least agreeable to lessening wage concerns (22%), as well as being least agreeable to the suggestion that there is no need to learn foreign languages (12%). On this latter point, slightly higher support was given by respondents from Manitoba and Saskatchewan to the contention that no such need exists (25%).

It is noteworthy that residents of Western Canada are least likely to agree that either the government has a well-organized plan, or that the government is preparing Canadians for international competitiveness (see Graph 4.11). Ontario residents are least trusting of the government's talk of Canada becoming more competitive; one-quarter of them worry that the government really means that a lot of Canadians will be laid off or lose their jobs.

British Columbians were least likely to support subsidies for selling goods and services (22%), and Quebecers were most generous on this count (34%). In addition, support for subsidies for selling goods and services was somewhat higher among younger Canadian adults (38% among those aged 18 to 35 years), women (32%), single persons (38%), the unemployed (38%), and those earning household incomes less than $20,000 annually (35%).

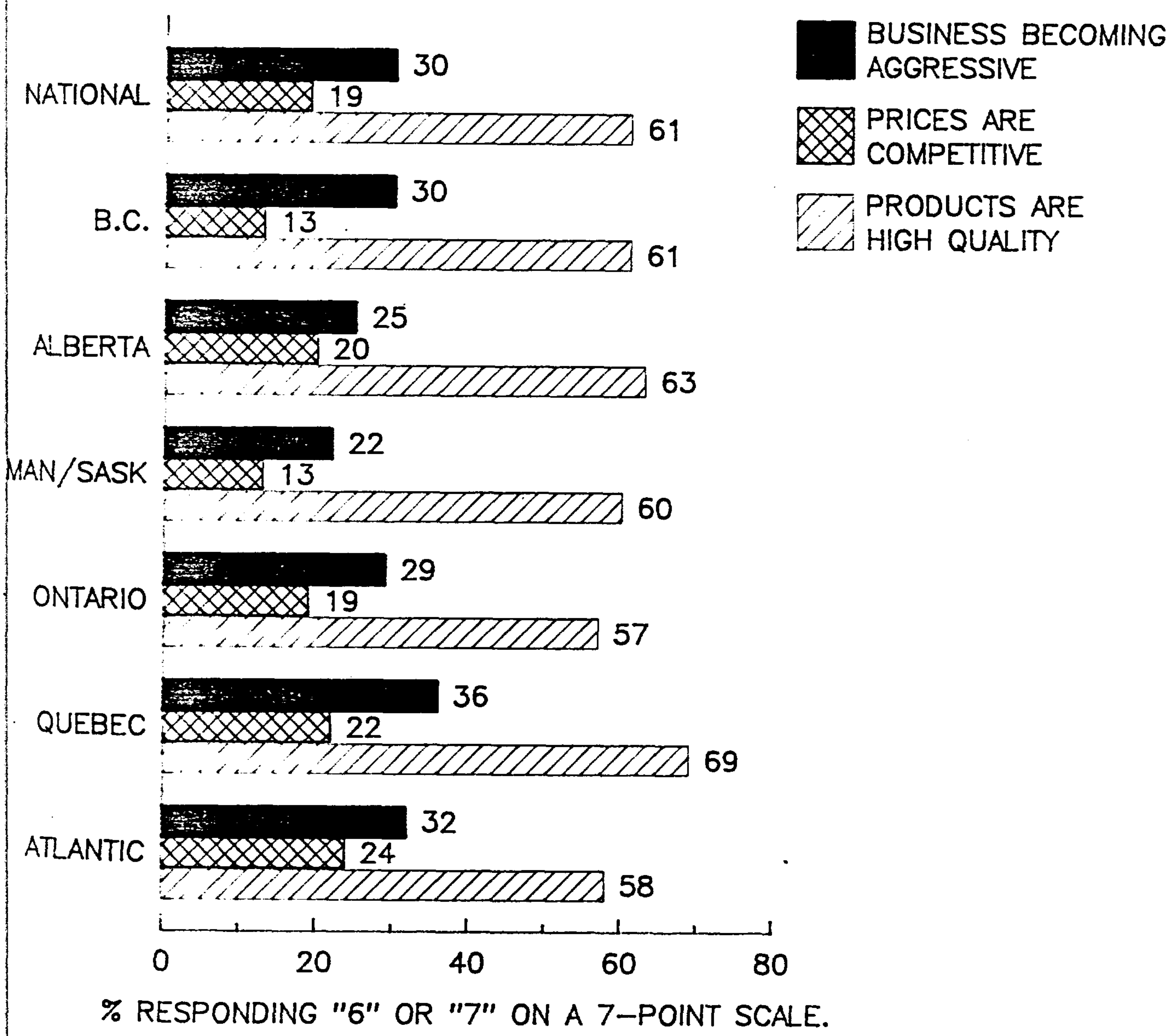
Support for subsidies for research and development was highest in Atlantic Canada (53%), and lowest in Alberta (38%). Moreover, support for subsidies for research and development was higher among younger Canadian adults (53% among those aged 18 to 35 years), women (50%), and single persons (55%).

GRAPH 4.8

QUESTION #18a.b.d

CANADA'S ABILITY TO COMPETE: MARKET FACTORS

– Region –

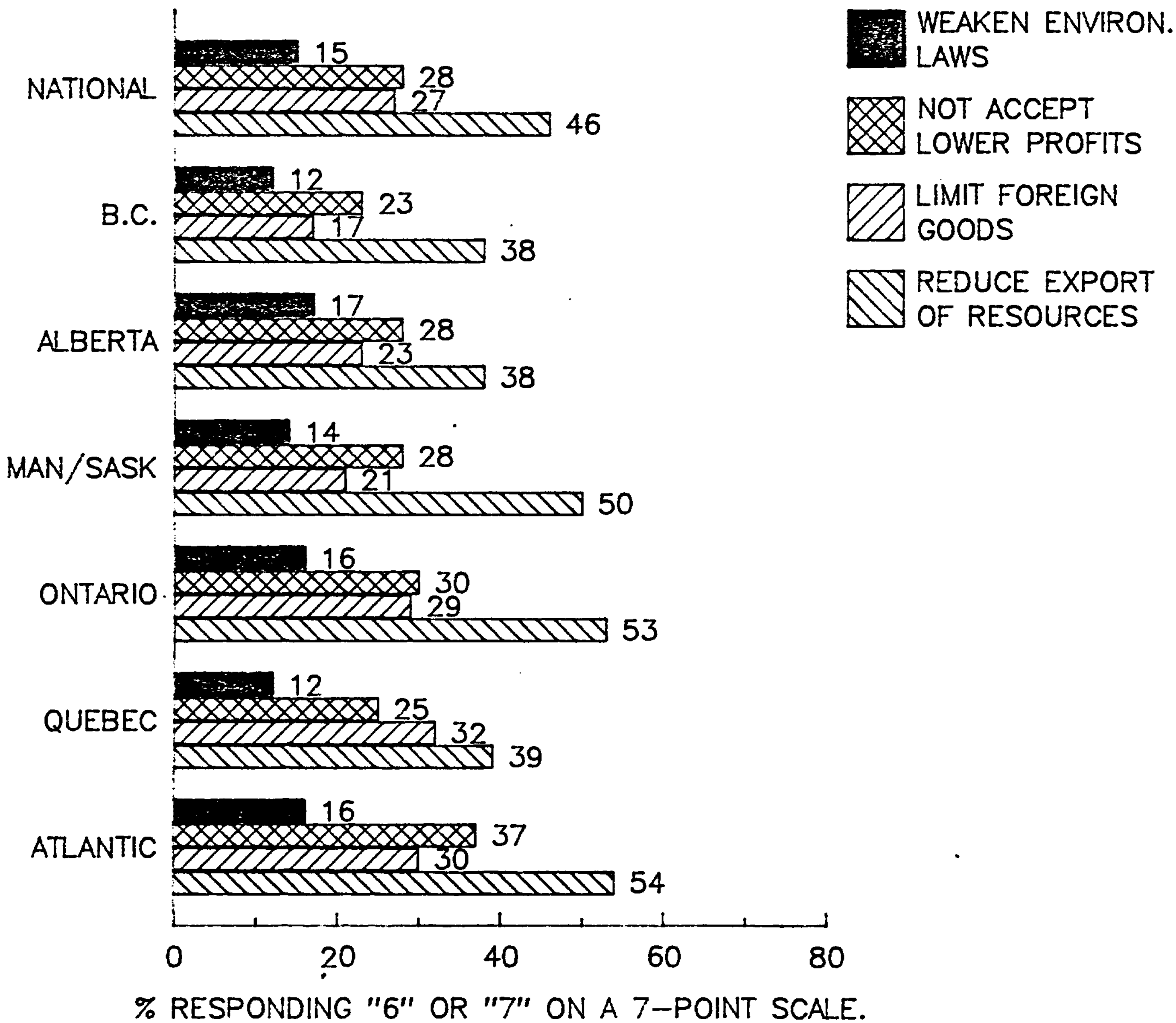


GRAPH 4.9

QUESTION #18g.i.l.n

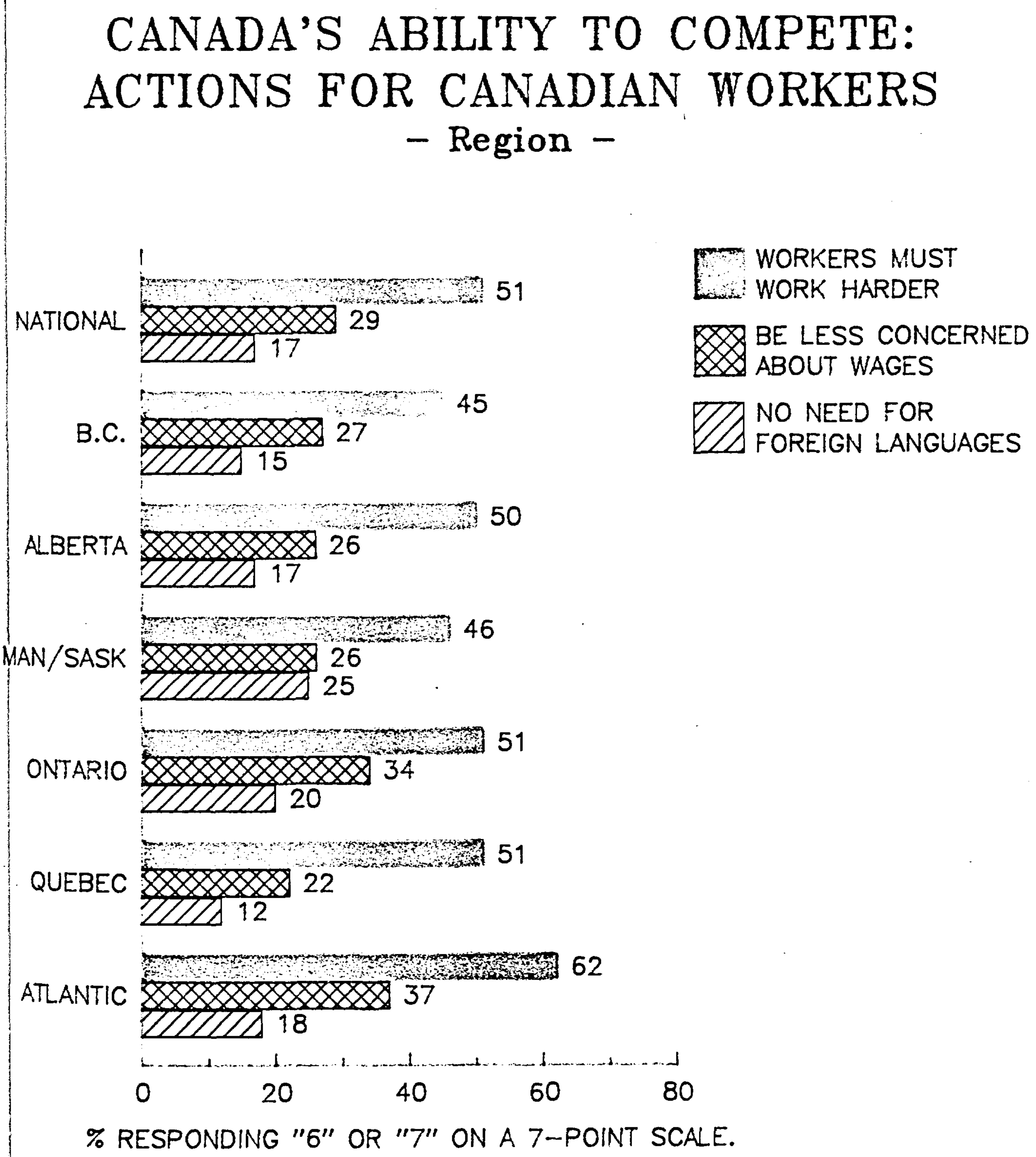
CANADA'S ABILITY TO COMPETE: STRUCTURAL ISSUES

– Region –



GRAPH 4.10

QUESTION #18e.f.j



RON.

TS

N

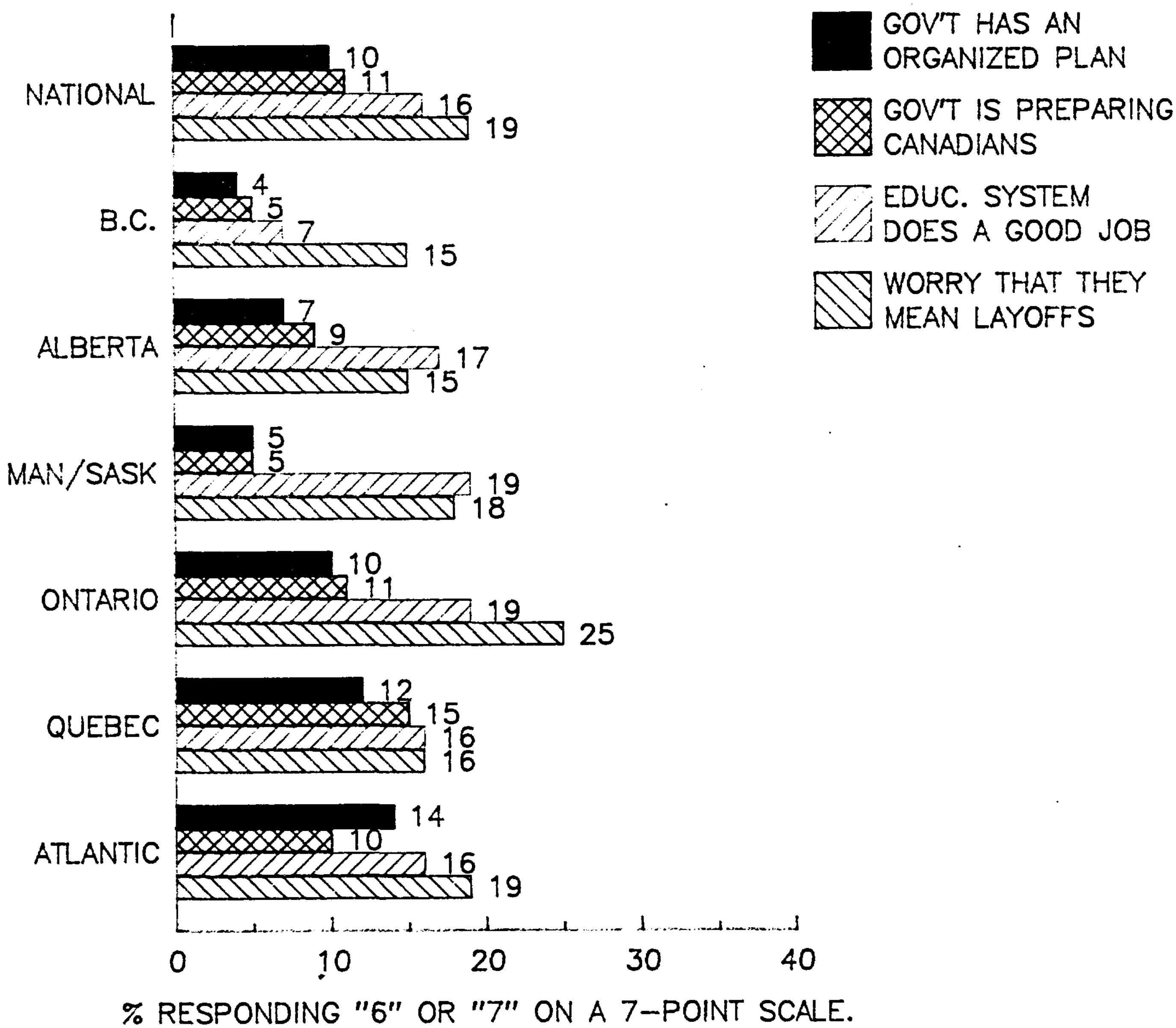
ORT
ES

GRAPH 4.11

QUESTION #18c,h,k,m

CANADA'S ABILITY TO COMPETE: GOVERNMENT INFLUENCE

– Region –



5.0 ROLE OF EXPORTS

5.1 Canada and the Exporting Industry

This section deals with Canadians' views on the role of exports. When respondents were asked about Canada's position in the exporting industry, a plurality of Canadians (48%) reported we place "too little" emphasis on exporting while over one in three (36%) believe it is "about right".

A majority of Enthusiasts (51%), Antagonists (65%) and Apprehensive (58%) believe Canada puts "too little" emphasis on exporting to other countries while the remaining two segments focus less on this sentiment (Pro-Labour Altruists 33% and Protectionists 27%). In fact, Pro-Labour Altruists (42%) and the Protectionist (45%) segment are more likely to say that Canada focuses "the right" amount on exporting. These results appear in Table 5.1. The Antagonists and the Apprehensive segments both share a high level of concern for initiatives to increase trade competitiveness, so this shared enthusiasm for exporting is entirely consistent with that outlook.

5.2 Impact on Economy, Prices and Jobs

Respondents were asked for their perceptions on the extent to which the economy would change if we increased our exporting to other countries. The results show an overwhelming majority (83%) of Canadians believe the economy would improve (either a little or a lot) if we increased our exports.

TABLE 5.1

QUESTION #11

PERCEPTIONS OF CANADA'S ROLE IN THE EXPORTING INDUSTRY
(PSYCHOGRAPHIC SEGMENTS)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500)	(380)	(187)	(400)	(349)	(184)
	(%)	(%)	(%)	(%)	(%)	(%)
EMPHASIS ON EXPORTS						
Too much	10	2	4	7	18	24
Too little	48	51	65	58	33	27
About right	36	41	24	27	42	45
(DK/NS)	7	6	7	9	7	4

While a solid majority of all psychographic segments feel the Canadian economy would improve if we increased our exports to other countries, only a majority of Enthusiasts (52%), Antagonists (58%) and Apprehensive (52%) believe it will improve a lot (Refer to Table 5.2).

