

CANADIAN PRESS / LEGER MARKETING

**How Canadians View the
Current Economic Situation
in Canada**

Report



1.0 Research Findings

- Close to six Canadians out of ten feel that the Canadian economy is doing poorly.

Question: Would you say that at the present time, the Canadian economy is DOING VERY WELL, SOMEWHAT WELL, SOMEWHAT POORLY or VERY POORLY?

n=1503	VERY WELL	SOMEWHAT WELL	SOMEWHAT POORLY	VERY POORLY	Dnk/Refusal
	2.5%	35.8%	43.3%	16.2%	2.3%

- A majority of Canadians believe that the Canadian economy is in recession at the moment.

Question: In your opinion, how long will the recession last? Will it last...?

n =944 (respondents who believe that the Canadian economy is in recession)	
... less than 6 months	5.6%
... between 6 and 12 months	30.9%
... less than 2 years	25.6%
... between 2 and 3 years	16.4%
... or more than 3 years	10.3%
Dnk/Refusal	11.1%

- Governments should cut taxes in order to stimulate the economy.

Question: In order to stimulate the economy, should governments INCREASE PUBLIC SPENDING or CUT TAXES?

n=1503	Increase public spending	Cut taxes	Dnk/Refusal
	27.6%	63.8%	8.6%

- Mixed feelings among the population about whether running a deficit is the way to stimulate the economy.

Question: Would it be VERY ACCEPTABLE, ACCEPTABLE, UNACCEPTABLE or VERY UNACCEPTABLE for governments to run a deficit in order to support the Canadian economy?

n=1503	Very acceptable	Acceptable	Unacceptable	Ver Unacceptable	Dnk/Refusal
	4.3%	41.8%	38.5	8.0%	7.3%

- A majority of Canadians would be willing to give up promised tax cuts in order to increase their security vis-à-vis terrorism.

Question: Would you be willing to give up the income tax cuts that have been announced in order to increase the security of Canadians vis-à-vis terrorism?

n=1503	YES	NO	Dnk/Refusal
	58.8%	33.9%	7.3%

2.0 Study Results

2.1 Close to Six Canadians Out of Ten Feel that the Canadian Economy is Doing Poorly

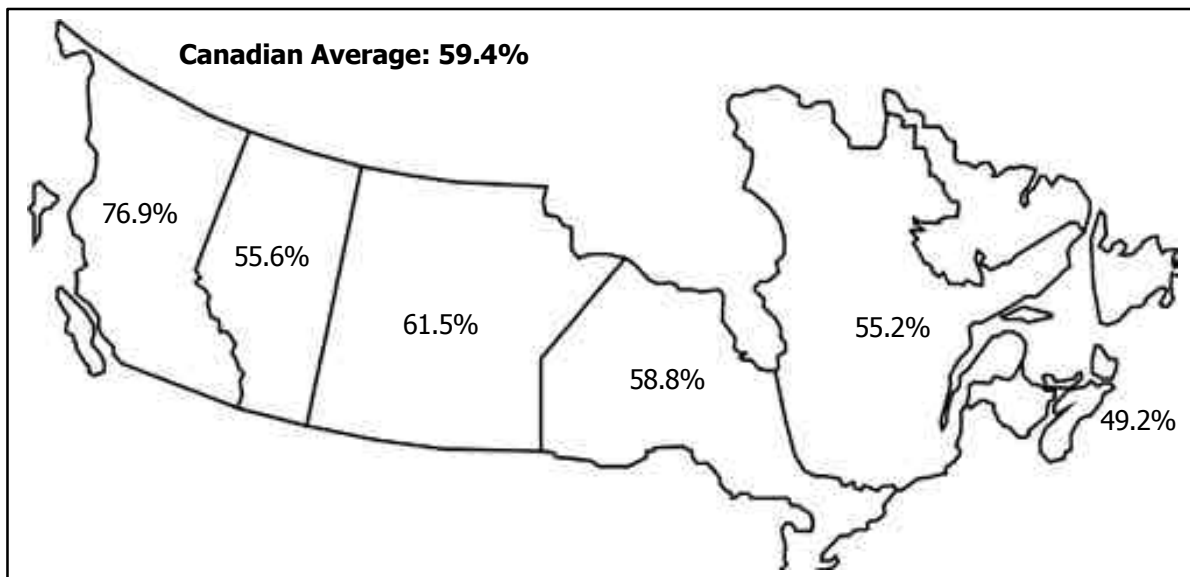
59.4% of Canadians believe that the economy is doing poorly while 38.3% feel it is doing well.

76.9% of British Columbians believe that the Canadian economy is doing poorly while 50.8% of residents of Atlantic Canada feel it is doing well.

Question: Would you say that at the present time, the Canadian economy is DOING VERY WELL, SOMEWHAT WELL, SOMEWHAT POORLY or VERY POORLY?

n=1503	WELL	POORLY	Dnk/Refusal
Atlantic provinces	50.8%	49.2%	0.0%
Quebec	42.8%	55.2%	2.0%
Ontario	38.8%	58.8%	2.4%
Prairies	31.8%	61.5%	6.7%
Alberta	40.4%	55.6%	4.0%
British Columbia	23.1%	76.9%	0.0%
Canada	38.3%	59.4%	2.3%

Percentage of Canadians who feel that the Canadian economy is doing poorly



2.2 A Majority of Canadians Believe that the Canadian Economy is in Recession

57.2% of the population in Canada feels that the Canadian economy is currently in recession while 37.2% do not believe that it is.

