
PUBLIC NOT IMPRESSED WITH FEDERAL GOVERNMENT'S HANDLING OF DOLLAR WOES

-- Domestic impact of global forces hits home --



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This Angus Reid Group/Globe and Mail poll was conducted by telephone between September 17th and 24th, 1998 among a representative cross-section of 1,515 Canadian adults.

These data were statistically weighted to ensure the sample's regional and age/sex composition reflects that of the actual Canadian population according to the 1996 Census data.

With a national sample of 1,515, one can say with 95 percent certainty that the results are within ± 2.5 percentage points of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population.

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As the value of the Canadian dollar continues to demonstrate volatility, the Angus Reid Group's latest sounding examines public reaction to how the federal government has handled the issue. It also measures how Canadians are interpreting the complex web of factors that are contributing to the declining dollar.

Public not impressed with handling of dollar issue

Respondents were asked to indicate how impressed they are with the federal government's management of recent issues related to the value of the Canadian dollar. Two thirds (66%) indicate that they are *not impressed* while one third (32%) indicate they are *impressed*. The government is facing the most significant wrath from Atlantic Canadians (74% not impressed) and those Canadians with household incomes below \$30,000 (71%).

The government's lack-luster performance on this matter is doubly problematic because three-quarters (74%) believe that on balance, the decline in the value of Canada's dollar is *a bad thing for most Canadians* (an additional 22% indicate that it is *a good thing for most Canadians*).

While the international market is viewed as the Goliath of Canada's dollar woes, domestic matters muscle in too

Respondents were read a range of factors that might be responsible for recent declines to the value of the Canadian dollar. These factors included, international economic factors, money market speculators, the federal government's economic policies, uncertainty about national unity in Canada and the large federal debt. Based on what they have seen, heard or read about the Canadian dollar, respondents were asked to indicate which of these factors they consider most responsible for recent declines in the value of the Canadian dollar.

While the international economy is seen to be chiefly responsible for Canada's dollar woes by a majority of Canadians (56%), the force of domestic factors is also evident. In particular, one-third of respondents choose a combination of the federal government's economic policies (10%), uncertainty about national unity in Canada (10%) and the large federal debt (10%) as the factors most responsible for recent

declines to the value of the Canadian dollar. An additional 12 percent place the responsibility at the doorstep of money speculators.

Respondents were also read two position statements and asked to indicate which was closest to their point of view. One statement placed blame for Canada's declining dollar squarely in the hands of the federal government's economic policies and the other placed the onus on the global economy. Canadians were asked to indicate which of these positions was closest to their point of view.

Once again, the extent to which respondents blame the global economy for Canada's declining dollar is evident. Two-thirds (67%) indicate that the decline in the value of Canada's dollar is mostly the product of the workings of the global economy and really has little to do with the economic policies of the federal government. Alternately, one third (30%) indicate that the decline in the value of Canada's dollar is mostly caused by the federal government's economic policies.

Global forces have domestic implications

While factors forcing Canada's dollar downward are perceived to be largely tied to the international market, the consequences of the decline are felt domestically. In particular, as mentioned above, three quarters (74%) indicate that the declining dollar is a bad thing for most Canadians. These Canadians point to domestic and personal factors (51%) as the reasons that they believe that the depressed dollar is bad for most Canadians. Among other items, these factors include, that it prevents Canadians from travelling out of the country (23%), that Canada's standard of living will be lowered (13%) and that Canadians will suffer a loss of buying power (9%). Taken in concert, these domestic and personal costs outnumber those that are related to trade and investment (24%). Among factors tied to trade and investment are the cost of imported goods (11%), increased difficulty to compete with other countries (3%), the toll that the depressed dollar will have on Canada's exports (3%) and a concern that a depressed dollar will keep foreign investors out of Canada (3%).

The strength of the government's key message in managing the dollar issue is evident as a plurality (42%) of those who consider the decline in Canada's dollar to be a good thing for most Canadians indicate that it will make exports more competitive. An additional one-fifth (18%) of these respondents believes that it will entice more foreign tourists to Canada.

Liberals still ahead in the polls

In spite of the perceived mismanagement of the dollar issue and the domestic ramifications of Canada's declining dollar, the Liberals continue to lead all other parties among decided voters. Specifically, the Liberals currently hold 47 percent of the decided vote. This is consistent with the Angus Reid Group's previous survey in July, but is down 6 points since April. Nevertheless, it is still significantly higher than the 38 percent of the popular vote the Liberals received on election day last June. The Reform

party is in second place with 14 percent of the vote nationally (down 2 points since July), closely followed by the Conservatives at 13 percent. The Bloc Québécois hold 12 percent of the vote nationally (45% in Québec), while the NDP are at 11 percent (2 points lower than July but on par with their election performance). (A total of 10% of polled Canadians were undecided/refused or said they would not vote in a federal election.)

In addition, the Liberals are holding their lead in British Columbia (43%), Manitoba (41%), Ontario (59%) and in Atlantic Canada (43%). After enjoying a modest advantage this summer, the Liberals are essentially tied with the Bloc Québécois in Quebec (43% and 45% respectively). In Alberta, the Reform Party remains solidly ahead of all other parties with 44 percent of the decided vote.

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