Respondents were asked what impact an increase in exports would have on prices - either increasing, decreasing or staying the same. In total, respondents were evenly divided on anticipated price changes: increasing (29%); remain the same (30%) and decreasing (35%). The vast majority of respondents who reported prices would increase or decrease said they would only change "a little" rather than "a lot".

Attitudinal segmentation revealed some interesting differences. Once again the Enthusiasts, Antagonists and Apprehensive share similar views - approximately four in ten believe prices will decrease if we increased our exports. In sharp contrast, the Pro-Labour Altruists (45%) and the Protectionists (54%) were more likely to believe that prices will increase (See Table 5.3)

Respondents were asked how an increase in exports would affect job opportunities for Canadians. An overwhelming majority (80%) reported job opportunities would increase (a little or a lot) due to a boost in the exporting industry.

While a majority of all segments feel job opportunities would increase through an expansion in the exporting industry, this sentiment was more pronounced in the Enthusiasts (90%), Antagonists (92%) and the Apprehensive (89%) segments in comparison to the Pro-Labour Altruists (71%) and the Protectionists (50%). What is also noteworthy in this section is that the three segments that express the most inclination towards an increase in job opportunities are more likely to predict that job opportunities would increase a lot (See Table 5.4)

TABLE 5.2

QUESTION #12

ANTICIPATED ECONOMIC IMPACT DUE TO INCREASED EXPORTS
(PSYCHOGRAPHIC SEGMENTS)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
CHANGES IF INCREASED EXPORTS						
Improve a lot	42	52	58	52	24	17
Improve a little	41	38	38	39	44	45
Not change	8	6	1	6	13	12
Get worse	5	1	1	1	9	16
Get a lot worse	1	0	1	0	2	2
(DN/NS)	4	3	2	2	6	7

TABLE 5.3

QUESTION #13

ANTICIPATED PRICE CHANGES DUE TO INCREASED EXPORTS
(PSYCHOGRAPHIC SEGMENTS)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
IMPACT OF INCREASED EXPORTS ON PRICES						
Increase a lot	9	3	4	5	15	25
Increase a little	20	14	13	17	30	29
Not change	30	37	32	29	27	26
Decrease a little	30	36	36	36	20	15
Decrease a lot	5	6	9	6	2	1
(DK/NS)	6	5	6	7	6	5

TABLE 5.4

QUESTION #14

IMPACT OF INCREASED EXPORTS ON JOB OPPORTUNITIES (PSYCHOGRAPHIC SEGMENTS)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
IMPACT OF INCREASED EXPORTS ON JOBS						
Increase a lot	37	48	50	44	23	16
Increase a little	43	42	42	45	48	34
Not change	8	7	4	7	12	12
Decrease a little	6	2	2	2	10	20
Decrease a lot	3	0	2	2	4	13
(DK/NS)	2	1	0	1	3	5

5.3 Commodities Canada Can Export

Surveyed Canadians were asked which commodities they believe Canada could export to compete on the world market. Over half of those interviewed (52%) stated that our manufactured goods could compete on the global market. Natural resources (42%) was also a popular mention as was technology (24%). Mentioned by considerably fewer respondents were: processed foods (9%); machinery (7%); services (7%); knowledge (5%); grain/wheat/crops (5%) and communications (5%) (Refer to Graph 5.1).

5.4 Canada's Trade Partners and Competitors

Canadians had little difficulty identifying our major trading partner when asked which country Canada exports the most to. An overwhelming majority (69%) stated the United States. Several other countries were mentioned but the percentages paled in comparison to the U.S. These countries were: Japan (7%); Eastern Europe (6%) and Western Europe (6%) (Refer to Graph 5.2).

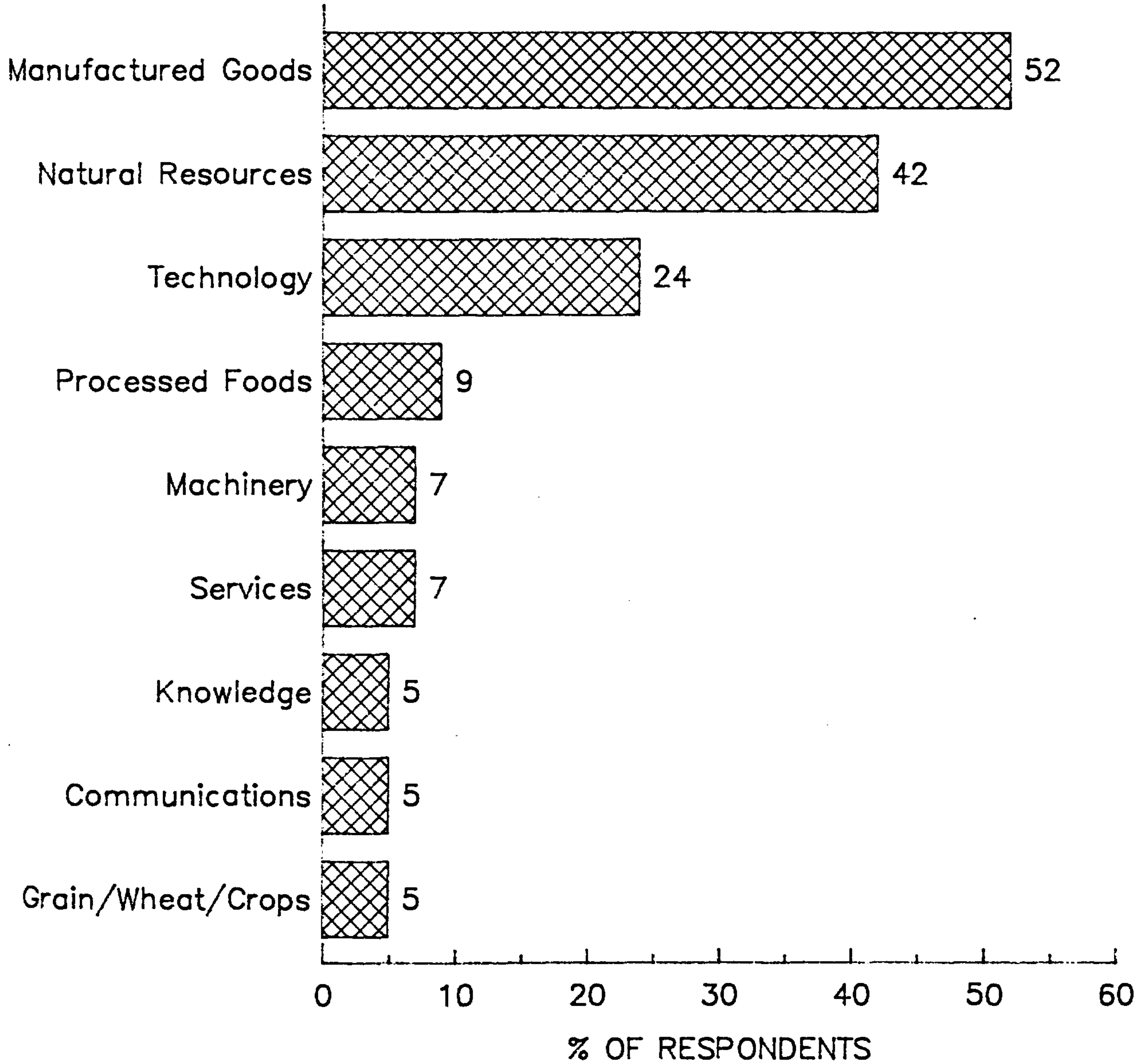
Attitudinally, the results were similar to national findings, however, the Protectionist segment (58%) mentioned the United States less often as the country that receives most of Canada's exports. This segment was more inclined than others to mention Japan and Eastern Europe for this item.

Respondents were also asked about Canada's future exporting opportunities. When asked, "What area of the world would offer Canada the greatest opportunities in terms of selling our goods and services in the future?", one-third (32%) of those surveyed stated Eastern Europe. This

GRAPH 5.1

QUESTION #22

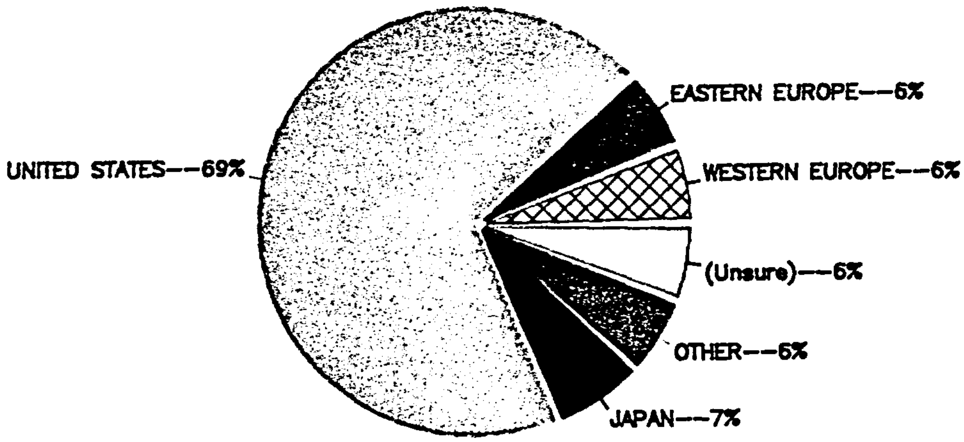
COMMODITIES IN WHICH CANADA CAN COMPETE IN THE EXPORT MARKET



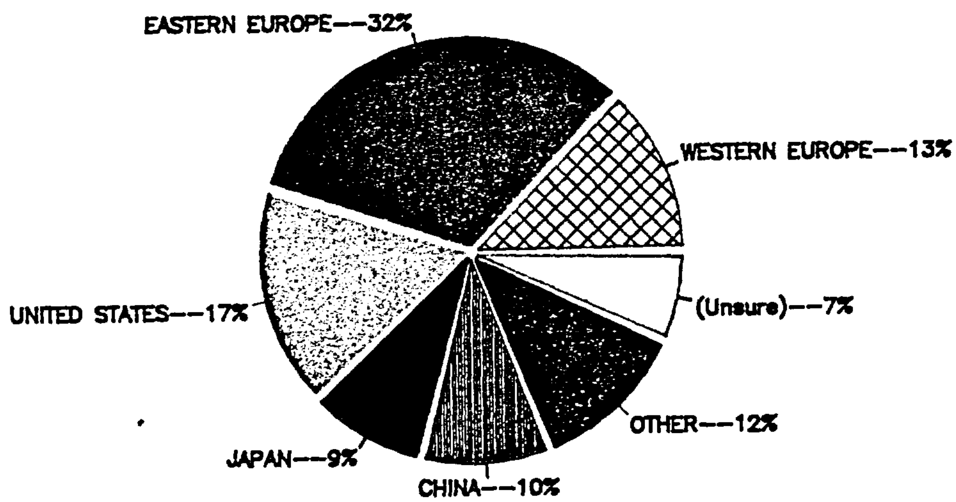
GRAPH 5.2

QUESTION #23. 26

PERCEPTIONS OF WHICH COUNTRY RECEIVES MOST OF CANADA'S EXPORTS



COUNTRY PERCEIVED TO PROVIDE THE GREATEST OPPORTUNITY IN THE FUTURE FOR EXPORTING



perception is most likely rooted in the awareness generated by the recent wave of democratic reform sweeping across Europe. Less than two in ten (17%) said the United States while 13 percent stated Western Europe. Smaller percentages mentioned China (10%) and Japan (9%) (See Graph 5.2).

There was little variation among the segments, although the Apprehensive were the most likely (39%) to mention Eastern Europe in terms of the country that will offer Canada the greatest opportunities for exporting in the future.

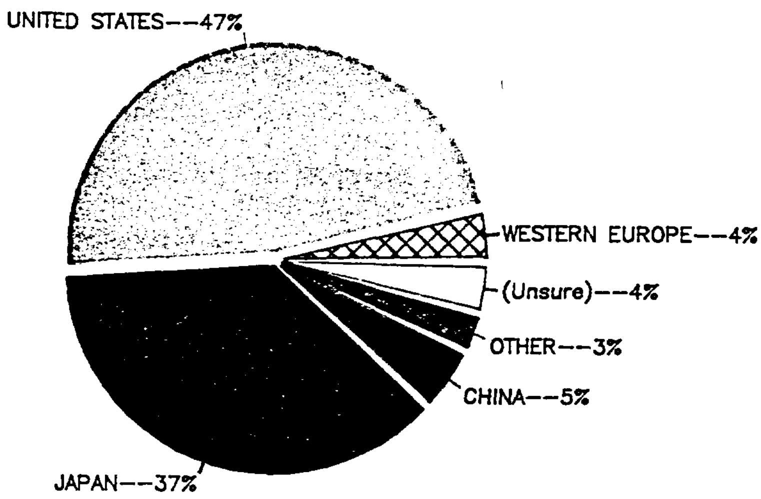
Those surveyed were asked which country or area of the world they felt gives Canada the greatest competition in terms of exporting. The majority of those interviewed (47%) felt that the United States was our greatest competitor. Japan was mentioned by nearly four in ten (37%) respondents while other countries were significantly lower. The other countries include: China (5%) and Western Europe (4%). (Refer to Graph 5.3).

Attitudinal segmentation was fairly consistent with national findings, however, the Antagonists were more inclined to mention the United States (55%) and less likely to mention Japan as the country that gives Canada the most competition.

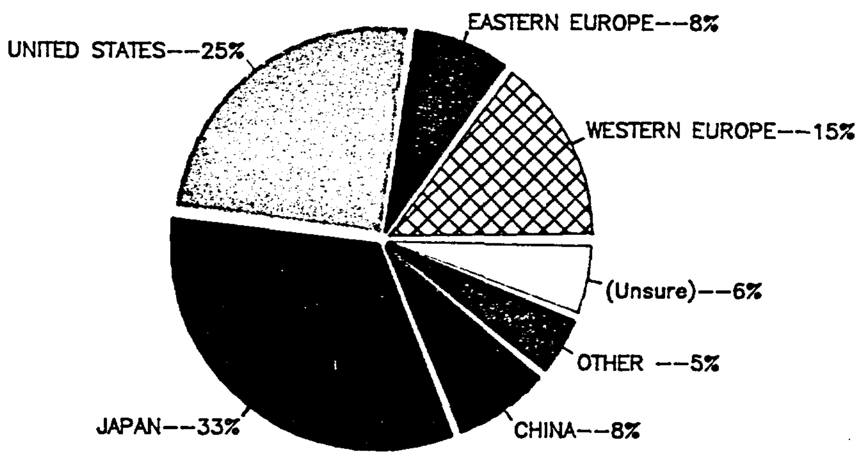
When respondents were asked what country will give Canada the greatest competition ten years from now, one-third of surveyed participants identified Japan as our "future" competitor. An additional one-quarter mentioned the United States, almost half the number who believe the U.S. is our strongest competitor at the present time. In addition, 15 percent of respondents believe Western Europe offers greater competition in the future in comparison to the perception of its current level of competitiveness (15% believe it will be our strongest competitor vs. only

GRAPH 5.3

COUNTRY PERCEIVED TO GIVE CANADA THE GREATEST COMPETITION



COUNTRY PERCEIVED TO GIVE CANADA THE GREATEST COMPETITION IN TEN YEARS



4% who believe it is our major competitor) Small percentages (8%) reported China and Eastern Europe as areas that will give Canada the greatest competition in the future (See Graph 5.3).

The Antagonists and the Protectionists are strongest in the belief that the United States will be our greatest competition in the future, in comparison to the other psychographic segments. Furthermore, the Antagonists were less likely to cite Japan as our strongest competitor ten years from now.

5.5 Demographic Results

As shown in Table 5.5, findings regarding Canada's position in the exporting industry were consistent in three of the six regions surveyed. In Ontario, respondents were much more likely to report that Canada puts "too little" emphasis on exporting - 54% of Ontarians stated this response while three in ten (29%) said it was "about right". One-third (34%) of respondents surveyed in the Atlantic provinces voiced the opinion that Canada focuses the "right" amount on exporting to other countries. A smaller but nonetheless significant percentage (15%) stated Canada puts "too much" emphasis on exporting - the highest of all the regions. Residents of Quebec were the most likely to feel that Canada's focus on trading is "about right" at its current level.

There appear to be differences by age and gender as well. Just over half of those surveyed over the age of 35 believe that Canada places insufficient emphasis on exporting whereas respondents under the age of 35 were evenly split between "too little" and "about right" (43% and 39% respectively). Also noteworthy in this section is that half (52%) of male respondents said Canada's focus on exporting is inadequate in comparison to 43 percent of females.

TABLE 5.5

QUESTION #11 PERCEPTIONS OF CANADA'S ROLE IN THE EXPORTING INDUSTRY

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
EMPHASIS ON EXPORTS							
Too much	10	11	10	8	10	8	15
Too little	48	45	50	46	54	41	43
About right	36	40	36	40	29	43	34
(DK/NS)	7	5	4	6	7	7	9

Attitudes towards Canada's position in the exporting industry also varies by income. More specifically, a solid majority of respondents in wealthier households stated Canada exports "too little" in comparison to approximately four in ten respondents in lower income households.

The belief that the Canadian economy would improve as a result of an increase in exports is a perception shared by all of the regions of the country. However, differences appear in the extent to which the Canadian economy will improve - either a little or a lot (See Table 5.6). More specifically, half (51%) of Albertans reported the economy would improve "a lot" whereas one-third said it would improve "a little". In contrast, just over one-third (36%) of Manitoba/Saskatchewan residents believe an increase in exports would enhance the Canadian economy, and a near majority (48%) believe the economy would only improve "a little".

Respondents were also asked what impact an increase in exports would have on prices. As shown in Table 5.7, residents of British Columbia and Quebec were less likely than those in other regions to state prices would increase due to a boost in exports. In fact, Quebecers were the most likely to believe there will be a decrease in prices (39%) while respondents residing in Manitoba/Saskatchewan were the least likely to think so (29%).

The finding that job opportunities would increase due to a boost in exporting was consistent across the regions surveyed. However, residents of Alberta tended to be most optimistic about the impact exports would have on job opportunities - 43 percent stated jobs would increase "a lot". In contrast, residents of the Prairies (Manitoba/Saskatchewan) and the Atlantic region tended to be slightly less optimistic about the impact on job opportunities in Canada - only three in ten respondents stated that job opportunities would increase dramatically (Refer to Table 5.8).