64.1% of Francophones, 63.1% of Quebeckers, 65.4% of Canadians aged 45 to 54 and 64.0% of retired Canadians feel that the country is currently experiencing a recession.

Question: Would you say that the Canadian economy is currently in recession?

n=1503	YES	NO	Dnk/refusal
Atlantic provinces	55.9%	41.8%	2.4%
Quebec	63.1%	33.1%	3.8%
Ontario	55.3%	38.8%	5.9%
Prairies	49.6%	40.3%	10.1%
Alberta	53.9%	40.6%	5.6%
British Columbia	59.3%	33.2%	7.5%
Canada	57.2%	37.2%	5.6%

According to those who believe the economy to be in recession at the present time, 30.9% of them feel this recession will be over in 6 to 12 months, 25.6% feel that it will last no more than two years, 16.4% mentioned it could last 2 to 3 years, 10.3% mentioned 3 years and 5.6% felt it would last less than 6 months.

Question: In your opinion, how long will the recession last? Will it last...?

n =944 (respondents who believe that the Canadian economy is in recession)	
... less than 6 months	5.6%
... between 6 and 12 months	30.9%
... less than 2 years	25.6%
... between 2 and 3 years	16.4%
... or more than 3 years	10.3%
Dnk/Refusal	11.1%

In addition, when asked if the recession has led or could lead to a job loss for a member of their household, 36.2% of Canadians said that this has already been the case or that it could be. On the other hand, 60.5% of Canadians did not feel that a job loss was a possibility for any members of their household.

69.1% of residents from the Atlantic provinces and 69.2% of Albertans were the most optimistic about the possibility of keeping their jobs during this recessionary period.

2.3 Governments Should Cut Taxes to Stimulate the Economy

According to 63.8% of Canadians, governments should cut taxes in order to spur the economy while 27.6% felt that governments should rather increase public spending.

74.5% of Francophones, 74.3% of Quebeckers, 71.8% of those 35 to 44 years old and 73.8% of labourers were in favour of the tax cut while 37.7% of Ontarians, 42.3% of those 18-24 years old, 43.1% of students and 34.6% of University-educated Canadians favoured an increase in public spending.

Question: In order to stimulate the economy, should governments INCREASE PUBLIC SPENDING or CUT TAXES?

n=1503	Increase Public Spending	Cut Taxes	Dnk/Refusal
Atlantic provinces	18.7%	71.0%	10.4%
Quebec	19.8%	74.3%	5.9%
Ontario	37.7%	55.1%	7.1%
Prairies	16.0%	69.2%	14.8%
Alberta	21.5%	65.0%	13.5%
British Columbia	29.2%	61.2%	9.7%
Canada	27.6%	63.8%	8.6%

2.4 Mixed Feelings among the Population about Whether Running a Deficit is the Way to Stimulate the Economy

Canadians have mixed feelings about whether running a deficit is an acceptable solution to Canada's current economic woes. In fact, 46.0% find this solution acceptable while 46.6% do not.

57.1% of 18-34 year olds, 49.6% of University-educated Canadians and 48.3% of the active population find acceptable the running of a deficit to stimulate the economy. However, 51.9% of Quebecers, 51.0% of those 35-44 years old and 54.8% of retired Canadians would find this proposition unacceptable.

Question: Would it be VERY ACCEPTABLE, ACCEPTABLE, UNACCEPTABLE or VERY UNACCEPTABLE for governments to run a deficit in order to support the Canadian economy?

n=1503	Acceptable	Unacceptable	Dnk/Refusal
Atlantic provinces	44.0%	47.3%	8.7%
Quebec	44.3%	51.9%	3.8%
Ontario	47.0%	44.2%	8.8%
Prairies	46.2%	42.0%	11.7%
Alberta	43.6%	49.3%	7.1%
British Columbia	49.3%	43.7%	7.0%
Canada	46.0%	46.6%	7.3%

2.5 A Majority of Canadians Would be Willing to Give Up on Promised Tax Cuts in Order to Increase their Security Vis-à-Vis Terrorism

58.8% of the population in Canada would be willing to give up on promised tax cuts in order to increase their level of security vis-à-vis terrorism. However, 33.9% do not share this view.

63.3% of Ontarians are in favour of giving up their tax cuts while 41.7% of Quebecers are less favourable to this idea.

Question: Would you be willing to give up the income tax cuts that have been announced in order to increase the security of Canadians vis-à-vis terrorism?

n=1503	YES	NO	Dnk/Refusal
Atlantic provinces	65.6%	29.8%	4.5%
Quebec	55.3%	41.7%	3.1%
Ontario	63.3%	30.5%	6.2%
Prairies	58.8%	29.0%	12.3%
Alberta	51.8%	39.5%	8.7%
British Columbia	53.1%	30.7%	16.3%
Canada	58.8%	33.9%	7.3%

3.0 Methodology

This study was conducted by Leger Marketing through telephone interviews among a representative sample of 1503 English- or French-speaking Canadians, 18 years of age or older.

The interviews were conducted from our Montreal call centre between November 6 and November 11, 2001. Up to ten recalls were made in the case of non-response.

Using data from Statistics Canada, the results were weighted according to geographic location, gender and language spoken at home to ensure a sample representative of the entire Canadian adult population. In the end, the maximum margin of error obtained for a sample of 1524 respondents is of $\pm 2.6\%$, 19 times out of 20.