

**Canada – US Relations
BDO Dunwoody/Chamber Weekly CEO/Business Leader Poll by
COMPAS in the Financial Post
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**COMPAS Inc.
Public Opinion and Customer Research**

1.0 Introduction

Canadian access to U.S. markets continues to be a leading priority for business leaders, as documented by COMPAS polls over the past two years. CEOs and other business leaders are very concerned about rising U.S. protectionism, believing that this challenge should receive the highest priority consideration of the federal government. Softwood lumber is unchanged as the most serious trade and access to market issue, while beef emerges as a strong second. In terms of repairing relations with the U.S., business leaders believe that if Canada invested more in domestic anti-terrorism security and more carefully monitored visitors and immigrants that it would have the most positive impact on our relationship with our southern neighbour.

These are key findings from this week's National Post/COMPAS survey sponsored by BDO Dunwoody and the Canadian Chamber of Commerce.

2.0 U.S. Protectionism an Unsolved and Very Serious Challenge For More Than Two Years

CEOs and other Canadian business leaders believe firmly that trade issues with the U.S. should be deemed by Ottawa as a very serious matter deserving high priority, and have felt so strongly for more than two years. As shown in table 1, 91% see access to the U.S. markets as a very strong priority for government, scoring 5-7 on the 7-point scale. These scores were replicated closely when this question was asked of the business panel two years ago.

Table 1: (Q1) As you know, there's some talk in the media about Canadian access to U.S. markets. How much of a priority concern should this be for government? Please use a 7-point scale where 7 means the issue is very serious and deserves high priority concern by government and 1, the opposite

	Mean	7	6	5	4	3	2	1	DNK
How much of a priority should Canadian access to U.S. markets be for government									
April 2004	6.2	52	28	11	5	1	1	0	2
April 2002	6.2	53	22	11	6	2	1	1	5



As some respondents noted:

American protectionism, in the face of job losses due to offshore manufacturing, is a serious problem. While maintaining a sovereign foreign policy, we should take American sensitivities into consideration. I think Chretien, and some Liberal caucus members, did some really stupid, counterproductive things in this area. We must also impress upon the Americans that we just might have a couple of resources - oil and water - that they might like to have access to, in consideration for access to American markets for our key products.

Unfortunately Chrétien ruined our relationship with the U.S. This could take 50 years to repair... We dropped the ball with the best friend we ever had and over the next 20 years we will have problems. Our whole export market has been tossed in the garbage...Do you think that is a fluke?

3.0 Softwood and Beef More Important than Automobiles or Wheat

Softwood lumber is still the top concern among business leaders with respect to specific trade disputes, followed closely by beef, as illustrated in table 2. As one respondent commented, "The US position [on softwood lumber] consistently is shown to be against signed trade deals, Canada should hold out until a truly fair offer is achievable."

Table 2: (Q2) Using a 7 point scale where 7 means very serious and 1, the opposite, how serious are the trade and access-to-market issues in... [ROTATE]

	Mean	7	6	5	4	3	2	1	DNK
Softwood lumber									
April 2004	6.4	55	31	10	3	1	0	1	1
April 2002	6.5	58	27	7	2	1	0	0	5
Beef									
April 2004	6.2	48	33	12	5	2	0	0	1
April 2002	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wheat									
April 2004	5.6	27	22	32	13	3	1	0	3
April 2002	5.4	25	18	20	15	5	2	1	13



	Mean	7	6	5	4	3	2	1	DNK
Automobile manufacturing									
April 2004	5.3	33	18	20	14	8	3	3	1
April 2002	5.5	35	23	14	9	7	2	5	7

4.0 Investment in Domestic Anti-terrorism Leading Solution to Open Border

Business leaders believe strongly that Canada investing more in domestic security and more carefully monitoring visitors and immigrants would have the most positive impact on Canada-U.S. relations, as illustrated in table 3. Martin removing anti-American members from the Liberal caucus would be least effective. Some respondents noted:

Stronger measures against the threat of international terrorism at home and abroad are absolutely vital, including dramatically increasing defence spending and improving both qualitatively and quantitatively our ability to effectively defend our part of North America against such threats.

If Martin got rid of all the anti-Americans in the caucus, he wouldn't have one.

Table 3: (Q3) Below are some actual and hypothetical actions that Canada has or could take to improve relations with the US. Please score each using a 7 point scale where 7 means will have a very positive impact on Canada-US relations and 1, the opposite. [ROTATE]

	Mean	7	6	5	4	3	2	1	DNK
If Canada invested more in domestic anti-terrorism security and more carefully monitored visitors and immigrants	5.8	35	30	21	9	1	1	2	0
The election of Paul Martin as Prime Minister	4.9	15	23	25	20	7	3	5	3
A Canadian military commitment to Iraq	4.8	24	19	18	12	10	7	8	3



	Mean	7	6	5	4	3	2	1	DNK
A Canadian development commitment to Iraq	4.7	7	21	34	16	8	6	3	5
The election of Stephen Harper as Prime Minister	4.3	14	10	14	28	16	5	7	7
If Martin removed anti-American members from the Liberal caucus	4.0	19	5	16	15	16	10	15	6

Methodology

The *National Post*/COMPAS web-survey of CEOs and leaders of small, medium, and large corporations and among executives of the local and national Chambers of Commerce was conducted April 6-8, 2004. Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of 155 are deemed accurate to within approximately 7.9 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D and Tamara Gottlieb.

