

**Business Leaders Divided about Whether to Extend  
Infrastructure Spending Deadline Beyond March 31st;**

**Great Doubt that Any Federal Government Can Do  
Much for Canada in Light of the Global Economy;**

**Federal Politicians Much More Capable of Harming than  
Helping our Economy—Ignatieff More Capable of  
Causing Harm than Harper by 4:1**



**COMPAS Inc.  
Public Opinion and Customer Research  
August 16, 2010**

## 1.0 Overview

Business leaders and CEOs on the COMPAS panel are divided about whether the federal government should extend the infrastructure spending fund deadline beyond March 31st. Fairness to municipalities whose funding applications have been delayed by flooding and other factors beyond their control is the only reason that elicits plurality support.

A background factor is a lack of confidence that Canada's government can do much about economic slowdown given that economic challenges are now global. Members of the business panel believe that governments are capable of doing more harm to the economy than good. Thus, 49% believe that a skilled government can do good vs. 85% who believe that an unskilled government can do harm. At the extremes, 6% believe that a skilled government can do a lot of good, scoring 7 on a 7 point scale, while 43% believe an unskilled government can do a lot of harm.

With respect to doing either good or harm, panelists express far more confidence in Harper than Ignatieff. Harper outperforms Ignatieff 6:1 in terms of his probability of doing good for our economy while Ignatieff is chosen four times more often than Harper as a leader who could do harm to our economy.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

## 2.0 Details

Table 2a provides evidence that the panel is divided about whether the infrastructure deadline should be extended past March. Table 2b shows that panelists are divided about how much good the federal government can do to make the Canadian economy perform well even if the world's major economies perform poorly.



Tables 2c and d show that panelists believe that a skilled federal government is less capable of doing good than an unskilled government is capable of doing harm in light of the current global economic situation.

Whether because of a greater propensity to do good or lesser propensity to do harm, Harper earns far more confidence among panelists than does Ignatieff.

*Table 2a: (Q1-3) Because of unforeseen circumstances like flooding in Saskatchewan, some are calling for an extension to the federal government's infrastructure spending program beyond March 31st, 2011. On a 7 point agreement scale, how much do you agree with the following viewpoints?*

	Mean	7	6	5	4	3	2	1	DNK
A good reason to extend the deadline is to be fair to municipalities affected by weather or other events beyond their control.	4.2	15	14	18	12	19	10	11	2
The deadline should be extended by a few months.	3.9	15	16	11	12	9	17	17	4
A good reason to extend the deadline is to stimulate our economy.	3.8	11	14	15	15	12	17	15	2



*Table 2b: (Q4) On a 7 point scale where 1 means no good at all and 7, a lot of good, how much good can the federal government do to make the Canadian economy perform well even if the world's major economies perform poorly?*

	Mean	7	6	5	4	3	2	1	DNK
How much good can the federal government do to make the Canadian economy perform well even if the world's major economies perform poorly?	4.2	6	13	30	18	19	14	2	0

*Table 2c: (Q5) On a 7 point scale where 1 means no harm at all and 7, a lot of harm, how much harm could an unskilled federal government do to the Canadian economy?*

	Mean	7	6	5	4	3	2	1	DNK
How much harm could an unskilled federal government do to the Canadian economy?	5.9	43	29	13	6	5	5	0	0

*Table 2d: (Q6) If an election were held today in our current unclear economic situation, who would probably do more good for the economy as Prime Minister?*

	%
Stephen Harper	67
Michael Ignatieff	11
Neither	16
Don't Know	7



*Table 2e: (Q7) If an election were held today in our current unclear economic situation, who would probably do more harm to the economy as Prime Minister?*

	%
Michael Ignatieff	53
Stephen Harper	12
Neither	27
Don't Know	8

The following verbatim comments provide a nuanced sense of respondent opinion:

Jack Layton...would do more harm than the others put together.

We could do a lot if we focused on our local economies and forget this global business that is bringing us all down.

There should always be money available to upgrade the infrastructure, particularly when there is imminent danger of failure or unexpected failure occurs.

The government should be there to assist in natural disasters, similar to the support given in the USA. However, it should be consistently applied and not based on political considerations. Regarding the person who can best manage the economy, Harper has had the responsibility during the entire crisis and has managed quite well. Having an unknown in charge of the fundamental health of Canada is taking a big leap of faith, regardless on how bright that person is. One person sets direction, but the people that implement them may not be as bright as their leader. Regarding the ability to improve Canada during these times where we are again facing an economic slowdown, our external focus must be less towards the USA but more towards the East, being China and India. We can support the USA as best we can, but the heavy relationship in trade requires a degree of balance to reduce the effects that the



US economy has on Canada. Another major initiative to improve Canada is to increase employment and improve productivity. Stimulation should be to companies that receive significant tax breaks to retain employees, improving tax collections at ALL levels while reducing their dependence on government support programs. The Federal and Provincial governments must also reduce the cost of delivering their services. This increase in productivity should also be fostered through more progressive labour laws that allow businesses to improve productivity without the heavy interference through debilitating labour laws.

The absolute last thing this economy needs is the tax and spend philosophy of the Liberals or NDP

Thank god for minority governments. Our current crop of federal leaders are a pathetic group. Stephen Harper is the best leader but if he ever gets a majority government we are screwed.

Stimulus must be phased out slowly otherwise there will be a slump in consumerism.

Same old story - you can't spend yourself rich.

One needs to look at two ministers who clearly lack any sense of the mood of the country. Day, who wants to spend \$8 billion on prisons for unreported criminals. Clement regarding the long census. Remove the penalties - since no one has been imprisoned for failure to complete the long form...The bureaucrats are the machinery of government, politicians gum up the works. Anyone running for a government job i.e. politician should be required to submit to an IQ test, and a three day intense job skills testing.

Municipalities are chronic in their inability to hit deadlines. They should not be rewarded by extending deadlines with no conditions.

It is the private sector that drives the economy. Governments generally do not help when they try to 'fix' economic problems. Government intervention is almost 100%



politically driven. Governments need to clear the decks for business and stay away from trying to pick winners and losers. The Government's role is to protect the public and then get the hell out of the way!

If the US and/or global economy dips back into recession, we may need to revisit stimulus projects, but reality is that for now the economy is back in growth mode, so it is time to gradually draw down the deficit through economic growth.

Good topic for the survey. But putting us farther in debt isn't going to help stimulate the economy. Only business "makes" money and the more the government takes, the less incentive there is to be profitable!

Good government has a limited ability to improve the lot of Canadians, but a bad or incompetent government unfortunately can do a lot of harm to its constituents and businesses. I would like to see the Tories gain a majority in due course and see if they can deliver on their promises and negate the old fear mongering that the opposition continues to foist on us.

Elections are decided on social issues as much as by the economy. The current government has performed quite well for the economy but their absurd beliefs in some other areas are hurting their chances for re-election.

A raising tide lifts all boats and it doesn't appear the tide is coming in soon. Too, I don't believe it's unanimous about the effects the US stimulus package has had on the US economy. Let's hope government does nothing foolish. This too will pass.

### **3.0 Methodology**

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted August 10-13, 2010. Respondents constitute



*Infrastructure Deadline and Economic Future - BDO Dunwoody Weekly  
CEO/Business Leader Poll by COMPAS in Canadian Business for Publication  
August 16, 2010*

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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 n=110 are deemed accurate to within approximately 9.4 percentage points 19 times out of 20. The principal investigator on this study is Conrad Winn, Ph.D.