TABLE 5.6

QUESTION #12 ANTICIPATED ECONOMIC IMPACT DUE TO INCREASED EXPORTS (REGIONAL)

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
CHANGES IF INCREASED EXPORTS							
Improve a lot	42	41	51	36	42	44	36
Improve a little	41	44	33	48	40	41	41
Not change	8	6	11	6	9	7	7
Get Worse	5	5	2	6	5	3	7
Get a lot worse	1	1	1	1	1	1	2
(DK/NS)	4	3	1	3	4	4	7

TABLE 5.7

QUESTION #13 ANTICIPATED PRICE CHANGES DUE TO INCREASED EXPORTS (REGIONAL)

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
IMPACT OF INCREASED EXPORTS ON PRICES							
Increase a lot	9	9	8	10	9	7	12
Increase a little	20	17	25	22	22	16	21
Not change	30	29	28	32	31	32	27
Decrease a little	30	28	31	26	29	33	29
Decrease a lot	5	5	2	3	5	6	4
(DK/NS)	6	11	6	6	5	5	7

TABLE 5.8

QUESTION #14 IMPACT OF INCREASED EXPORTS ON JOB OPPORTUNITIES (REGIONAL)

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
IMPACT OF INCREASED EXPORTS ON JOBS							
Increase a lot	37	40	43	29	38	39	28
Increase a little	43	48	43	52	38	44	49
Not change	8	3	4	6	12	7	9
Decrease a little	6	5	7	4	7	5	9
Decrease a lot	3	3	1	8	2	3	4
(DK/NS)	2	1	1	2	3	2	1

Attitudes towards the overall improvement of the economy is fairly consistent when analyzed by age, however, differences appear once again in the extent to which the economy will improve. Specifically, respondents over the age of 35 were more likely to believe the economy will improve "a lot" - almost half reported this finding in comparison to only one-third (34%) of respondents under 35 years of age.

In addition to differences by age, there appear to be similar findings in terms of income classifications. In fact, people in wealthier households are more inclined to believe the economy will improve "a lot" if we increase our exports than are lower income respondents. More specifically, as income increases the feeling that the economy will be enhanced "a lot" steadily increases as well - as high as 49 percent. Similar results were also reported by employment status - only 70 percent of these respondents said the economy would improve through an increase in exports (the smallest percentage in comparison to other employment status groups).

Demographic results show the most well-educated and affluent respondents believe prices will either decrease or stay the same with a growth in the exporting industry. In contrast, respondents earning a lower income and having lower levels of education are more likely to think prices will increase - four in ten (41%) stated this response.

In addition, there were differences pertaining to the impact an increase in exporting would have on job opportunities. More specifically, middle-aged, male respondents were the most likely to believe job opportunities would increase a lot (42% and 41% respectively) in comparison to other demographic groupings.

TABLE 5.9

QUESTION #26

COUNTRY PERCEIVED TO GIVE CANADA
THE GREATEST EXPORT OPPORTUNITIES IN TEN YEARS

- REGIONAL -

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
Eastern Europe	32	40	24	44	32	31	26
United States	17	12	15	6	18	20	24
Western Europe	13	8	21	10	15	11	10
China	10	11	13	12	8	10	7
Japan	9	11	8	8	7	9	13
Other	12	14	13	13	12	12	9
(Unsure)	7	5	6	7	8	7	10

Other factors which appear to contribute to an optimistic view of job opportunities include: high levels of education (43% of those with a university degree claimed job opportunities would increase a lot vs. only 32% of those *who did not* graduate from high school); high incomes (Four in ten respondents earning over $40,000 stated job opportunities would increase a lot in comparison to only 31% in low income households). In fact, as education and income levels rise, optimism towards an increase in job opportunities steadily increases as well.

As portrayed in Table 5.9, Eastern Europe was mentioned as Canada's future competitor more often in British Columbia (40%) and the Prairies (44% in Manitoba/Saskatchewan) and less often in Alberta (24%) and the Atlantic provinces (26%). Residents of the Maritimes, however, were the most likely to believe the United States offers the greatest opportunity in the future. In addition, residents of Alberta were more inclined to cite Western Europe as a future area of opportunity in the exporting market. The results were generally consistent across the other demographic variables.

As shown in Table 5.10, respondents in central Canada (Ontario and Quebec) were evenly split between Japan and the United States in terms of which provides Canada with the greatest competition. However, residents of the Atlantic provinces were the least likely to believe Japan is our most significant competitor in comparison to the other regions (only one-quarter stated Japan). This could be at least partially due to their lack of trade with this country.

Results show older respondents were more likely to believe Japan gives us our greatest competition while younger respondents consider the United States to be our main competitor.

In addition to opinions pertaining to Canada's current competitor, respondents were also asked

TABLE 5.10

QUESTION #24, 25

COUNTRY PERCEIVED TO GIVE CANADA THE GREATEST COMPETITION

- REGIONAL -

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
United States	47	58	54	54	42	45	52
Japan	37	30	36	32	41	39	25
China	5	3	1	3	6	5	7
Western Europe	4	5	4	7	3	5	2
Eastern Europe	1	1	1	2	1	2	2
Other	3	4	1	0	3	2	4
(Unsure)	3	1	1	2	4	2	7

PERCEPTIONS OF COUNTRY THAT WILL GIVE CANADA THE GREATEST COMPETITION IN TEN YEARS

- REGIONAL -

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
Japan	33	24	36	30	34	37	33
United States	25	29	24	30	23	23	29
Western Europe	15	15	12	19	16	17	7
Eastern Europe	8	13	4	3	7	7	14
China	8	9	14	7	9	6	4
Other	5	5	4	6	5	3	4
(Unsure)	6	4	7	7	5	6	9

who they feel will be Canada's future competitor ten years from now. Regionally, there were very few differences. The only region to significantly differ from the overall national opinion was British Columbia (Refer to Table 5.10). Here, one-quarter (24%) mentioned Japan.

In addition, as education levels increase the perception that Western Europe will become a significant player increases as well - to as high as 20 percent.

6.0 PUBLIC PERCEPTIONS OF THE GOVERNMENT'S FOCUS ON TRADE

6.1 Recognition and Association of "Going Global"

Respondents were asked whether they had heard, seen or read anything concerning Canada's "Going Global" program. The majority of those interviewed (85%) did not recognize the term "Going Global". By psychographic segmentation, recognition of the term "Going Global" was highest among the Apprehensive (16%) and lowest among the Enthusiasts (11%).

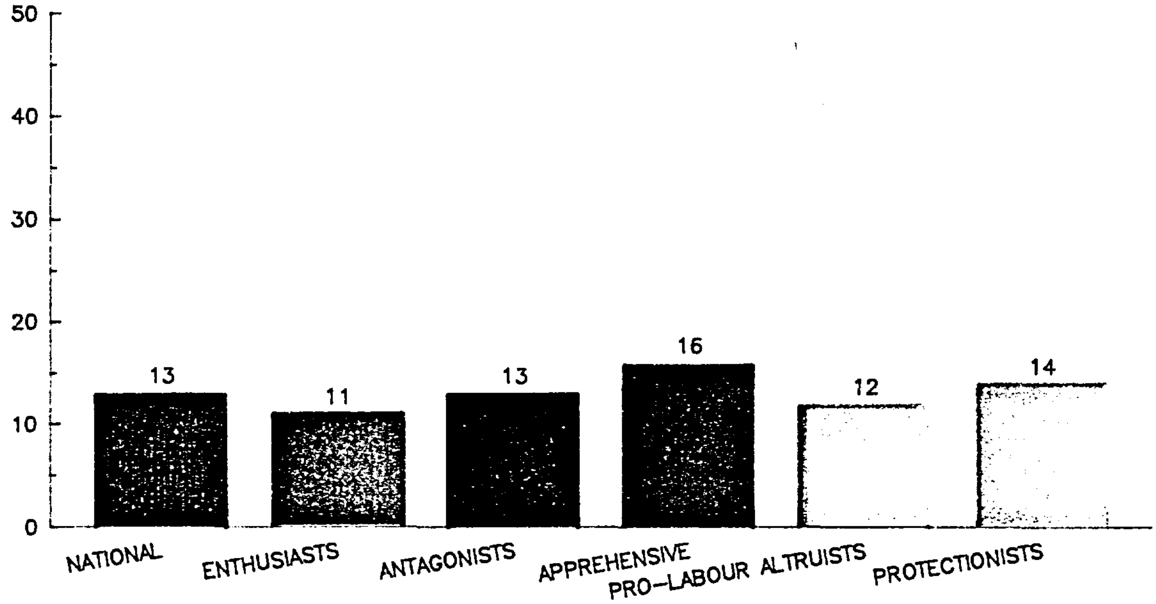
More important than the recognition of the term "Going Global" is the association Canadians attach to the term. When asked to state what the phrase "Canada is Going Global" means, slightly over a third of those interviewed (35%) associated the term with international trade. Another 5 percent associated it with free trade. Other common responses included joining other countries economically and socially (12%), global economy (5%), global concern for the environment (7%), becoming more interested in what is happening internationally (4%) and foreign aid and third world development programs (3%). A total of 27 percent of respondents were unable to provide a response to this question.

Association of the term "Going Global" with international trade was highest among the Apprehensive segment (41%) and lowest among Protectionists (25%). Awareness and association of "Going Global" by each of the psychographic segments is depicted on Graph 6.1.

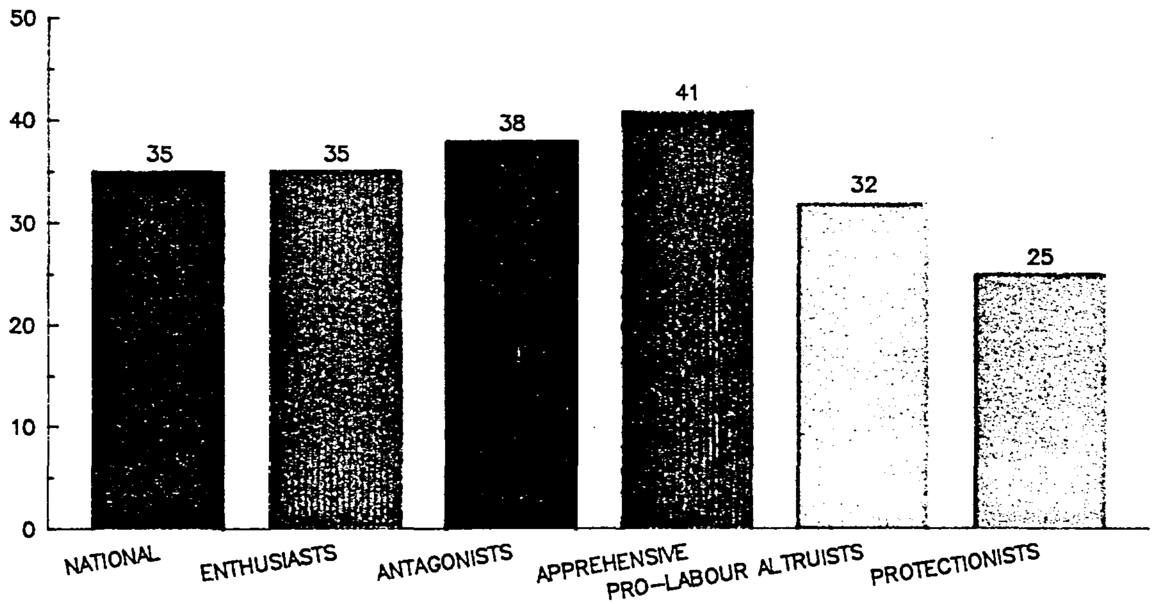
GRAPH 6.1

QUESTIOIN #6. 7

AWARENESS OF "GOING GLOBAL"
- Psychographic Segments -



PERCENT WHO HAD HEARD THE TERM "GOING GLOBAL"



IDENTIFY "GOING GLOBAL" - INTERNATIONAL TRADE

6.2 Public Perceptions of Government's International Trade Initiatives

Canadians are divided in their perception of whether or not the federal government is undertaking any specific actions or initiatives to prepare Canada for the future in terms of international trade and competitiveness. Overall, 41 percent of those interviewed felt that the government does have a plan while an almost equal percentage (43%) disagree. The balance (17%) were unsure.

By psychographic segments, Enthusiasts (51%) and Pro-Labour Altruists (45%) were more likely than other segments to state that the federal government is undertaking specific actions to prepare Canada for international trade and competitiveness. Both the Antagonists (52%) and the Apprehensive (52%) were strongly inclined to feel that the federal government does not have a plan in place. Protectionists (45%), to a lesser extent than the Antagonist or Apprehensive segments, were also likely to state that the government does not have a specific plan in place to prepare Canada for international trade and competitiveness (See Table 6.1).

Those who stated that the federal government is undertaking specific actions or initiatives to help prepare Canada for international trade and competitiveness were asked to indicate what actions they felt were being or should be undertaken by the federal government. The most common responses, in terms of government actions or initiatives being undertaken, include trade fairs and shows designed to educate the Canadian public (25%), the Free Trade Agreement (24%) and increased involvement in the international market (19%). Other actions identified included the federal Goods and Services Tax (6%), advertising (5%), education (2%), job re-training (3%) and the Meech Lake Accord (2%). About one-quarter of those who felt the federal government was undertaking some actions or initiatives were unable to identify any

TABLE 6.1

QUESTION #27

PERCEPTIONS OF WHETHER GOVERNMENT HAS A PLAN FOR INTERNATIONAL TRADE AND COMPETITIVENESS

	REGION						
	NATIONAL SAMPLE	BRITISH COLUMBIA	ALBERTA	SASK/MAN	ONTARIO	QUEBEC	ATLANTIC
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
Yes	41	39	44	40	34	46	55
No	43	48	35	41	51	35	32
Don't Know	17	13	21	19	15	19	13

	PSYCHOGRAPHIC SEGMENT				
	ENTHUSIASTS	ANTAGONISTS	APPREHENSIVE	PRO-LABOUR ALTRUISTS	PROTECTIONISTS
(BASE)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
Yes	51	32	33	45	37
No	31	52	52	39	45
Don't Know	18	16	15	17	18

specific activities.

When asked what actions the federal government should be taking to prepare Canada for international trade and competitiveness, emphasis on educating the Canadian public and a high percentage of "don't know" responses (31%) both reveal a receptiveness on the part of Canadians for some direction and leadership from the federal government.

The most common response (other than the "don't know" category) was the need to educate and inform the public (15%). This was followed by an emphasis on creating or being involved in more markets (11%), meeting with leaders of other trading countries (9%), promoting Canadian products and technology (8%) and providing on-the-job training (7%).

Other actions and initiates suggested by Canadians in the sample included:

- better education (6%)
- developing our own country (5%)
- advertising (4%)
- making our products/prices more competitive (3%) and increasing productivity (2%)
- research and development (3%) and developing new technologies (2%)
- re-organizing the tariff structure (2%)
- developing new business/encouraging business to grow (2%)

Several of the responses with less than 2 percent incidence provide an indication of the wide range of actions which the Canadian public would like to see stemming from the federal government. These included responses such as standing up to the United States on trade disputes, exporting only manufactured goods, controlling interest rates, providing incentives

TABLE 6.2

QUESTION #30-34 ACTIONS/INITIATIVES UNDERTAKEN TO PREPARE CANADA FOR INTERNATIONAL TRADE AND COMPETITIVENESS

	TOTAL SAMPLE	ENTHUSIASTS	ANTAGONISTS	APPREHENSIVE	PRO-LABOUR ALTRUISTS	PROTECTIONISTS
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
LEADERSHIP IN DEVELOPING INTERNATIONAL TRADE:						
Government	34	31	32	36	34	40
Business	57	61	58	55	57	49
Don't Know	9	8	10	10	9	11
GLOBAL ECONOMIC CHANGES WILL REDUCE GOV'T CONTROL:						
Agree	67	60	65	72	76	54
Disagree	30	35	32	25	22	41
Don't Know	4	6	3	3	2	5
GOV'T UNABLE TO PROTECT CITIZENS FROM EFFECTS OF INTERNATIONAL COMPETITION:						
Agree	58	45	60	67	67	54
Disagree	38	51	37	30	29	43
Don't Know	4	4	3	3	5	3
INTERNATIONAL TRADE WILL INCREASE FOREIGN OWNERSHIP:						
True	34	32	40	35	36	28
Partly True	52	52	48	52	52	57
False	11	13	10	10	10	10
Don't Know	3	3	3	3	2	5
NECESSITY OF CONTROL OVER FOREIGN OWNERSHIP:						
Not Necessary	21	30	21	21	18	11
Necessary	76	68	77	77	80	85
Don't Know	2	2	2	2	2	3

for manufacturers, protecting and developing Canadian industry, and creating jobs for Canadians.

6.3 Perceptions of the Government's Role in International Trade

Canadians are more likely to feel that Canadian business and industry, rather than government, should take the lead role in developing international trade opportunities. Overall, 57 percent of those interviewed stated that business should take the lead role in this area while 34 percent felt the government should. The balance (9%) were undecided.

The psychographic segmentation (Table 6.2) shows that those in the upper income "stakeholder" segments (that is, both the Enthusiasts and the Antagonists) were more strongly supportive of business and industry leadership than were those in the other segments. Protectionists were more likely than those in other segments to support a lead role for government in developing international trade opportunities.

6.4 Impact of Global Economic Changes on Government

The survey also examined Canadians' perceptions of the impact changes in the global economy may have on the Canadian government. Respondents were asked whether they felt that the government would "have less and less control over (its) individual economies regardless of what it tries to do." The findings show that two-thirds of Canadians believe, either strongly (25%) or moderately (43%) that global economic changes will reduce government control over the economy.

The view that government control over the economy will be reduced was most strongly felt among those in the Pro-Labour Altruists segment (76%) and among the Apprehensive (72%) both of which currently disapprove of the government's economic leadership. Enthusiasts (60%), who show the highest level of confidence in the government and Protectionists (54%), who show the greatest demand for government control, represent the segments least likely to foresee a reduction in government control (See Table 6.2).

Respondents were further asked whether they felt that global economic changes would reduce the power of the government to protect its citizens from the effects of international competition. Canadians were more likely to agree than to disagree with this statement. Overall, 58 percent of those interviewed agreed either strongly (19%) or moderately (39%) with this prognosis, while 38 percent disagreed either strongly (12%) or moderately (26%).

By psychographic segments, Enthusiasts (45%) followed by Protectionists (54%) were least likely to agree with the view that government would be less able to protect its citizens from the impact of international trade. Enthusiasts were the only group more likely to disagree than agree with this statement. The Apprehensive (67%) and the Pro-Labour Altruists (67%) were both highly likely to feel that global economic changes will reduce the government's ability to protect its citizens from the impact of international competition.

6.5 Foreign Ownership in the Economy

Those interviewed were asked whether they felt that increased international trade would result in greater foreign ownership of the Canadian economy. The results show that the majority of Canadians feel that predictions of such an outcome are either true (34%) or partly true (52%), and that tight controls on foreign ownership are necessary in order to retain control of our economy (76%).

There was little variation in this viewpoint according to psychographic segments, although the view that foreign ownership would increase was somewhat more strongly felt among the Antagonists (40%). The Protectionists were least likely to foresee an increase in foreign ownership (28%) (Refer to Table 6.2).

