

MAJORITY (74%) OF CANADIANS BELIEVE FEDERAL GOVERNMENT SHOULD STIMULATE ECONOMY THROUGH TAX CUTS

Majority (55%) Also Believe That Any Government Spending to Stimulate Economy Should Not Run a Deficit

Two-Thirds (66%) Feel that the Government Should Make a Concerted Effort to Protect the Canadian Dollar, Even if it Requires Higher Interest Rates



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Toronto, ONTARIO – With the recent announcement that the American economy has been in recession since March and the looming threat that the Canadian economy may follow suit, a new Ipsos-Reid/Globe and Mail/CTV poll released today indicates that Canadians prefer tax cuts over increased government spending (if it would mean a budget deficit) to stimulate the economy. In fact, three-quarters (74%) of Canadians agree that the federal government should stimulate the economy through more tax cuts. Four-in-ten (40%) strongly agree with this approach, while one-third (34%) somewhat agree.

Further, a majority (55%) reject the “Keynesian” model of economic stimulation through increased government spending, if it means running a deficit – with only 42% supporting such an initiative.

And, two-thirds (66%) of Canadians believe that the federal government should make a concerted effort to protect the value of the Canadian dollar, even if it requires higher interest rates.

These are the findings of an Ipsos-Reid/Globe and Mail/CTV poll conducted between November 27th and November 29th, 2001. The poll is based on a randomly selected sample of 1,000 adult Canadians. With a sample of this size, the results are considered accurate to within ± 3.1 percentage points, 19

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times out of 20, 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. 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 the recent announcement that the United States has been in an economic recession since March and the looming threat that Canada will follow, Canadians express a clear preference for tax cuts as opposed to increased government spending (if it would mean a budget deficit) to stimulate the economy. In fact, three-quarters (74%) of Canadians agree that the federal government should stimulate the economy through increased tax cuts. Four-in-ten (40%) strongly agree with this approach, while one-third (34%) somewhat agree.

- Regionally, Quebecers (84%), and those in Atlantic Canada (80%) are the most likely to agree with tax cuts as economic stimulation. Followed by residents of the Prairie provinces – Saskatchewan/Manitoba (78%) and Alberta (76%). British Columbians (68%) and Ontarians (67%) are less likely to hold this view.
- Those in the middle (75%) and lower (74%) household income groups are slightly more likely than their counterparts in the higher household income bracket (72%) to agree with this view.
- Younger (78%) and middle aged (77%) Canadians are more likely to express agreement than older (66%) Canadians.
- Men (76%) are more likely than women (72%) to agree with tax cuts as a way to stimulate the economy.

A majority (55%) also reject the “Keynesian” model of economic stimulation through increased government spending, if it means running a deficit, should be employed.



- Residents of the Quebec (60%) are more likely to hold to this view than those in other regions of the country. Albertans (57%), those in Saskatchewan/Manitoba (56%) and British Columbia (56%) follow. Residents of Ontario (52%) and the Atlantic Canada (49%) are less likely to express this viewpoint.
- Canadians from the highest (56%) and middle (56%) household income bracket are more likely than their counterparts in the lowest household income bracket (50%) to hold to this view of economic stimulation.
- Canadians between 35 and 54 years of age (59%) and 55 or older (60%) are more likely than those 18 to 34 years of age (48%) to reject that the government should increase expenditures to stimulate the economy, if it means running a deficit.

With the on-going slide in the value of the Loonie, two-thirds (66%) of Canadians believe that the federal government should make a concerted effort to protect the value of the Canadian dollar, even if it requires higher interest rates.

- Atlantic Canadians (72%) are more likely than Canadians in other regions to feel this way. This compares to the views of Ontarians (62%) who are less likely to hold to this belief.
- Canadians from the lowest household income bracket (70%) are more likely than their counterparts in the middle (67%) or highest (63%) household income brackets to agree with this support of the Loonie.
- Women (70%) are more likely than men (62%) to agree with this view.
- Younger (71%) and older (69%) Canadians are more likely to support this idea than middle aged (60%) Canadians.



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