

**Harper Cabinet Shuffle—Good But Not Great;
MacKay Appointment to National Defence Inspired;
Keeping Flaherty at Finance a Strong Move;
Prentice, Ablonczy, and Bernier Appointments Good;
Other Appointments Acceptable**

**BDO Dunwoody CEO/Business Leader Poll
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1.0. Introduction

The Prime Minister earns good but not great marks from the business panel for his cabinet shuffle. CEOs and business leaders on the COMPAS business panel tended to feel that

- The assignment of Peter MacKay to National Defence was an inspired move;
- Despite misgivings about the government's treatment of income trusts, the retention of Jim Flaherty at Finance was a strong decision;
- The appointments of Jim Prentice (Industry), Diane Abonczy (Small Business) and Maxime Bernier (Foreign Affairs) were good decisions; while
- Other appointments were acceptable; none earned a failing grade.

These are the key findings from the current web-survey of the panel of CEOs and business leaders undertaken for the *Financial Post* under sponsorship of BDO Dunwoody LLP.

2.0. Harper Earns Moderately Strong Scores

The cabinet shuffle was certainly not the high point of Harper's rule, as shown in table 2. The Prime Minister nonetheless earns a moderately strong performance score of 63% for his cabinet shuffle.



Table 2: (Q1) On a 100 point scale, what score would you give Stephen Harper for his...?

	Mean
August 20, 2007—cabinet shuffle this week	63
August 13, 2007—performance in preceding months	66 ¹
February 13, 2006—performance in forming his first cabinet	74 ²

3.0. Individual Cabinet Appointments—MacKay and Flaherty Appointments Top the List

In descending order, the PM's best moves were: the reassignment of Peter MacKay from Foreign affairs to National Defence; the retention of Jim Flaherty at Finance; the appointments of Jim Flaherty (Industry), Diane Ablonczy (Secretary of State for Small Business and Tourism); and the reassignment of Maxime Bernier from Industry to Foreign Affairs, as shown in tables 3a and b.

Members of the panel conveying some ambivalence on various aspects. Several volunteered that most of the re-assignments were not material. Some concern was expressed that the government, being a minority government, still left too many of the important decisions to the public service:

All Stephen Harper did was shuffle the deck chairs - it's the same do nothing people with little skills moving to another job where they will do what they're told by the boss. The exception to this is Peter McKay - who has proven himself as a diplomat and may be able to sell the whole Afghanistan mess to the Canadian people.

¹ Question from August 13, 2007 survey: "On a 100 point report-type scale, what score would you give Stephen Harper for his performance as Prime Minister in recent months?"

² Question from February 13, 2006 survey: "On a 100 point school report-type scale, what score would you give Stephen Harper for his first cabinet?"



It is a tragedy that our ultimate destiny is necessarily being steered by unelected mandarins, not the people elected in trust to do a professional job!

Harper did remove a big liability, being defence, but the replacement may not be that much better. The foreign affairs appointment would seem to be an individual that is somewhat light, considering the importance of the post, but the reason seems to be to buy greater credibility in Quebec. As usual, the changes and new structure is purely political with more power going to the west.

The cabinet changes were needed given the likelihood the government will last longer than expected and a new agenda is forthcoming. This is about as good as the PM could do given all the constraints of cabinet making.

Table 3a: (Q2) Please score each of the following new appointments on a 100 point school report-type scale:...[RANDOMIZE]

	Mean
Peter MacKay from Foreign Affairs to National Defence	72
Jim Prentice from Indian Affairs to Industry	63
Appointing Diane Ablonczy from being a Parliamentary Secretary to Secretary of State for Small Business and Tourism	61
Maxime Bernier from Industry to Foreign Affairs	60
Gordon O'Connor from National Defence to Revenue Canada	59
Gerry Ritz from Secretary of State to Agriculture	56
Chuck Strahl from Agriculture to Indian Affairs and Northern Development	56
Josée Verner from International Co-operation to Canadian Heritage	56
Beverley Oda from Canadian Heritage and Status of Women to International Co-operation	54



Table 3b: (Q3) On a 100 point report-type scale, what score would you give the Prime Minister for retaining Jim Flaherty in the position of Finance Minister?

Mean	DNK
68	4

4.0. Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted August 15 – 17, 2007. 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 111 are deemed accurate to within approximately 9.5 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D and Tamara Gottlieb.