The view that increased international trade would likely result in increased foreign ownership in the Canadian economy was matched by a strong sentiment across all segments for tight controls over foreign ownership, regardless of its benefits, in order to forestall a loss of economic control. Overall, 76 percent of those interviewed, felt that tight controls were necessary.

Protectionists were much more likely than those in other segments to express a need for controls over foreign ownership (85%). Pro-Labour Altruists, representing a high number of younger, pro-labour working class Canadians, were also more likely than those in other segments to feel that controls are necessary (80%). Enthusiasts, who share the brightest prospects for the future and share high levels of confidence in the government's trade initiatives, were least likely to feel that controls were necessary. Yet, the view that controls are necessary was strongly expressed, even among members of this segment (68%) (See Table 6.2).

6.6 Demographic Results

Recognition of the "Going Global" program was highest in the Prairie provinces (17%) and Ontario (15%) and lowest, by a significant margin, in Quebec (7%).

In addition, association of the term "Going Global" with international trade was significantly lower among Quebec respondents (12%, compared to 43% of non-Quebec respondents).

Recognition of the program "Going Global" was positively correlated with age, education and income. Older, well-educated, upper income earners were more likely than younger, less educated, lower income earners to report having heard the term "Going Global".

In addition, thirteen percent of respondents whose first language was French compared to 43 percent of Anglophone respondents associated the term "Going Global" with international trade. This strongly suggests that the translated term, "horizon le monde", fails to convey the intent of the slogan.

Males were significantly more likely than females to associate "Going Global" with international trade (40% of males, 30% of females). Association of the term with international trade was also related to education and income. Among university graduates, 39 percent associated "Going Global" with international trade compared to 26 percent of those who did not complete high school. Association with international trade is directly linked to income. Among those earning annual incomes of under $20,000, 26 percent associated "Going Global" with international trade compared to 33 percent of those earning $20,000 to $40,000, 39 percent of those earning $40,000 to $60,000 and 42 percent of those earning annual incomes above $60,000.

Regionally, residents of Quebec and Atlantic Canada were more likely than other Canadians to state that the government has a plan in place for international trade while Ontario residents were least likely to think so (See Table 6.1).

The view that the government is undertaking a specific plan or initiative is positively correlated with both education and income. Respondents with higher educational levels and higher incomes were more likely than less educated, lower income earners to state that the government is undertaking specific actions to prepare Canada for international trade and competitiveness. Among those who completed university, 49 percent stated that the federal government is undertaking actions compared to 41 percent of high school graduates and 34 percent of those who did not complete high school. The view that the federal government is undertaking specific actions was expressed by 45 percent of those earning annual incomes over $60,000 and 44 percent of those earning between $40,000 and $60,000 compared to 40 percent of those earning between $20,000 and $40,000 and 35 percent of those earning less than $20,000 per year.

In addition, people with lower levels of education and lower incomes were less able to identify a specific activity or initiative undertaken by the federal government to increase international trade. Among those who had completed university, only 11 percent compared to 29 percent of other respondents, were unable to identify a specific action or initiative. Similarly, 11 percent of those earning over $60,000 per year, in comparison to 34 percent of those in the lowest income category (less than $20,000/year), were unable to name a specific action or initiative.

The tendency to state that the government should take the lead role in developing international trade opportunities was highest in Atlantic Canada (39%). Younger respondents (38% of those aged 18-34 compared to 33% of those 35-54 and 29% of those aged 55 or older) were more likely to believe the government should take the lead role in developing international trade opportunities in comparison to their older counterparts. The findings show that those in the lowest income category (under $20,000/year) were more likely than those earning over $20,000 annually to state a preference for government leadership regarding the development of international trade. Among those earning under $20,000 per year, 40 percent stated that the government should take the lead role in developing international trade opportunities. In contrast, among respondents whose incomes fell above $20,000, 31 percent felt that government should take the lead role in developing international trade.

Agreement was significantly lower in Quebec (49%) and Atlantic Canada (52%) than among respondents in British Columbia (60%) and the Prairie provinces (62%) in regards to the perception that global economic changes would reduce the power of the government to protect its citizens from the effects of international competition. Ontario residents were the most likely to foresee an inability of the government to protect its citizens from the effects of international competition (66%).

Agreement with the statement that global economic changes would reduce the power of the government to protect its citizens was highest among older, upper income earners. Education had very little impact on agreement/disagreement.

Respondents in Quebec (40%) and British Columbia (38%) were most likely to feel that foreign ownership would result from increased international trade while those living in the Prairie provinces (23%) and Atlantic Canada (26%) were less likely to think so.

The belief that foreign ownership in the Canadian economy would increase due to an expansion in international trade was more strongly felt among older respondents (36% of those over 55 compared to 32% of those aged 18-34), upper income earners (36% of those earning in excess of $60,000/year compared to 28% of those earning under $20,000/year) and among university graduates (37%) compared to high school graduates (33%) or those who did not complete high school (29%).

The necessity of control on foreign ownership was most strongly expressed in Quebec (82%), Manitoba and Saskatchewan (81%). In addition, concern for control on foreign ownership was inversely related to education and income levels. Those in lower educational and income levels expressed significantly greater concern for controls than did university educated respondents and upper income earners.

7.0 BELIEVABILITY OF VARIOUS SOURCES ON INTERNATIONAL TRADE

7.1 Research Findings

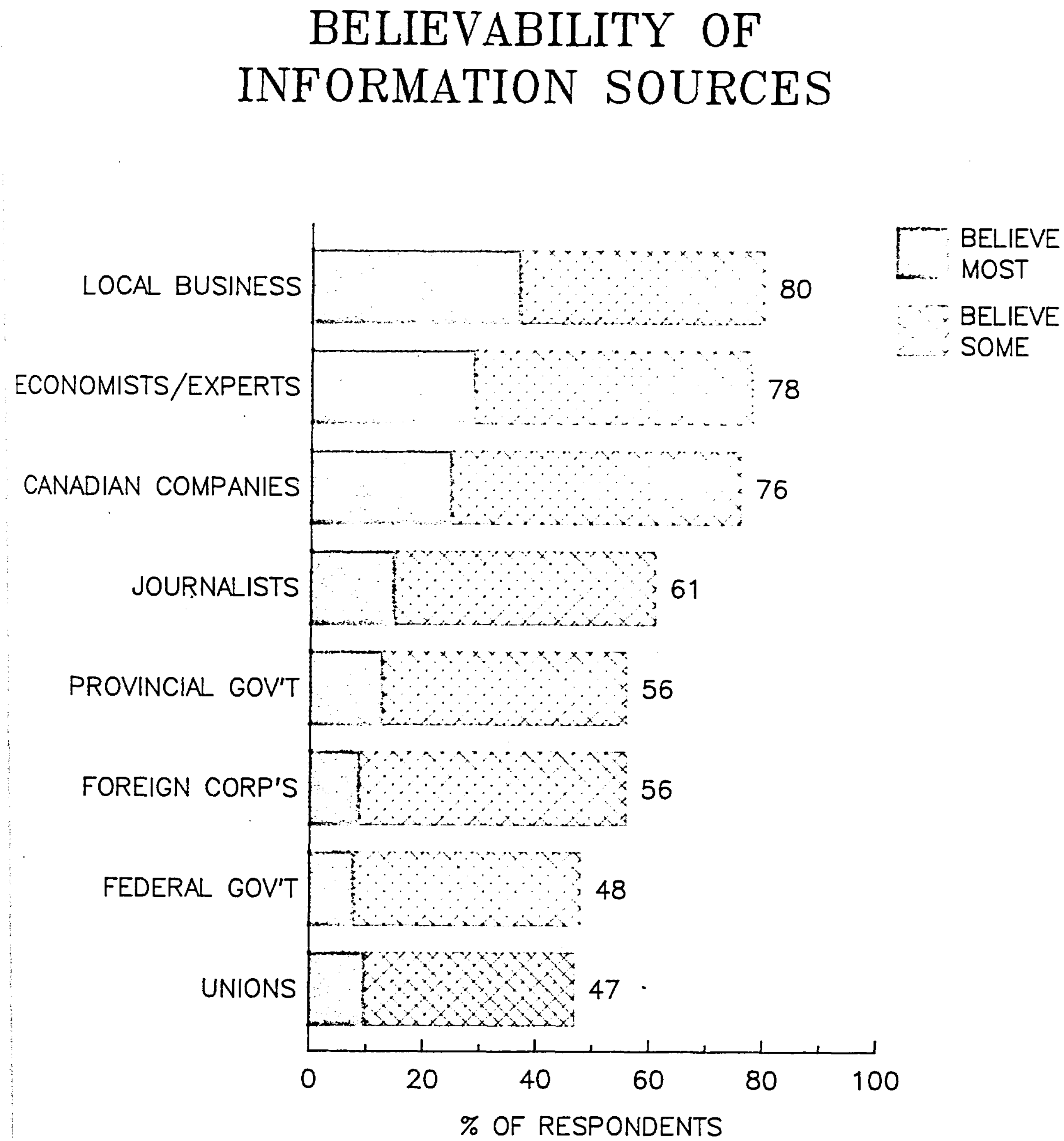
Survey respondents were asked to comment on how likely they would be to trust statements about international trade coming from various sources including government, business, media and trade experts. The findings show that, overall, local business owners, Canadian companies and trade economists/experts are the most trusted sources of information on international trade for Canadians. As shown on Graph 7.1, 80 percent of those interviewed trust most (37%) or some (43%) of the statements made by "people who run local businesses in your area". Believability is only slightly lower for "people who run major Canadian companies (76% believe most or some), but significantly lower for "people who run foreign-owned corporations (56%).

Trade economists and experts are viewed as reliable sources of information on international trade. In total, 78 percent of those interviewed believe most (29%) or some (49%) of what they hear from these groups. Reporters and journalists had a somewhat lower believability with 61 percent of Canadians stating that they trust most (15%) or some (46%) of what was said by the media concerning international trade.

Believability of federal government leaders (48%) ranked similar to believability of union leaders (47%) as the least trusted sources of information among those surveyed. Given the relatively lower level of trust in statements made by "federal government leaders", the critical question becomes one of determining what the public perceives their leaders to be saying and where the pockets of support and opposition can be identified. These questions are addressed

GRAPH 7.1

QUESTION #35



to a great extent, of course, by Section 6 and Section 8 of this report.

The psychographic segmentation revealed significant differences across clusters in terms of the believability of various sources concerning international trade. Both the Enthusiasts and the Pro-Labour Altruists were much more likely to trust federal and provincial government leaders than were members of other psychographic segments. However, Pro-Labour Altruists differed from the Enthusiasts in the level of believability attached to labour union leaders. Enthusiasts (34%) showed the lowest trust while Pro-Labour Altruists (57%) were more likely than others to trust statements made by union leaders. (Refer to Table 7.1)

Belief in statements made by trade economists and experts was lowest among the Protectionists (60% compared to 78% overall) followed by those in the Antagonist segment (70%). In contrast, both the Apprehensive (83%) and the Enthusiasts (86%) place a high degree of trust in statements made by trade economists and other experts in international trade. In addition, those in the Apprehensive segment were more likely than Enthusiasts to place a high degree of confidence in statements made by journalists and reporters (69%). The Antagonists (52%) and the Protectionists (49%) showed the lowest level of confidence in journalists and reporters as well as in economists and other experts.

Respondents generally placed considerably more faith in local businesses and Canadian owned companies than in people who run foreign-owned corporations. The Pro-Labour Altruists were distinct from other segments in their marked distrust of business spokespeople whether they represented foreign-owned, Canadian or local businesses. Enthusiasts, on the other hand, placed considerable faith in business, including people who run foreign-owned corporations. Antagonists tended to be less trusting of foreign-owned and Canadian companies, but placed

TABLE 7.1

QUESTION #35

BELIEVABILITY OF VARIOUS SOURCES
- PSYCHOGRAPHIC SEGMENT -

	TOTAL SAMPLE	ENTHUSIASTS	ANTAGONISTS	APPREHENSIVE	PRO-LABOUR ALTRUISTS	PROTECTIONISTS
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
FEDERAL GOVERNMENT LEADERS:						
Most/Some	48	61	37	37	61	37
Little/None	51	37	64	63	40	62
PROVINCIAL GOVERNMENT LEADERS:						
Most/Some	56	66	46	43	65	49
Little/None	44	32	54	57	35	48
LABOUR UNIONS:						
Most/Some	47	34	54	50	57	42
Little/None	51	63	45	48	41	55
TRADE ECONOMISTS/ EXPERTS:						
Most/Some	78	86	70	83	79	60
Little/None	19	13	27	15	17	35
JOURNALISTS/ REPORTERS:						
Most/Some	61	62	52	69	64	49
Little/None	37	37	46	31	36	49
FOREIGN-OWNED CORPORATIONS:						
Most/Some	56	74	58	49	46	50
Little/None	41	21	38	49	51	43
MAJOR CANADIAN COMPANIES:						
Most/Some	76	87	78	71	68	79
Little/None	22	11	21	29	32	16
LOCAL BUSINESS:						
Most/Some	80	82	93	80	69	83
Little/None	19	17	7	18	28	16

considerable faith in local business spokespersons.

In summary, the following distinctions can be made between the beliefs held by the different segments:

- Overall, Enthusiasts are distinct from other clusters in the high level of confidence placed in federal and provincial leaders and their low believability of union leaders. They tend to place more confidence in experts and in business leaders than do those in other segments.

- Antagonists place much lower confidence in government, experts and media. They tend to rank slightly above average in terms of confidence in foreign and Canadian business, but are significantly more trusting of statements made by local business owners.

- The Apprehensive show a distrust of government leaders but are strongly inclined to believe statements made by economists and other trade experts and by journalists and reporters. They are slightly less inclined to believe statements made by people who run foreign-owned corporations and Canadian companies, but are on average with other groups in terms of their faith in local business.

- The Pro-Labour Altruists, while showing significant trust in federal and provincial government leaders, are distinct from other segments in the high degree of confidence they place in union leaders and their low trust in statements made by people who run foreign-owned, Canadian or local businesses.

o The Protectionists are distinct in the low level of confidence they place in trade economists and other experts and in statements made by journalists and reporters. They are less likely than others to believe statements made by people who run foreign-owned corporations but are more likely to place a high degree of trust in Canadian companies and local businesses. These findings are highlighted in Table 7.1.

7.2 Demographic Results

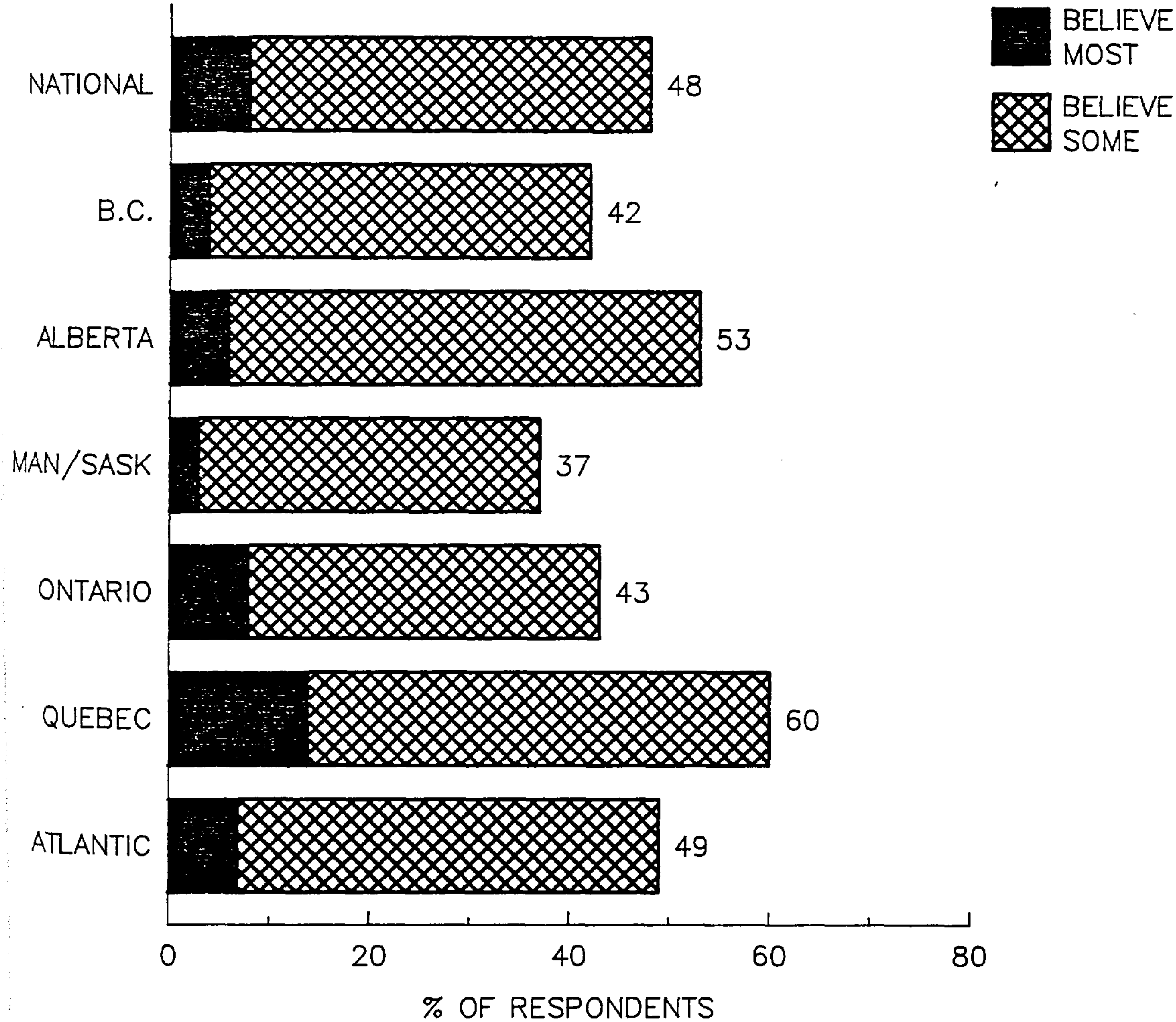
Graph 7.2 shows that the highest level of trust in federal government leaders comes from Quebec (60%), which stands out significantly from other regions. The next highest percentage is Alberta where 53 percent believe most or some of what is said by federal government leaders concerning international trade. The lowest believability level comes from Manitoba and Saskatchewan respondents (37%), followed by British Columbia (42%) and Ontario (43%).

The demographic findings show that the believability of federal government leaders is slightly lower among older Canadians (46% of those aged 55 or older, compared to 49% of younger respondents trust most or some of what is said concerning international trade). Believability of federal government leaders also tends to increase with higher income and educational levels. Among those who did not complete high school, 41 percent believe most or some of what is said by federal government leaders concerning international trade, compared to 48 percent of high school graduates and 57 percent of university graduates. The findings relating to income show a differentiation between those earning less than $20,000 per year and other respondents, with relatively little variation based on higher income increments. Among those earning under $20,000 per year, 44 percent believe most or some of what federal leaders say concerning international trade compared to 50 percent of those earning higher incomes.

GRAPH 7.2

QUESTION #35

FEDERAL GOVERNMENT LEADERS' BELIEVABILITY ON STATEMENTS MADE REGARDING INTERNATIONAL TRADE



8.0 PUBLIC ATTITUDES TOWARDS THE FREE TRADE AGREEMENT

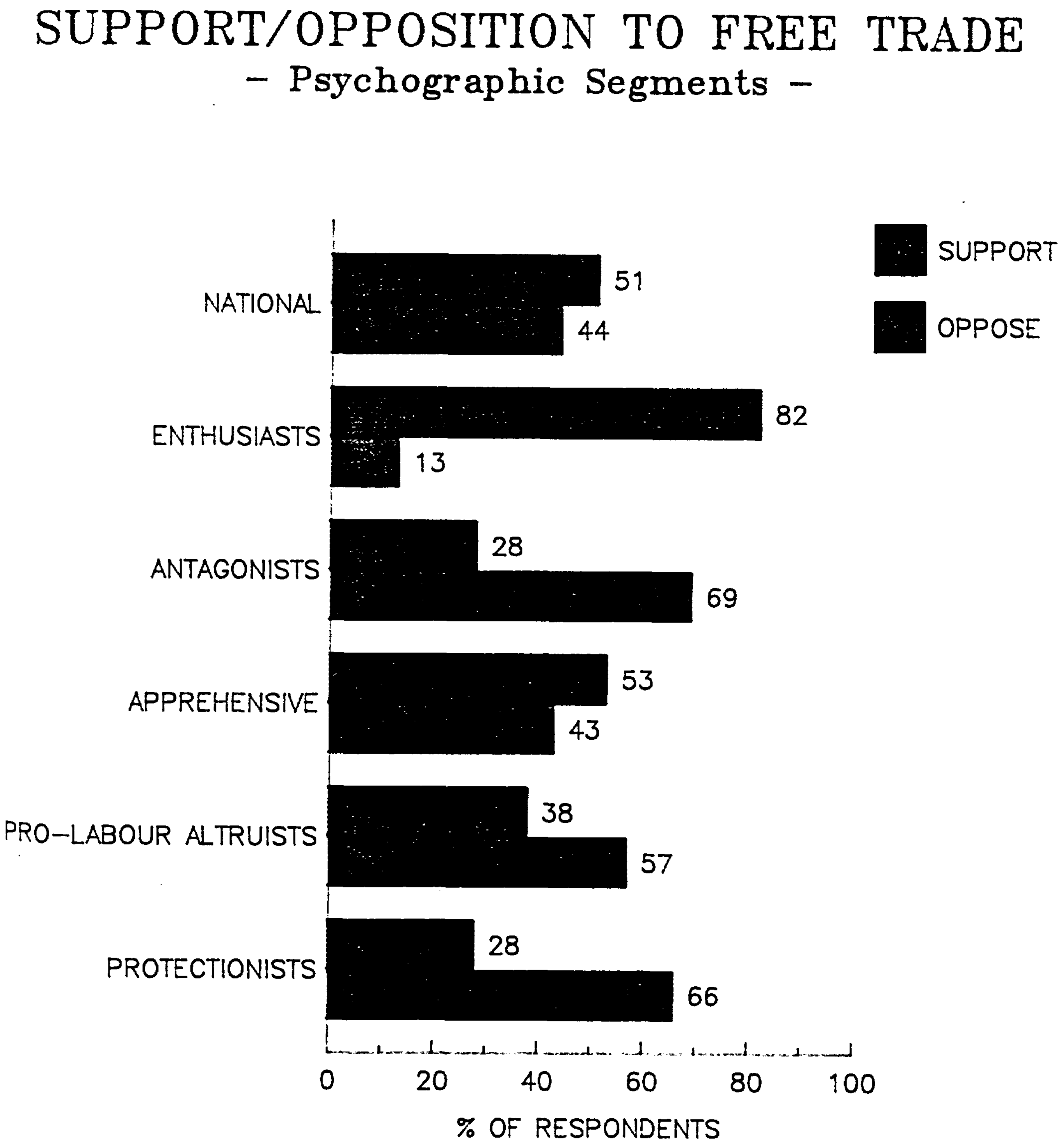
8.1 Support/Opposition to the Free Trade Agreement

The results of this survey show that Canadians are fairly evenly divided on support/opposition to the Free Trade Agreement. Overall, 51 percent of those interviewed support the Free Trade Agreement while 44 percent oppose. The balance (5%) were unsure. These figures represent an increased support for the Free Trade Agreement in comparison to previous Angus Reid Group Poll results. Poll results in December of 1989 showed 39 percent support and 53 percent opposition.

As shown on Graph 8.1, opinions on the Free Trade Agreement varied considerably among psychographic segments. Enthusiasts, who hold positive views about Canada's ability to compete in the international marketplace, are distinct from other segments in that they are much more likely to support than oppose the Free Trade Agreement either strongly (37%) or moderately (45%). The Apprehensive, while remaining pessimistic about Canada's economic future, were more likely to support (53%) than oppose (43%) Free Trade. Pro-Labour Altruists, on the other hand, remain positive about Canada's economic outlook, but were more likely to oppose Free Trade (57%) than support it (38%). Opposition to the Free Trade Agreement was highest among Antagonists (69%), and Protectionists (66%).

GRAPH 8.1

QUESTION #46



8.2 Perceptions of the Impact of Free Trade Agreement

In order to better understand support/opposition to the Free Trade Agreement, the survey examined Canadians' perceptions of the effects of the Agreement and what impact they see forthcoming. The results (Graph 8.2) show that while very few Canadians feel that there has been any benefit to date from the Free Trade Agreement (9% of those interviewed felt that the Agreement has benefitted Canada), Canadians are much more likely to expect that the Free Trade Agreement will benefit Canada in the long run. In total, 44 percent of those interviewed felt that the long-term impact of Free Trade will result in benefits to Canada. The results show no difference in the percentage of Canadians who feel that the Free Trade Agreement has hurt Canada and the percentage who feel it will hurt Canada in the long-term (40%).

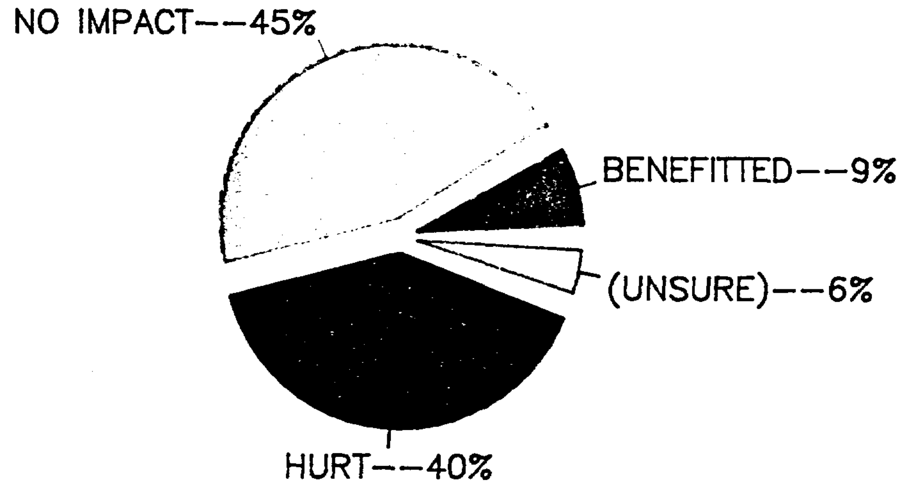
Table 8.1 shows that the majority of Canadians who felt that the Free Trade Agreement had no impact to date feel that it will benefit Canada in the future. Among those who stated that the Free Trade Agreement had no impact yet, 53 percent expect positive long-term effects while 26 percent expect a negative long-term impact. Furthermore, those who were unsure about current impacts were much more likely to expect benefits (45%) than negative impacts (22%) in the future. Among those who said that the Free Trade Agreement has hurt Canada, 22 percent stated that it will benefit Canada in the long run. Only 4 percent of those who saw immediate benefits stated that they expected long-term negative impacts.

Table 8.2 displays these perceived benefits and negative effects of the Free Trade Agreement among those who stated that the Agreement has had a positive or negative impact to date.

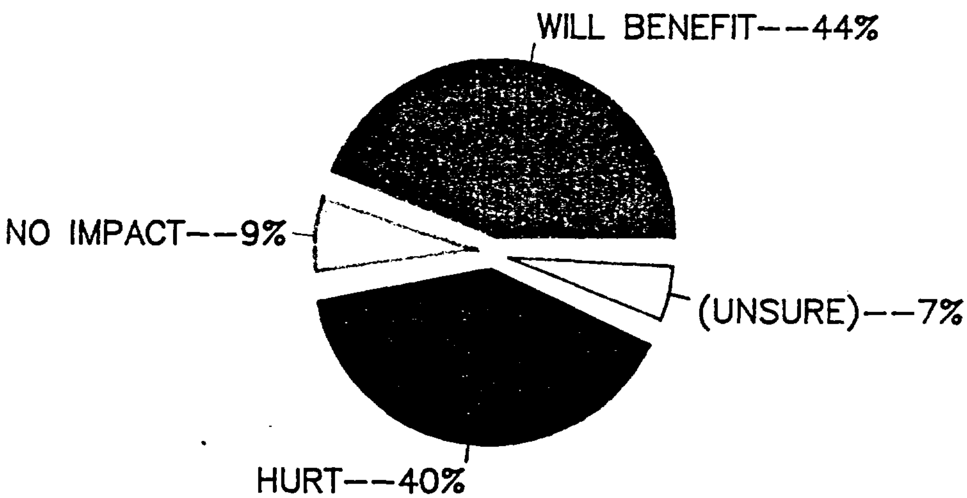
QUESTION #36, 39

GRAPH 8.2

PERCEIVED IMPACT OF FREE TRADE



CURRENT IMPACT



LONG-TERM IMPACT

TABLE 8.1

QUESTION #39

PUBLIC ATTITUDES ON CURRENT AND LONG TERM IMPACT OF FREE TRADE

	CURRENT SITUATION			
	BENEFITTED	HURT	NO IMPACT	UNSURE
(BASE)	(140) (%)	(597) (%)	(672) (%)	(91) (%)
LONG TERM IMPACT:				
Will Benefit	87	22	53	45
Will Hurt	4	66	26	22
Will Have No Impact	6	6	14	7
Don't Know	2	6	7	26

TABLE 8.2

QUESTION #37a), b) PERCEIVED IMPACTS OF FREE TRADE

PERCEIVED BENEFITS (BASE = 140)

- Americans buying Canadian goods (19%)
- Better market for Canadian goods and services (16%)
- Lower prices (11%)
- Job creation/less unemployment (11%)
- Canada being more competitive/aggressive (7%)
- Removal or lowering of tariffs (6%)
- Greater Canada-U.S. co-operation (6%)
- Don't Know (26%)

PERCEIVED HURTS (BASE = 597)

- Job lay-offs (51%)
- Plant closures (40%)
- U.S. goods taking away Canadian market (17%)
- Higher prices (6%)
- Increased tariffs/taxes (4%)
- Inability of small business to compete without subsidies (4%)
- General economic disruption (4%)
- Drop in the value of Canadian goods and services (3%)
- Negative impact on agriculture industry (3%)
- Lower salaries (2%)
- Selling natural resources to U.S. (2%)
- Increased competition for Canadian businesses (2%)
- Don't Know (6%)

The psychographic segmentation reveals that perceptions of the benefits and negative impacts of the Free Trade Agreement are consistent with support/opposition. Enthusiasts are more likely than those in other segments to state that the Agreement has had no impact to date, or has benefitted Canada. They are significantly more likely than other segments to foresee long-term benefits for Canada arising out of the Agreement. The Apprehensive are much more likely to expect long-term benefits despite the perception of short-term negative effects. The strongest opponents of the Free Trade Agreement, the Antagonists and the Protectionists, were more likely to expect negative effects than benefits, both immediately and in the long-term.

8.3 Long-Term Expectations for Free Trade

The majority of those interviewed expect that the long-term impact of the Free Trade Agreement will be seen within 5 years. Overall, 21 percent expect to see an impact in less than 3 years while 44 percent expect it within 3-5 years. The results show very little variation across the segments. Protectionists are slightly more inclined than other segments to expect long-term results sooner (less than 3 years) rather than later (more than 5 years).

Indicators of the long-term impact of Free Trade which Canadians expect to see include: employment (33%); changing prices (23%); general economic changes (13%); Canadian companies gaining a competitive edge (11%); a greater balance of trade between Canada and the U.S.(8%); changes in our standard of living (4%); a greater number of exports from Canada (4%) and a reduction in duties paid for U.S. goods (3%).

Respondents were also asked to indicate their expectations regarding the long-term impact of the Free Trade Agreement more specifically on jobs, the economic outlook for individual Canadians and for Canadian business, its impact on Canadian economic sovereignty and its impact on Canada's ability to compete internationally.

8.4 Long-Term Impact of Free Trade on Jobs

Respondents were asked whether they felt that, in the long-term, more jobs would be created or more jobs would be lost as a result of the Free Trade Agreement. The results show that, on the whole, more Canadians believe that jobs will be lost than will be created. In total, 48 percent of those interviewed felt that jobs will be lost (26% said that "a lot more" jobs will be lost and 22% said that "a few" jobs would be lost). Thirty-eight percent felt that either a lot (12%) or a few (26%) jobs will be created as a result of the Free Trade Agreement. Ten percent stated that the number of jobs would be "about the same" while the balance (5%) were unsure.

Consistent with overall negative attitudes towards Free Trade, those in the Antagonist and the Protectionist segments were much more likely to state that jobs will be lost (71%) than created (15% of Protectionists; 18% of Antagonists). The Pro-Labour Altruists were also largely of the opinion that jobs would be lost (60%) rather than created (22%). Enthusiasts, on the other hand, were much more likely to state that jobs would be created (66%) rather than lost (18%). Those in the Apprehensive segment were evenly divided over whether jobs would be created (42%) or lost (44%).

TABLE 8.3

UESTION #42, 43

LONG TERM IMPACT OF FREE TRADE ON FINANCIAL WELL-BEING
(PSYCHOGRAPHIC SEGMENT)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
INDIVIDUAL CANADIANS						
Better off	42	69	25	45	29	21
Worse off	39	13	57	37	46	64
Stay the same	13	12	11	12	19	9
(DK/NS)	6	6	7	6	6	6
CANADIAN COMPANIES						
More helped	46	76	23	46	35	26
More hurt	45	16	66	45	55	64
Stay the same	4	3	4	4	5	4
(DK/NS)	6	5	7	6	5	7

8.5 Long-Term Impact of Free Trade on Canadians' Financial Well-Being

Overall, those surveyed were more likely to state that individual Canadians will be better off financially in the long-term (42%) than worse off (39%) as a result of the Free Trade Agreement.

As shown in Table 8.3, the findings by psychographic segmentation are consistent with the high support found among Enthusiasts (69% felt that Canadians will be better off financially), the moderate support among the Apprehensive (45%, better off) and the high level of opposition expressed among Protectionists and Antagonists.

The survey results on the question of whether Canadian companies would be helped or hurt, in the long-term by the Free Trade Agreement were consistent with the opinions relating to the long-term impact of the Agreement on the financial well-being of individual Canadians. Antagonists and Protectionists were much more likely to state that Canadian companies would be hurt. The Antagonists were more slightly adamant than Protectionists in the opinion that Canadian companies would be hurt by the Agreement while the reverse was true for the impact of Free Trade on individual Canadians (Table 8.3).

Pro-Labour Altruists were more likely to state that Canadian companies would be hurt (55%) than helped, while the Apprehensive were equally divided on the issue. Consistent with their positive support for the Free Trade Agreement, Enthusiasts were much more likely to say that Canadian companies would be helped (76%) than hurt (16%).

TABLE 8.4

QUESTION #44, 45

LONG TERM IMPACT OF FREE TRADE ON CANADA
(PSYCHOGRAPHIC SEGMENTS)

	TOTAL	Psychographic Clusters				
		Enthusiasts	Antagonists	Apprehensive	Pro-Labour Altruists	Protectionists
(BASE)	(1500) (%)	(380) (%)	(187) (%)	(400) (%)	(349) (%)	(184) (%)
EFFECT ON CANADA'S ABILITY TO MAKE DECISIONS						
Strengthen	35	60	18	38	25	17
Weaken	54	27	76	54	64	73
Stay the same	6	8	4	4	7	3
(DK/NS)	5	6	2	4	4	7
WILL F.T. HELP BECOME MORE COMPETITIVE						
Wll help Canada	57	82	38	62	46	36
Will hurt Canada	33	8	55	30	42	54
(No difference)	4	6	3	3	5	3
(DK/NS)	6	4	4	6	7	7

8.6 Long-Term Impact of the Free Trade Agreement on Canada

Overall, those interviewed felt that, in the long-term, the Free Trade Agreement would weaken (55%) rather than strengthen (35%) Canada's ability to make economic decisions on its own.

Comparing psychographic segments, Enthusiasts were sharply differentiated from other segments in their positive outlook on the long-term impacts of the Free Trade Agreement. Sixty percent of Enthusiasts felt that Canada's ability will be strengthened while 27 percent stated that Canada's ability would be weakened. Antagonists and Protectionists, consistent with their negative outlook on free trade, expressed the opposite view. Seventy-six percent of Antagonists and 73 percent of Protectionists felt that Canada's ability to make its own economic decisions would be weakened as a result of the Free Trade Agreement. Views expressed by the Apprehensive and the Pro-Labour Altruists were less extreme but reflected a perception that Canada's economic decision-making ability would be weakened rather than strengthened (See Table 8.4).

Despite the perception on the part of Canadians that Canada's ability to make its own economic decisions would be weakened by the Free Trade Agreement, Canadians were more likely to think that the Agreement will help (57%) rather than hurt (33%) Canada in its effort to become more competitive internationally.

The findings by psychographic segments (Table 8.4) show the Enthusiasts are significantly more likely to say that the Free Trade Agreement will help Canada become more competitive internationally (82%) compared to 62 percent of the Apprehensive and 46 percent of the Pro-Labour Altruists. Antagonists and Protectionists were more likely to say that the Free Trade

Agreement will hurt Canada (55% of Antagonists; 54% of Protectionists) than help Canada (38% of Antagonists; 36% of Protectionists) in its effort to become more competitive internationally.

8.7 Demographic Results

As shown on Graph 8.3, support for the Free Trade Agreement is highest in Alberta (59%) and Quebec (58%) and considerably lower in Manitoba and Saskatchewan (32%).

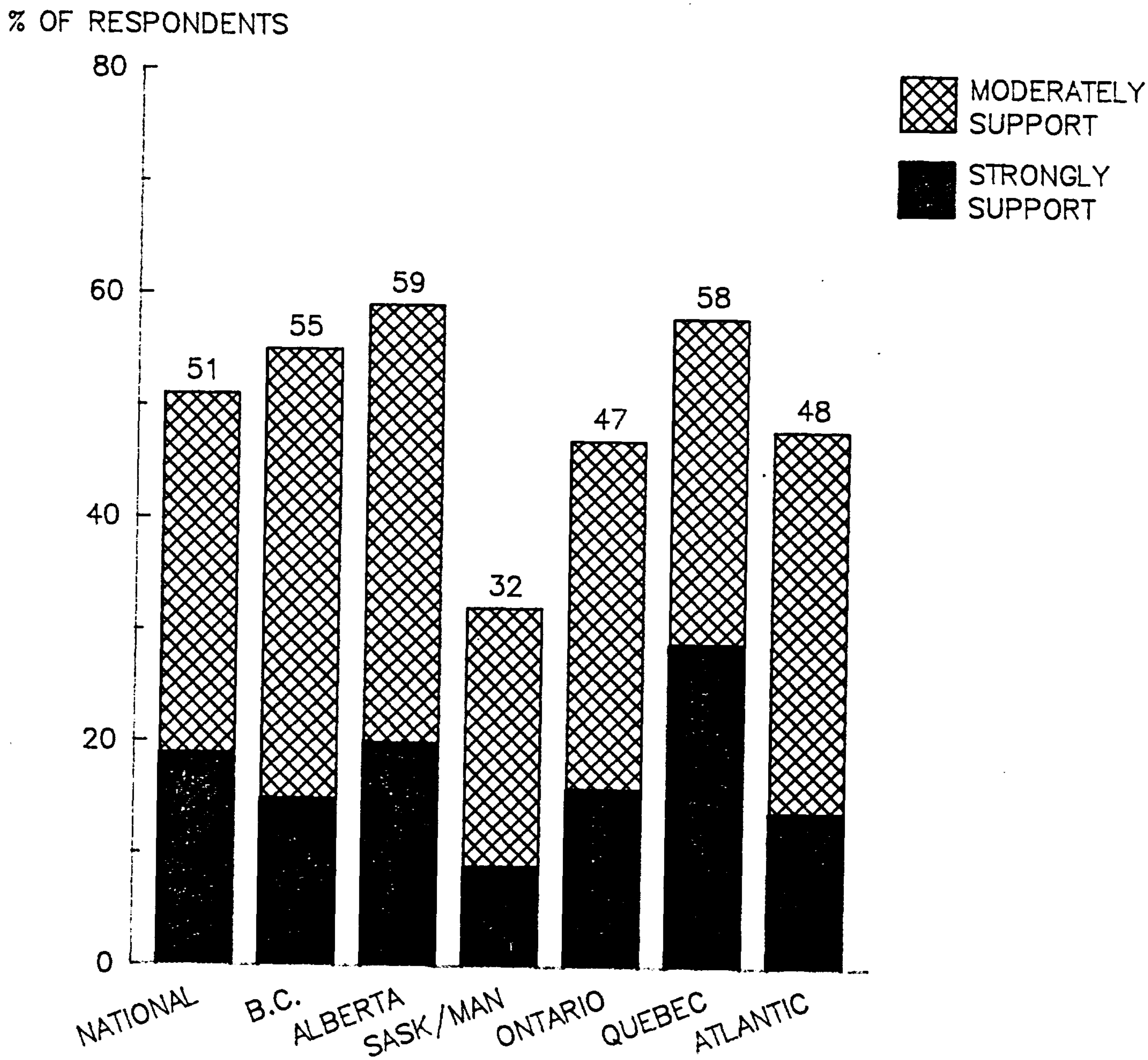
Support for Free Trade is strongest among younger, male respondents, among university educated Canadians and among higher income earners. Among those aged 18-34, 55 percent support the Agreement, compared to 50 percent of those aged 35-54 and 45 percent of those aged over 55. Males were more likely than females to support Free Trade (56% of males, 45% of females). Among those who had completed university, 61 percent expressed support for the Free Trade Agreement compared to 50 percent of high school graduates and 39 percent of those who did not complete high school. The results showed a strong positive correlation between support for the Free Trade Agreement and income levels. Among those earning less than $20,000 per year, only 37 percent stated that they support the Free Trade Agreement. This percentage rose to 46 percent among those earning annual incomes between $20,000 and $40,000 and 55 percent among those earning between $40,000 and $60,000 per year. Support was highest (66%) among those earning annual incomes of over $60,000.

Older respondents and also those with lower educational levels were slightly more inclined to state that the long-term effects of the Free Trade Agreement will not be seen for over 5 years.

Regionally, concerns about the loss of jobs was greatest in Saskatchewan and Manitoba (64%)

QUESTION #46

SUPPORT FOR FREE TRADE AGREEMENT
- Region -



and higher than average in Ontario (52%) and in the Atlantic provinces (50%). Albertans were least likely to state that jobs will be lost (38%), followed by Quebec respondents (43%).

The demographic results also show that older Canadians, females, less educated respondents, lower income earners and union members were most likely to state that jobs will be lost as a result of the Free Trade Agreement.

Consistent with general opposition to Free Trade and concerns about job loss, residents of Saskatchewan, Manitoba and Ontario were more likely to state that Canadians will be worse off than better off (See Table 8.5) while those living in other regions, especially British Columbia and Atlantic Canada, were more likely to state that individual Canadians will be better off in the long-term, as a result of the Free Trade Agreement.

Younger respondents were more likely than older respondents to state that individual Canadians will be financially better off as a result of the Free Trade Agreement. Among those aged 18-34, 48 percent felt that Canadians would be better off compared to 41 percent of those aged 38-54 and 34 percent of those aged 55 and older. Males were also much more likely than females to state that Canadians will be financially better off in the long-term (49% of males; 35% of females).

Education and income were also related to views of whether Canadians will be better off financially as a result of the Free Trade Agreement. Among university graduates, 50 percent felt individual Canadians would be better off and 31 percent felt they would be worse off as a result of the Free Trade Agreement. High school graduates were less likely to state that Canadians would be better off (43%) than worse off (41%). Similarly, those who did not

TABLE 8.5

QUESTION #42, 43

LONG TERM IMPACT OF FREE TRADE
ON CANADIANS' FINANCIAL WELL-BEING
(REGION)

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
INDIVIDUAL CANADIANS							
Better off	42	49	48	31	37	44	50
Worse off	39	35	28	46	46	33	35
Stay the same	13	10	17	15	11	16	11
(DK/NS)	6	5	7	8	6	7	4
CANADIAN COMPANIES							
More helped	46	50	53	35	38	55	47
More hurt	45	42	32	57	53	35	44
Stay the same	4	3	7	5	5	3	1
(DK/NS)	6	5	8	3	4	6	8

complete high school were least likely to state that Canadians will be better off financially (32%) and most likely to think that they will be worse off (45%) as a result of the Free Trade Agreement.

Similar to the opinions expressed concerning the financial future of individual Canadians, those living in Saskatchewan, Manitoba and Ontario were more likely to say that Canadian business will be hurt than helped, in the long run by the Free Trade Agreement (Table 8.5).

The view that Canadian businesses will be hurt in the long run by the Free Trade Agreement was more pronounced among older Canadians (49% of those aged 55 or older, 45% of those aged 35-54 and 42% of those aged 18-34), females (48% compared to 41% of males), less educated respondents (52% of those who did not complete high school, 47% of high school graduates and 38% of university graduates) and lower income earners (53% of those earning less than $20,000/year; 46% of those earning between $20,000 and $40,000; 42% of those earning $40,000 to $60,000 and 36% of those earning $60,000 or more per year).

Table 8.6 shows that, consistent with previous findings, residents of Saskatchewan, Manitoba and Ontario are more likely than those in other regions to anticipate negative long-term effects of the Free Trade Agreement while those in Alberta and Atlantic Canada are least likely to state Canada's economic decision-making would be weakened.

In addition, Table 8.6 shows that, regionally, residents of Saskatchewan, Manitoba and Ontario were least likely to feel that the Agreement will help Canada. Those living in British Columbia were significantly more likely than other Canadians to express the view that the Free Trade Agreement will help Canada to become more competitive internationally.

TABLE 8.6

QUESTION #44, 45

LONG TERM IMPACT OF FREE TRADE ON CANADA
(REGIONAL)

	TOTAL	REGION					
		B.C.	Alta.	Man/ Sask	Ont.	Que.	Atl.
(BASE)	(1500) (%)	(172) (%)	(138) (%)	(124) (%)	(539) (%)	(390) (%)	(137) (%)
EFFECT ON CANADA'S ABILITY TO MAKE DECISIONS							
Strengthen	35	41	40	28	30	38	45
Weaken	54	52	46	60	60	51	48
Stay the same	6	3	9	5	5	7	2
(DK/NS)	5	4	5	6	4	4	5
WILL F.T. HELP BECOME MORE COMPETITIVE							
Will help Canada	57	67	62	44	52	62	58
Will hurt Canada	33	26	25	41	39	29	31
(No difference)	4	2	8	6	4	4	2
(DK/NS)	6	4	5	8	5	5	9

Younger, male, higher educated and upper income earners are less likely to state that Canada's ability to make economic decisions on its own would be weakened as a result of the Free Trade Agreement. Among males, 38 percent felt that Canada's ability to make its own economic decisions would be strengthened while 52 percent felt it would be weakened. Females were less likely to think that Canada's ability in this area would be strengthened (33%) and more likely to state that it would be weakened (57%). Among those aged 18-34, 52 percent said that Canada's ability to make its own economic decisions will be weakened, compared to 55 percent of those aged 35-54 and 57 percent of those aged 55 or older.

Education and income were directly related to perceptions of the long-term effect of the Free Trade Agreement in strengthening or weakening Canada's ability to make economic decisions on its own. Among those who did not complete high school, 61 percent felt that Canada's ability would be weakened compared to 53 percent of high school graduates and 50 percent of university graduates. Among those in the lowest income category (under $20,000/year) 63 percent stated that Canada's ability would be weakened compared to 54 percent of those earning between $20,000 and $40,000, 56 percent of those earning between $40,000 and $60,000 and 46 percent of those earning incomes in excess of $60,000 per year.

The most positive outlook on the long-term impact of free trade in helping Canada become more competitive internationally was expressed among younger respondents (64% of those aged 18-34; 57% of those aged 35-54 and 46% of those aged over 55), males (63% compared to 51% of females) and among those in higher education and income categories. Among university graduates, 66 percent expect the Free Trade Agreement will help Canada become more competitive internationally compared to 56 percent of high school graduates and 45 percent of those who did not complete high school. Among those earning incomes in excess of

$60,000/year, 72 percent felt the Free Trade Agreement will help Canada become more competitive internationally compared to 61 percent of those earning between $40,000 and $60,000 per year, 56 percent of those earning between $20,000 and $40,000 per year and 41 percent of those earning less than $20,000 per year.

APPENDIX 1

- Research Findings By Psychographic Segments -

Appendix 1: Summary of Research Findings by Psychographic Segments

The following is a point-form profile of the main research findings on each of the psychographic segments identified in this study.

Enthusiasts

Group Profile

- 25% of Canadian adult population
- "Stakeholders" in trade competitiveness issues (along with Antagonists), due to their affluence and education
- See themselves as successful and are confident about the future
- Believe competition is good for you
- Tend to be older males/married
- Higher incomes/retired
- Disproportionately more in Quebec, Alberta and B.C.

Outlook on Economy

- Compared with other segments, most positive economic outlook -- 27% improvement in national economy vs. 27% worsen (most balanced group)
- Buoyant about the financial future of the country
- Provincial economic outlook brightest of the segments -- 30% expect some improvement vs. 27% worsening
- Most promising personal financial future -- 93% (57% same/36% improve)

- Highest regard of all segments for government's economic leadership -- 50% approve/47% disapprove

Perceptions of Canada's Ability to Compete

- Generally positive views about Canada's ability to compete internationally
- Canada, particularly business, can compete internationally
- Most likely to say that Canada is better able to sell our goods and services than other developed countries (59%)
- Most likely to say we have become more competitive (37%) with 54% feeling that we will become even more so in next 3 years
- 73% of Enthusiasts give praise to high quality of Canadian products
- 42% believe Canadian business is becoming more aggressive in selling to other countries
- 25% believe Canadian prices are competitive on world markets
- Reflect greater revere for unbridled competition and capitalization
- 44% approve of subsidizing research and development to produce new and better products
- Most supportive segment of the potential weakening of environmental laws (20%) at "6" or "7")
- Least supportive of restrictive measures such as import quotas (20%) and reductions of national resources (27%).
- On par with Canadians as a whole, strongly agreeing that working harder, moderately agreeing that wage demands should be reduced, and being less agreeable to not learning foreign languages
- Attach greater necessity (73%) to keeping wage demands down
- Enthusiasts have a strong sense that the government has a plan for preparing Canadians

to compete internationally (51%)

- Not very worried about lay offs (probably due to their affluence)
- 22% of Enthusiasts agree with subsidies for international sales efforts

Views on the Role of Exports

- 51% believe Canada puts too little emphasis on exporting to other countries
- 52% believe the economy will improve a lot if Canada increased its exports to other countries
- 40% believe prices will decrease if we increase our exports
- 90% feel job opportunities will expand through expansion of the exporting industry
- Majority perceive U.S. as major export country now
- Majority think Eastern Europe is greatest opportunity in future for exporting
- Majority believe U.S. major competitor now
- Majority believe Japan is our future competitor

Views on Government Focus on International Trade

- More confidence in government re: global competition
- Awareness of Going Global: 11%
- More strongly supportive of business and industry leadership in terms of who should be taking a lead role in international trade
- Least likely to agree with view that government would be less able to protect its citizens from the impact of international trade (segment most likely to disagree)
- 39% believe foreign ownership will increase as a result of international trade
- Least likely to feel foreign ownership controls are necessary

Believability of Information Sources

- Much more likely to put trust in federal and provincial government leaders than other segments
- Lowest trust rate of union leaders
- Place considerable faith in business, including people who run foreign owned corporation, in terms of information, and "experts"

Outlook on the Free Trade Agreement

- Strongly support Canada-U.S. Free Trade Agreement
- Much more likely than other segments to support Free Trade Agreement
- More likely than other segments to state the Agreement has had no impact to date or had any benefit to Canada -- but compared to other segments they foresee long term benefits
- 66% believe jobs will be created (versus 18% lost)
- 69% believe Canadians will be better off financially
- Much more likely to say Canadian companies will be helped by the FTA (76%) than hurt (16%)
- Differentiated from other segments on long term impact (positive) of FTA re: Canada's ability to make economic decisions -- 60% believe it will be strengthened vs. 27% weakened
- Significantly more likely to say FTA will help Canada become more competitive internationally (82%)

Apprehensive

Group Profile

- Largest segment of the Canadian adult population -- 25%
- More predominately found in Ontario and Western Canada
- Are younger and more likely to be English speaking
- Strongest sense of national pride and feel a great responsibility to make the world a better place
- Are less inclined to believe in luck and to take risks

Outlook on Economy

- Pessimistic about the future of the economy and disapproving of the government's economic leadership
- Compared to other segments, least concerned about their own financial situation and most worried about the future of the country

Perceptions of Canada's Ability to Compete

- 49% are likely to say that Canada is better able sell our goods and services than other developed countries
- 42% are likely to feel that the next three years will see Canada becoming increasingly competitive
- Is the least confident of the international marketability of goods and services owing to their lower scores on both the "quality" factor (52%) as well as the "aggressive sales"

factor (21%)

- Are slightly less insistent that Canadian companies should retain their current profit margins (24% vs. 28% for the nation, and slightly stronger in supporting the reduction national resource exports (56% vs. 46% for the nation)
- Shows above average support for initiatives on the part of Canadian workers -- in particular, 59% strongly agree that workers must work harder, and only 9% feel strongly that their is no need to learn foreign languages
- Least likely to agree that the government has a well organized plan, or that the government is preparing Canadians for international competitiveness along with Antagonists
- 25% are concerned about lay offs when the government talks about being more competitive
- Are more convinced of the necessity for longer working hours (46%), keeping wage demands down (69%) and job relocation (87%)

Views on the Role of Exports

- 58% believe Canada puts "too little" emphasis on exporting to other countries
- 52% believe that the economy will improve a lot if we increased our exports to other countries
- 40% believe prices will decrease if we increase our exports
- 89% feel job opportunities would increase through an expansion in the exporting industry
- This segment is most likely (39%) to mention Eastern Europe in terms of the country that will offer Canada the greatest opportunity for exporting in the future
- Majority believe that the United States is our greatest competitor

- Majority believe that Japan is our major future competitor

Views on Government Focus on International Trade

- Generally receptive to a wide array of initiatives to improve our ability to compete internationally
- Association of the term "Going Global" with international trade was highest among this segment (41%)
- Strongly inclined to feel that the federal government does not have a plan in place to prepare Canadians for international trade and competitiveness, or that the federal government is undertaking specific actions to prepare Canada
- Highly likely (67%) to feel that global economic changes will reduce the government's ability to protect it's citizens from the impact of international competition

Believability of Information Sources

- Place a high degree of trust (83%) in statements made by trade economists and other experts in international trade
- Show a distrust in government leaders but are strongly inclined to believe statements made by economists and trade experts and by journalists and reporters
- Are slightly less inclined to believe statements by people who run foreign owned incorporations and Canadian companies, but are on average with other groups in terms of their faith in local business

Outlook on the Free Trade Agreement

- While remaining pessimistic about Canada's economic future, are more likely to support (53%) than oppose (43%) Free Trade Agreement
- Are much more likely to expect long term benefits despite the perception of short term immediate negative effects
- Evenly divided over whether jobs would be created (42%) or lost (44%) in the long term with respect to the Free Trade Agreement
- Moderate support for (45%) the belief that Canadians will be financially better off as a result of the Free Trade Agreement
- Are equally divided in the opinion that Canadian companies will be hurt by the Free Trade Agreement
- Less extreme than some, but reflect a perception that Canada's economic decision making ability would be weakened rather than strengthened under the Free Trade Agreement
- 62% are more likely to say that the Free Trade Agreement will help Canada become more competitive internationally

Pro-Labour Altruists

Group Profile

- Represent 23% of the Canadian adult population
- Is the youngest segment and comprises more women
- Disproportionately more are French speaking, and comparatively more live in Quebec
- Claim the highest union membership (41%) and are reasonably well educated

Outlook on Economy

- Are less concerned about the future of the country than most other segments
- Relatively speaking, have greater faith in the government and the nation to succeed in a global economy with increasing global competition
- View the economy and the government with the outlook of "average" Canadians (Responses on all aspects of economic outlook mirror those of the national as a whole)

Perceptions of Canada's Ability to Compete

- Are more likely than the norm (55%) to support the view that Canada is better able to sell our goods and services than other developed countries
- Are likely to feel that the next three years will see Canada become increasingly competitive (45%)
- Are less sure (than other segments) that Canadian products are as high quality as those of our competitors (52%) and that Canadian businesses are becoming more aggressive in international sales (21%)

- Opinions are virtually the same as those of the nation on structural issues in terms of advancing the course of international competitiveness -- i.e., expectations for cleaner environment, support of import quotas, reduction of export of natural resources, accepting lower corporate profits.
- Are much less willing to endorse changes aimed at improving competitiveness, especially when those changes might involve compromises on the part of Canadian workers
- Are the least likely to call for Canadian labour to work towards increased competitiveness
- Only 1/3 feel strongly that Canadian workers must work harder (compared to 1/2 of the general population who hold the same view)
- 1/4 agree strongly that there is no need for learning foreign languages (compared to 17% of the general population)
- Along with Enthusiasts, have the strongest sense that the government has a plan and is preparing Canadians to compete internationally
- 26% are concerned about lay offs when the government talks about being more competitive
- Do not agree that it is so necessary to reduce employer benefit programs (27%), nor with keeping wage demands down (51%) in terms of how necessary it will be for Canadians to accept changes in current working conditions and benefits they enjoy with increased competitiveness
- 46% approve of subsidizing research and development to produce new and better products

Views on the Role of Exports

- 33% believe that Canada puts "too little" emphasis on exporting to other countries
- 68% believe the economy will improve if we increased our exports to other countries (24% a lot/44% a little)
- 42% are more likely to say that Canada focuses "the right" amount on exporting
- 45% believe prices will decrease if we increased our exports
- 71% feel job opportunities would increase through an expansion in the exporting industry

Views on Government Focus on International Trade

- More likely (45%) than other segments to state that the federal government is undertaking specific actions to prepare Canada for international trade and competitiveness
- The view that government control over the economy will be reduced was strongly felt among those in this segment (76%)
- Are highly likely (66%) to feel that global economic changes will reduce the government's ability to protect it's citizens from the impact of international competition
- Are more likely (80%) than those in other segments to feel that foreign controls are necessary
- Awareness of Going Global: 12%

Believability of Information Sources

- Are much more likely to trust federal and provincial government leaders than members of other psychographic segments in terms of various sources of information concerning international trade
- Are distinct from other segments in their marked distrust of business spokes people whether they represent foreign owned, Canadian or local businesses

Outlook on the Free Trade Agreement

- Remain positive about Canada's economic outlook but are more likely to oppose Free Trade (57%) than support it (38%)
- Are largely of the opinion that jobs would be lost (60%) rather than created (22%) under the Free Trade Agreement
- Are more likely (55%) to state that Canadian companies would be hurt than helped by the Free Trade Agreement
- Reflect a perception that Canada's economic decision making ability will be weakened rather than strengthened as a result of the Free Trade Agreement
- 46% believe that the Free Trade Agreement will help Canada become more competitive internationally

Antagonists

Group Profile

- 13% of the Canadian adult population
- Traditional, wealthy, and high concerned about personal financial security
- Typically over 35 years of age (69%), married (67%) and well educated
- Highest income earning segment, with 58% earning more than $40,000 annually
- Either gainfully employed (74%) or retired (14%)
- Can be viewed as a "stakeholder" group (with Enthusiasts)

Outlook on Economy

- Have the most negative outlook on both the national and provincial economies
- 57% predict that Canada's economy will get worse, and 42% foresee the same fate for the provincial economy
- Are not so negative, however, on the matter of their personal financial outlook, their forecast here is the same as the national average
- They have clearly held higher expectations, for they have overwhelming contempt for the economic leadership of the government (83% say they disapprove of the government's performance in this area and over half (52%) disapprove strongly)

Perceptions of Canada's Ability to Compete

- o While strongly agreeing with the Enthusiasts that competition is good for you, they are not similarly optimistic about Canada's ability to compete internationally
- o Are least likely to say that Canada is better able to sell our goods and services than other developed countries (43%)
- o Are least likely to say that we have become more competitive during the past three years (19%)
- o Less likely than the norm to believe that we will become more competitive (39%)
- o More than any other segment feel that Canada should become more competitive (89%)
- o With Enthusiasts, give the highest praise of all groups to the high quality of Canadian products (71%), but only 23% believe that Canadian businesses are becoming more aggressive in selling to other countries
- o Are the least willing to reduce their expectations for a cleaner environment (9%)
- o Are on par with the other groups who moderately support import quotas (28%), and strongly support the reduction of the export of natural resources (54%)
- o Compared to other segments, are much more adamant that Canadian companies should not have to accept lower profits (40%)
- o More than any other segment, this group calls on labour to respond to the need for increased competitiveness for the nation
- o 63% strongly agree that workers must work harder, and 42% strongly agree that workers should be less concerned about wages
- o Would welcome the initiative of Canadians to learn to speak foreign languages and to learn about foreign cultures (only 12% agree there is no need for this)
- o Along with the Apprehensive, are least likely to agree that the government has a plan in preparing Canadians to compete internationally

- Are not too worried about lay offs as a result of increased competition
- 18% agree with subsidies for international sales efforts for businesses
- Approve of subsidizing research and development in order to produce new and better products
- With Enthusiasts, attach a greater necessity to keeping wage demands down (73%)

Views on the Role of Exports

- 65% believe Canada puts "too little" emphasis on exporting to other countries
- 58% believe that the Canadian economy would improve a lot if we increased our exports to other countries
- 40% believe prices will decrease if we increase our exports
- 92% believe job opportunities will increase through an expansion in the exporting industry
- Compared to other segments, are more inclined to mention the United States (55%) and less likely to mention Japan as the country that gives Canada the most competition
- More likely to believe the United States will be our greatest competition in the future in comparison to the other psychographic segments
- Are less likely to state Japan as our strongest competitor ten years from now

Views on Government Focus on International Trade

- Have little confidence in the government to solve our trade competition problems
- Are strongly inclined to feel that the government does not have a plan in place
- Are more strongly supportive of business and industry taking a leadership role than those in other segments

Believability of Information Sources

- o Place a much lower confidence level in federal government, experts and the media compared to other segments
- o 70% believe in statements made by trade economists and experts
- o Only 52% have confidence in journalists and reporters
- o Tend to rank slightly above others in terms of confidence in foreign and Canadian business but are significantly more trusting of statements made by local business owners

Outlook on the Free Trade Agreement

- o Opposition to the Free Trade Agreement highest among this group (69%)
- o 71% believe that jobs will be lost as a result of the Free Trade Agreement, with only 18% believing that jobs will be created
- o More likely to state that Canadian companies would be hurt rather than helped as a result of the impact of the Free Trade Agreement
- o 76% feel that Canada's ability to make its own economic decisions will be weakened as a result of the Free Trade Agreement
- o Are more likely to say that the Free Trade Agreement would hurt Canada (55%) than help (38%) in its effort to become more competitive internationally

Protectionists

Group Profile

- 12% of the Canadian adult population
- More disadvantaged than other groups -- lowest education levels (35% have no high school diploma)
- Only 47% employed
- Many retired (17%), at home (13%) or unemployed (7%)
- Tend to be either under 35 years of age (40%) or over 55 (25%)
- Have the lowest income levels (28% earn less than $20,000 annually)
- Are more predominant in Quebec, the Maritimes, Saskatchewan and Manitoba

Outlook on Economy

- Have a negative economic outlook
- Disapprove of the government's economic leadership
- Views on the economy similar to Antagonists -- only slightly less dismayed with the national and provincial economies, and performance of the government
- Are concerned about their personal financial security as well as the future of the country
- 23% anticipate a worsening of their financial situation in the coming year -- more than any other segment
- Protectionists express concerns about job security, the future of the country, and the survival of Canadian business

Perceptions of Canada's Ability to Compete

- Rank closer to the Antagonists with only 44% feeling we are better able than others to sell our wares internationally
- Worried that when the government talks about becoming competitive they really mean that many Canadians will lose their jobs (36%)
- Are generally less sure about our ability to compete, and feel that the government should take action to protect business and industry by limiting the amount of foreign goods sold here (even if it means higher prices as a result)
- Less optimistic about the future with only 37% convinced we will become more competitive in world markets
- Report average scores on the "quality" factor and the "aggressive sales" factor, but are relatively more likely to agree with the claim that our prices are competitive on world markets (25% score a "6" or a "7")
- Are distinguished in their considerably stronger support of import quotas Fully 41% advocate limiting the amount of foreign goods sold here in order to protect Canadian business and industry (even if it means we will pay more for our products as a result)
- On other structural issues i.e., expectations for a cleaner environment, Canadian companies accepting lower profits, etc. their views are similar to the overall average, although like the Antagonists and the Apprehensive, are slightly stronger in their call for cutting the exporting of natural resources (57%)
- 25% strongly agree that there is no need to learn foreign languages or learn about foreign cultures
- On issues of work ethics and wages, Protectionists have only slightly lower levels of agreement compared to the general population
- 44% support subsidies for business to successfully sell their goods and services

internationally

- 59% support subsidies for research and development
- Are more certain that reductions will be necessary to employer benefit programs (63%) but less adamant about job relocation (68%)

Views on the Role of Exports

- 45% are more likely to say that Canada focuses "the right" amount on exporting
- 54% feel prices will increase if we increase our exports
- 50% feel job opportunities will increase through an expansion in the exporting industry (lowest of the segments)
- Mentioned the United States less often as the country that receives most of Canada's exports (This segment was more inclined to mention Japan and Eastern Europe for this item)
- Along with Antagonists, more likely to believe the United States will be our greatest competition in the future in comparison to the other psychographic segments

Views on Government Focus on International Trade

- Lowest association of the term "Going Global" with international trade (25%)
- Are somewhat more likely to state that the government does not have a specific plan in place to prepare Canada for international trade competitiveness
- Are more likely than those in other segments to support a lead role for government in developing international trade opportunities
- 54% least likely to agree with the view that the government would be less able to protect its citizens from the impact of international trade

- Are least likely to foresee an increase in foreign ownership in the economy as a result of increased international trade (28%)
- Much more likely than those in other segments to express a need for controls over foreign ownership (85%)

Believability of Information Sources

- Belief in statements made by trade economists and experts was the lowest among this segment (60% compared to 78% overall)
- Are distinct in the lower level of confidence they place in trade economists and other experts and in statements made by journalists and reporters.
- Are less likely than others to believe statements made people who run foreign owned corporations but are more likely than others to place a high degree of trust in Canadian companies and local businesses

Outlook on Free Trade Agreement

- Opposition to the Free Trade Agreement second highest to Antagonists at 66%
- Along with Antagonists, Protectionists are more likely to expect negative effects than benefits, both immediately and in the long term with respect to the Free Trade Agreement
- 71% state that jobs will be lost in the longer term as a result of the Free Trade Agreement as opposed to 15% indicating jobs will be created
- Only Antagonists are slightly more adamant in the opinion that Canadian companies will be hurt by the Agreement
- 73% feel that Canada's ability to make its own economic decision will be weakened as

a result of the Free Trade Agreement

- Along with Antagonists, are more likely to say that the Free Trade Agreement would hurt Canada (54%) than help (36%) in its effort to become more competitive internationally

APPENDIX 2

- Questionnaire -

PROOFED: ______ PRECODED: ______ CHECKED: ______

START TIME: ______ STOP TIME: ______ TOTAL TIME: ______

TRADE COMPETITIVENESS STUDY
(4-723-03)

INTRODUCTION

Hello, this is ____________ from the Angus Reid Group, a national public opinion research firm. Today we are talking to people about some important issues and problems facing Canadians, and we would appreciate a few minutes of your time to ask your opinions.

A. Are you 18 years of age or older?

Yes . . . 1 -- **CONTINUE**
No . . . . 2 -- **MAY I SPEAK WITH SOMEONE WHO IS?**
- **REPEAT INTRODUCTION**

B. **DO NOT ASK:**

Male . . . 49% -- **WATCH QUOTAS**
Female . . 51%

C. First, thinking of the various issues facing Canada right now, I'd like to know which one you yourself feel requires the most attention from Canada's leaders? PROBE: What other issues do you think are important for Canada right now?

	1st Mention (One only)	2nd Mention (Total%)
Abortion	1.5%	4.3%
AIDS	0.1%	0.1%
Canadian dollar value	0.2%	0.4%
Crime/capital punishment	0.7%	1.4%
Constitution/Meech Lake	53.9%	70.7%
Defence/disarmament/peace	0.8%	1.1%
Deficit/government spending	3.3%	6.0%
Economy - general	7.3%	16.7%
Education/schools	0.7%	1.7%
Environment/pollution	8.3%	19.4%
Farming/agriculture	0.1%	0.4%
Free Trade/International Trade	2.5%	6.3%
Government/bad leaders/politics/scandals	1.8%	4.1%
Immigration/refugees	0.1%	0.5%
Inflation	0.5%	1.1%
Interest rates	1.6%	4.4%
International/Soviets-Europe/Nicaragua/U.S.	0%	0.4%
Jobs/unemployment	2.3%	6.7%
Labour issues/strikes	0.1%	0.4%
Language/English in Quebec/French	1.4%	3.7%
Medicare/pensions/social services/housing	1.1%	2.3%
Moral issues - pornography/drugs	0.5%	1.1%
Native issues/land claims/self-government	0.3%	0.7%
Poverty/the poor/welfare/homeless	1.0%	2.3%
Stock market problems	0%	0%
Taxes/tax reform/GST	6.3%	17.9%
Other (SPECIFY) fisheries, racism, miscellaneous single mentions	1.0%	4.9%
(None/Don't Know/Not Stated)	2.9%	2.9%

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)

	Totally Disagree						Totally Agree	Average Score
__ a) I consider myself more traditional than experimental	1	2	3	4	5	6	7	4.8
__ b) I enjoy taking risks, especially if there's a good chance of getting ahead as a result	1	2	3	4	5	6	7	4.8
__ c) Financial security is a major concern to me right now	1	2	3	4	5	6	7	5.3
__ d) Life should be enjoyed as much as possible today, without worry about the future	1	2	3	4	5	6	7	4.0
__ e) I like to read, watch and listen to international news as much as I can	1	2	3	4	5	6	7	5.5
__ f) I don't like causing waves, so I usually don't make a fuss about things that bother me	1	2	3	4	5	6	7	3.6
__ g) I often feel left out of decisions that affect me	1	2	3	4	5	6	7	3.9
__ h) I think that competition is good for you	1	2	3	4	5	6	7	5.7
__ i) I am extremely worried about the future of this country	1	2	3	4	5	6	7	5.0
__ j) I am proud to be Canadian	1	2	3	4	5	6	7	6.2
__ k) I'm financially successful because I have worked so hard at it	1	2	3	4	5	6	7	5.5
__ l) We all have responsibility to make the world a better place, so it's important to keep trying to change things	1	2	3	4	5	6	7	6.1
__ m) There is too much government red tape interfering in practically everything these days	1	2	3	4	5	6	7	5.8
__ n) Whether or not you make it in life is mostly determined by luck	1	2	3	4	5	6	7	2.6

ECONOMIC OUTLOOK

2. Thinking about the next year or so, do you yourself generally feel that the Canadian economy will improve, stay about the same, or get worse?

Improve	17.1%
Stay same	34.6%
Get worse	45.0%
(Don't Know/Not Stated)	3.3%

3. And do you think the provincial economy here in (NAME PROVINCE) will improve, stay about the same, or get worse during the coming year?

Improve	19.9%
Stay same	40.6%
Get worse	36.1%
(Don't Know/Not Stated)	3.4%

4. What about you and your family? Do you feel that your own economic situation will improve, stay about the same, or get worse over the next year?

Improve	31.7%
Stay same	53.7%
Get worse	13.9%
(Don't Know/Not Stated)	0.7%

5. Generally speaking, do you strongly approve, somewhat approve, somewhat disapprove or strongly disapprove of the governments performance in providing economic leadership?

Strongly approve . . .	3.9%
Somewhat approve . . .	24.5%
Somewhat disapprove .	35.3%
Strongly disapprove .	32.9%
(Don't Know/Not Stated)	3.3%

COMPETITIVENESS

6. Have you heard, seen or read anything lately concerning Canada's "Going Global" program?

Yes	13.1%
No	85.4%
(Don't Know/Not Stated)	1.5%

7. When I say the phrase "Canada is Going Global", what do you think it means? (NOTE: TOP SIX RESPONSES)

- International/World Trade/Sell to other Countries	(34.8%)
- Joining other Countries Socially and Economically	(11.7%)
- Environment/Global Environment	(6.5%)
- Global Economy	(4.9%)
- Free Trade/Trade Agreements	(4.9%)
- More Interested in What's Going on Internationally	(4.2%)
(Don't Know/Not Stated)	(27.4%)

8. Compared to other developed countries, would you describe Canada as better able or less able in its ability to sell goods and services internationally (would that be a lot or a little better/less able?)?

A lot better	20.5%
A little better . . .	30.9%
A little less	28.0%
A lot less	8.7%
(No different from other countries)	8.3%
(Don't know/Not Stated)	3.7%

9. What single factor do you think, at present, most helps Canada be competitive internationally? (PROBE: What helps Canada most to be able to sell goods and services internationally?) NOTE: TOP FIVE RESPONSES

- Natural/Abundant Resource	(20.5%)
- Quality of our Goods	(8.5%)
- Monetary Value of Dollar	(8.4%)
- Relationship with World	(6.8%)
- Good Reputation	(6.5%)
(Don't Know/Not Stated)	(24.1%)

10. In the same way, what single factor do you think, at present, most hinders Canada from being competitive internationally? (PROBE: What hinders Canada most from being able to sell goods and services internationally?) NOTE: TOP NINE RESPONSES

- Salaries/Wage Rates/High Wages	(8.0%)
- Federal Government	(7.1%)
- Lack of Confidence	(7.0%)
- Lack of Risk-Taking	(6.7%)
- Quebec Separation	(6.3%)
- Not Enough Manufacturing	(5.3%)
- Export/GST Taxes	(5.0%)
- High Cost of Manufacturing	(5.0%)
- Monetary Policy	(4.9%)
Don't Know/Not Stated	(19.7%)

11. Thinking generally about exports, that is the products and services Canadian businesses sell to other countries, do you think Canada puts too much emphasis on exporting to other countries, too little emphasis on exporting to other countries, or is it about right?

Too much	9.9%
Too little	47.5%
About right	35.8%
(Don't Know/Not Stated)	6.7%

12. How do you think the Canadian economy would change if we increased our exports to other countries? Would it (READ RESPONSES):

Improve a lot	42.1%
Improve a little . . .	40.6%
Not change	7.7%
Get worse	4.7%
Get a lot worse . . .	1.0%
(Don't Know/Not Stated)	3.9%

13. In your opinion, what impact would increased exports to other countries have on prices you pay for things at the store? Would they (READ RESPONSES):

Increase a lot	9.0%
Increase a little . .	20.1%
Not change	30.5%
Decrease a little . .	29.7%
Decrease a lot	4.7%
(Don't Know/Not Stated)	6.0%

14. In your opinion, what impact would increased exports to other countries have on job opportunities for Canadians? Would they (READ RESPONSES):

Increase a lot	37.4%
Increase a little . .	43.1%
Not change	8.3%
Decrease a little . .	5.9%
Decrease a lot	3.2%
(Don't Know/Not Stated)	2.1%

15. There's been a lot of talk about Canada becoming more "competitive" in world markets. Do you think Canada should become more competitive or is it already competitive enough?

Yes, more competitive	82.5%
No, competitive enough	14.5%
(Don't Know/Not Stated)	2.9%

16. Over the last 3 years do you think that Canada has become more competitive, less competitive or remained about the same?

More competitive . . .	29.7%
Less competitive . . .	17.5%
Remained about the same	47.3%
(Don't Know/Not Stated)	5.5%

17. Over the next 3 years, do you think Canada will become more competitive, less competitive, or remain about the same?

More competitive . . .	44.7%
Less competitive . . .	14.1%
Remain about the same	34.6%
(Don't Know/Not Stated)	6.7%

18. 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						Agree Completely	Average Score
__ a) Canadian businesses are becoming more aggressive in selling to other countries	1	2	3	4	5	6	7	5.0
__ b) Canadian products are as high quality as the products of our international competitors	1	2	3	4	5	6	7	5.7
__ c) I worry that when the government talks about Canada becoming more competitive they really mean that a lot of Canadians will be laid off or lose their jobs	1	2	3	4	5	6	7	3.7
__ d) I feel the prices that Canadian businesses charge are competitive in the international marketplace	1	2	3	4	5	6	7	4.5
__ e) Canadian workers must work harder to increase productivity in order for Canada to be more competitive	1	2	3	4	5	6	7	5.2
__ f) Canadian workers should be less concerned about wage increases in order that Canadian products can be priced more competitively	1	2	3	4	5	6	7	4.2

	Completely Disagree						Agree Completely	Average Score
__ g) The government should reduce the export of natural resources, like oil and timber, in order to preserve these resources for our own future use	1	2	3	4	5	6	7	5.1
__ h) The government of Canada has a well-organized plan to prepare Canadians for international trade and competitiveness	1	2	3	4	5	6	7	3.9
__ i) The government 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	1	2	3	4	5	6	7	4.3
__ j) There is <u>no need</u> for Canadians to learn to speak foreign languages and learn about foreign cultures in order to be more competitive in international markets	1	2	3	4	5	6	7	2.9
__ k) The educational system does a good job in preparing Canadians to compete internationally	1	2	3	4	5	6	7	3.6
__ l) In order to be competitive with other countries, Canada's environmental laws should be no tougher than those of our competitors, even if this means that we will have to reduce our expectations for a cleaner environment	1	2	3	4	5	6	7	2.8
__ m) Overall, the Canadian government is adequately preparing Canadians for international competitiveness	1	2	3	4	5	6	7	3.7
__ n) Canadian companies should not have to accept lower profits in order to become more competitive	1	2	3	4	5	6	7	4.3

19. Some people say the government must provide subsidies to Canadian businesses for them to sucessfully sell their goods and services internationally, while others say Canadian businesses must spend more money themselves on selling their products internationally rather than depending on government subsidies to help them. Which of these two views is closest to your own? Would you say: **(READ RESPONSES)**

Government must provide subsidies	27.2%
Canadian businesses must spend more money themselves	67.5%
(Don't know/Not stated)	5.3%

20. Some people say the government must provide subsidies to Canadian businesses for scientific research and development in order for them to produce new and better products, while others say Canadian businesses must spend more money themselves on research and development to produce new and better products rather than depend on government subsidies. Which of these two views is closest to your own? Would you say: (READ RESPONSES)

Government must provide subsidies	46.3%
Canadian businesses must spend more money themselves	47.3%
(Don't know/Not stated)	6.3%

21. Some people have made various statements on how increased competitiveness in world markets may affect Canadians. I'd like to ask your opinion on some of these statements. In your opinion, in order to remain internationally competitive, how necessary will it be for Canadians to accept ______ (READ ITEM - ROTATE FROM X). Would it be completely necessary, somewhat necessary, or not necessary?

	Completely Necessary	Somewhat Necessary	Not Necessary	(DK/NS)
__ a) Longer working hours	4.5%	32.5%	61.6%	1.4%
__ b) Reductions in employer benefit programs (like paid leave and pensions)	9.9%	30.0%	58.1%	2.0%
__ c) Keeping wage demands down	15.4%	49.9%	32.1%	2.5%
__ d) Job retraining	57.1%	37.3%	4.1%	1.4%
__ e) Job relocation to another city	19.2%	60.0%	18.7%	2.1%
__ f) Changes in government social programs	25.4%	46.5%	23.8%	4.3%

22. Can you think of things which Canada could export which can compete on the world market? (DO NOT READ LIST) (RECORD ALL MENTIONS)

Manufactured goods	51.9%
Services	6.7%
Technology	23.5%
Knowledge	5.0%
Machinery	7.3%
Natural Resources	42.1%
Processed foods	9.1%
Communications	4.9%
Health Care	2.4%
Other (SEE DETAILED TABLES)	3.1%

23. And based on your impressions, which area of the world would you say Canadian business currently sells the most goods and services to?

__ Japan	6.6%
__ China	2.0%
__ The United States	68.9%
__ Western Europe	5.5%
__ Latin and South America	2.1%
__ The Soviet Union and Eastern Europe	6.4%
__ Africa	1.1%
__ The Middle East	0.9%
__ India	0.1%
__ Other (SEE DETAILED TABLES)	0.2%
__ (Don't Know/Not Stated)	6.2%

24. Thinking of different areas of the world, where do you feel Canada's greatest competition comes from?

__ Japan	36.6%
__ China	5.0%
__ The United States	47.4%
__ Western Europe	4.2%
__ Latin and South America	0.9%
__ The Soviet Union and Eastern Europe	1.3%
__ Africa	0.1%
__ The Middle East	0.6%
__ India	0.2%
Other (SEE DETAILED TABLES)	0.7%
(Don't Know/Not Stated)	2.9%

25. What about in ten years from now? Where do you think Canada's greatest competition will be coming from in the future?

__ Japan	33.4%
__ China	8.2%
__ The United States	25.0%
__ Western Europe	15.2%
__ Latin and South America	1.3%
__ The Soviet Union and Eastern Europe	7.8%
__ Africa	0.1%
__ The Middle East	1.1%
__ India	0.2%
Other (SEE DETAILED TABLES)	2.0%
(Don't Know/Not Stated)	5.7%

26. In your opinion, what area of the world would offer Canada the greatest opportunities in terms of selling our goods and services in the future (10 years from now)?

__ Japan	9.1%
__ China	9.5%
__ The United States	16.9%
__ Western Europe	12.7%
__ Latin and South America	5.1%
__ The Soviet Union and Eastern Europe	32.4%
__ Africa	3.5%
__ The Middle East	1.5%
__ India	0.7%
Other (SEE DETAILED TABLES)	1.5%
(Don't Know/Not Stated)	7.3%

THE GOVERNMENT
FOCUS ON INTERNATIONAL TRADE

27. Do you think that the federal government is undertaking any specific actions or initiatives to prepare Canada for the future in terms of international trade and competitiveness?

Yes	40.8%
No	42.5%
(DK/NS)	16.7%

28. What sorts of actions or initiatives come to mind? (PROBE: What do you think the government is doing to prepare Canada in terms of international trade and competitiveness?) NOTE: TOP EIGHT RESPONSES

- Trade Fairs/Shows/Delegations	(24.7%)
- Free Trade Agreement	(23.5%)
- More Involvement in International Market Places	(19.3%)
- Goods and Services Tax	(5.6%)
- Advertising	(4.6%)
- On-the-Job Training/Retraining	(3.3%)
- Meech Lake Accord	(2.3%)
- Education System	(2.0%)
(Don't Know/Not Stated)	(23.7%)

29. What actions or initiatives do you think the federal government <u>should</u> undertake to prepare Canada in terms of international trade and competitiveness? (PROBE: **WHAT KINDS OF THINGS <u>SHOULD</u> THE GOVERNMENT DO? WHAT CHANGES SHOULD THEY MAKE?) (RECORD IN SAME ORDER AS MENTIONED)** NOTE: TOP ELEVEN RESPONSES

- Educate/Inform the Public	(14.8%)
- More Markets	(10.6%)
- Meeting Leaders of Other Trading Countries	(8.8%)
- Promote our Products/More Technology	(7.7%)
- On-the-Job Training/Retraining	(6.9%)
- Education/Schools	(5.7%)
- Develop our own Country	(4.8%)
- Advertising	(3.5%)
- Make our Product Prices More Competitive	(3.1%)
- Focus on Research and Development	(3.1%)
- Business Subsidies	(2.8%)
(Don't Know/Not Stated)	(30.9%)

30. Some people say that government should take primary responsibility for increasing international trade opportunities; other people say that Canadian business and industry should have the lead role in developing international trade opportunities. Which is closer to your opinion? Would you say: **(READ RESPONSES)**

Government should take primary responsibility	34.0%
Business should have the lead role	56.7%
(Don't Know/Not Stated)	9.3%

31. Some people say that because of changes in the global economy, governments -- including Canada -- have less and less control over their individual economies regardless of what they try to do. In your opinion, would you agree or disagree with that statement? Would that be strongly or moderately?

Strongly agree	24.5%
Moderately agree	42.2%
Moderately disagree	20.2%
Strongly disagree	9.5%
(Don't Know/Not Stated)	3.5%

32. Some people say that because of these same global economic changes, governments -- including Canada's -- will no longer be able to protect their citizens from the effects of international competition. In your opinion, would you agree or disagree with that statement? Would that be strongly or moderately?

Strongly agree	19.5%
Moderately agree	39.1%
Moderately disagree	25.7%
Strongly disagree	12.1%
(Don't Know/Not Stated)	3.7%

33. Some people say that one of the effects of increased international trade may be greater foreign ownership in the Canadian economy. In your opinion, do you think this is true, partly true or false? **(PROBE: CHOOSE ONLY ONE PLEASE)**

True	34.1%
Partly True	52.1%
False	10.7%
(Don't Know/Not Stated)	3.1%

34. Now, some people say that tight controls on foreign ownership are not necessary if that foreign ownership provides new jobs and technology to Canadians; others say that we should tightly control foreign ownership regardless of any benefits because it means we will lose control of our economy. Which is closer to your point of view? Would you say: **(READ RESPONSES)**

Controls are not necessary	21.4%
Controls are necessary	76.4%
(Don't Know/Not Stated)	2.2%

INFORMATION SOURCES

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

	Most	Some	Little	Nothing	(DK /NS)
__a) Federal Government Leaders . .	8.4%	39.9%	34.5%	16.4%	0.7%
__b) Provincial Government Leaders	12.6%	42.7%	30.7%	13.1%	0.9%
__c) Labour Union Leaders . . .	10.2%	37.1%	31.6%	18.9%	2.3%
__d) Trade Economists and other experts in International Trade	29.1%	49.1%	14.5%	4.5%	2.8%
__e) Journalists and reporters	15.3%	46.1%	26.5%	11.1%	1.1%
f) People who run foreign-owned corporations . . .	8.8%	47.1%	30.9%	9.6%	3.6%
__g) People who run major Canadian companies . . .	24.9%	51.3%	18.6%	3.5%	1.8%
__h) People who run local businesses in your area .	36.9%	43.2%	15.6%	2.8%	1.5%

FREE TRADE

36. The Canada-U.S. Free Trade Agreement has now been in effect for over one year. 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	9.3%
Hurt	39.8%
No impact	44.8%
(Don't Know/Not Stated) . .	6.1%

37.a) What sorts of benefits do you see taking place? NOTE: TOP EIGHT RESPONSES

- Americans Buying More Canadian Goods	(18.6%)
- Better Markets For Our Goods and Services	(16.4%)
- Lower Prices For Things in the Store	(11.4%)
- Job Creation/Less Unemployment	(11.4%)
- Becoming More Competitive/Aggressive	(7.1%)
- Gaining in High Technology	(7.1%)
- Tariffs Taken Off/Lower	(6.4%)
- Greater Cooperation between Canada and the U.S.	(6.4%)
(Don't Know/Not Stated)	(25.7%)

b) What sort of negative effects do you see taking place? (NOTE: TOP FIVE RESPONSES)

- Job Lay-Offs	(50.9%)
- Plant Closures	(40.4%)
- U.S. Goods Taking Away Canadian Market	(16.8%)
- Higher Prices	(6.4%)
- Tariffs on Canadian Goods/Taxes	(4.0%)
(Don't Know/Not Stated)	(5.9%)

38. How long do you think it will be before we see any long-term impact of free trade? Will it be (**READ RESPONSES**):

In less than 3 years	21.1%
In 3-5 years	44.3%
In 6-10 years	20.9%
In more than 10 years	9.9%
(Don't Know/Not Stated)	3.9%

39. What about the <u>long-term effects</u> of Free Trade? 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.

Will benefit Canada	43.5%
Will hurt Canada	39.7%
Will have no impact	9.4%
(Don't Know/Not Stated)	7.4%

40. And, in the long term, what sorts of things would you look for to know whether free trade is having an impact on Canada? (NOTE: TOP EIGHT RESPONSES)

- Employment	(33.2%)
- Prices of Goods and Services (increase or decrease)	(23.4%)
- Economy	(12.8%)
- Canadian Companies Gaining Competitive Edge	(11.1%)
- Environmental Concerns	(8.5%)
- Standard of Living	(4.3%)
- Greater Exports from Canada	(4.3%)
- Reduction of Duties on U.S. Goods	(3.3%)
(Don't Know/Not Stated)	(16.3%)

41. 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? (**PROBE: WOULD THAT BE A LOT OR A FEW?**)

A lot more created	11.5%
A little more created	25.7%
About the same	9.6%
A few more lost	22.1%
A lot more lost	25.7%
(Don't Know/Not Stated)	5.3%

42. In the long term, do you think that individual Canadians will be better off financially or worse off financially as a result of free trade?

Better off	42.0%
Worse off	38.7%
Stay the same	13.1%
(Don't Know/Not Stated)	6.2%

43. Some people have said that in the long term more Canadian companies will be helped by free trade than hurt by free trade. Which do you believe, more companies will be helped or more will be hurt?

More helped	45.6%
More hurt	44.7%
Stay the same	4.1%
(Don't Know/Not Stated)	5.5%

44. In the long term, do you think that the free trade agreement will strengthen or weaken Canada's ability to make economic decisions on its own?

Strengthen	35.3%
Weaken	54.5%
Stay the same	5.6%
(Don't Know/Not Stated)	4.6%

45. Do you think that in the long term the Free Trade Agreement with the United States will help Canada or hurt Canada to become more competitive internationally?

Will help Canada	57.1%
Will hurt Canada	33.1%
(No difference)	4.2%
(Don't Know/Not Stated)	5.5%

46. 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	18.6%
Moderately Support	31.8%
Moderately Oppose	19.3%
Strongly Oppose	24.9%
(Don't know/Not Stated)	5.3%

DEMOGRAPHICS

This survey is being conducted for the Department of External Affairs. So that we can use your responses, we would like to ask you some questions that would be used for statistical purposes only. We want to assure you that your answers will be kept strictly confidential.

1. What is your age, please?

18 to 19 years	4.3%
20 to 24 years	9.3%
25 to 29 years	12.9%
30 to 34 years	12.8%
35 to 39 years	12.3%
40 to 44 years	11.0%
45 to 49 years	8.4%
50 to 54 years	6.9%
55 to 59 years	5.0%
60 to 64 years	5.0%
65 years or older	11.7%
(Refused/Not Stated)	0.3%

2. Are you: **(READ LIST)**

Married	57.6%
Cohabitating	6.1%
Single	23.3%
Divorced or separated	7.3%
Widowed	5.5%
(DK/NS)	0.3%

3. Are you currently?

Employed full-time..................54.6%
Employed part-time..................10.1%
Unemployed but seeking employment... 4.4%
A student........................... 7.1%
At home............................. 8.1%
Retired.............................14.1%
Other............................... 1.2%

(Don't Know/Not Stated)..............0.4%

4.a) In at least 2 words, could you please describe your present occupation?

- Professional/Technical	(33.2%)
- Blue Collar - Skilled	(14.7%)
- Clerical and Related Occupations	(13.2%)
- Owner/Manager/Administrative	(12.7%)
- Service Occupations	(12.4%)
- Sales Occupations	(8.7%)
- Farming/Fishing/Forestry/Mining	(3.2%)
- Blue Collar - Unskilled	(1.5%)
Refused/Not Stated	(0.5%)

b) Are you a member of a trade or employee union?

Yes........................33.5%

No.........................65.9%

(Don't Know/Not Stated)....0.6%

5. What is the highest level of schooling that you have obtained?

Grade school or some high school....21.0%
Completed high school...............21.8%
Technical/post secondary............19.0%
Some university.....................12.5%
Complete university degree..........18.5%
Post graduate degree................ 6.5%
(Refused/Not Stated)................ 0.7%

6. Were you born in Canada or in some other country?

In Canada.................85.4%
Some other country........14.6%
(Refused/No Stated)..........0%

7. What is the first language you learned as a child and still understand?

English...................62.3%
French....................25.8%
Other 11.6%

(Refused/Not Stated)......0.3%

8. Which of the following income groups includes your total annual household income, before taxes, including wages and other sources from all members of your household (READ LIST)?

Less than $10,000........ 4.9%
$10,000 to $19,999.......11.3%
$20,000 to $29,999.......14.9%
$30,000 to $39,999.......17.1%
$40,000 to $59,999.......23.7%
$59,000 to $79,999.......11.6%
Over $80,000.............9.5%
(Refused/Not Stated).....6.9%

9. (DO NOT ASK:) Language

English..............76.6%
French...............23.4%

THANK YOU FOR YOUR COOPERATION!

DO NOT ASK: TELEPHONE NUMBER

(_ _ _)_ _ _-_ _ _ _

FIELD CENTRE:

Halifax........01
Montreal.......02
Ottawa.........03
Toronto........04
Winnipeg.......05
Calgary........06
Edmonton.......07
Regina.........08
Saskatoon......09
Vancouver......10

INTERVIEW EDITED BY: ____________________

CODED BY: ____________________

CODING EDITED BY: ____________________

INTERVIEW DATE:

MONTH: ____________________

DAY: ____________________