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Best Manage Economy as Only 15% Say They're Worse off than  
Two Years Ago**

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*Haven't Gone Far Enough*

*Half (53%) Say Running Deficit Acceptable if Downturn in Economy*

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## **On Eve of Budget, Most (45%) Have Confidence in Tories to Best Manage Economy as Only 15% Say They're Worse off than Two Years Ago**

***45% Believe Tax Cuts Well-Balanced, 24% Say They Haven't Gone Far Enough Half (53%) Say Running Deficit Acceptable if Downturn in Economy***

**Ottawa, ON** – A new Ipsos Reid poll conducted exclusively on behalf of CanWest News Service and Global Television reveals that Canadians have given the edge to Prime Minister Harper over the other federal party leaders when it comes to managing the economy.

Thinking about which of the leaders they have the most confidence in to best manage the national economy, 45% indicate that Prime Minister Stephen Harper is their choice, while one quarter (26%) have the most confidence in Liberal leader Stephane Dion. Just 16% say they have the most confidence in NDP leader Jack Layton to best manage the national economy, while 14% do not know who they have the most confidence in when it comes to managing Canada's economy.

In fact, most (85%) Canadians believe that the economy is either in 'very good' (12%) or 'good' (73%) shape, the proportion of whom has increased seven points overall since the end of January. Similarly, only 15% suggest that things are worse for them now than two years ago. One third (33%) of the population believes that they and their family are 'better off than two years ago', while a majority indicates that their economic condition is 'about the same as two years ago' (52%).

Thinking about who is responsible for the economic progress of most, or the lack of progress for others, two thirds of (67%) Canadians believe that the current Conservative government should receive 'a lot' (16%) or 'some' (51%) of the credit or blame, whatever the case may be. Just one quarter (22%) believe they shouldn't receive much credit or blame, while only 7% believe that they should receive 'none at all'.

Looking ahead, two thirds (64%) believe that 'the economy *will* slow down but continue to have some growth' (down 1 point since January), and only 13% believe that Canada will 'enter into a recession' (down 4 points). But there are some (22%) who are of the opinion that Canada's economy will 'continue to grow as strong as it has in recent years (up 7 points).

### ***On the Eve of the Budget...***

Thinking ahead to the budget that Finance Minister Jim Flaherty will reveal in Parliament this week, Canadians have had the opportunity to weigh in on some of the decisions facing the government. In light of tax cuts announced by Mr. Flaherty last fall, which amounted to roughly \$60-billion over six years, 45% are of the opinion that these cuts were 'well balanced and just at the right level'. However, the remaining Canadians are split on whether 'the tax cuts have gone too far and some should be clawed back' (28%) or whether the tax cuts 'have not gone far enough and should be increased' (24%).

But now the government is faced with budgeting for a country where the possibility of an economic downturn exists, resulting in fewer tax dollars to spend. If they were the finance minister and had to deal with this, four in ten (37%) Canadians would respond by 'cutting taxes more and try to stimulate consumer and business spending that could generate new revenues'. Others would 'freeze or cut spending on government services' (26%) or 'claw back some of the tax cuts, in effect raising taxes' (14%). One in ten (12%) would 'skip the planned

paying down of \$3 billion on the national debt, and 6% would actually do nothing and 'maybe run a deficit'.

In fact, a majority of Canadians are at least somewhat comfortable with the idea of the government running a deficit. Six percent say that it would be 'very acceptable' for the government to do so, and nearly one half (47%) indicate that it would be 'somewhat acceptable' in these circumstances. One quarter (26%) believes this course of action to be 'not really acceptable', while two in ten (19%) say that it is 'not at all acceptable' for the government to run a deficit even if there was a downturn in the economy.

Due to limited finances, budgeting often necessitates that some interests or programs receive more money than others. Assuming Finance Minister Flaherty had \$1-billion dollars to commit to various areas of the economy, one third (32%) of Canadians would like to see the money allocated to 'poverty and social programs', while two in ten (22%) would prefer the money be spent on 'infrastructure repairs or upgrades'. Despite the recent trend towards preserving the environment, only 18% would opt to have the money spent in this sector, while even fewer (11%) would like to see these funds allocated towards helping 'the manufacturing sector'. Just 4% would opt for that money to help the aboriginal peoples of Canada.

Focusing on the faltering manufacturing sector which has been adversely affected by the rising value of the Canadian dollar, given the choice between two options, a slim majority (51%) would rather the federal government 'pay special attention to the manufacturing sector and make it a national priority to help this sector' through these difficult times. On the other hand, 43% are of the opinion that the federal government should 'leave it up to the provinces



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to help out their local manufacturers that might be going through tough times and let the Federal government concentrate on more broad-based, national initiatives for all'.

*These are the findings of an Ipsos Reid poll conducted on behalf of CanWest News Service and Global Television from February 22 to February 24, 2008. For the survey, a representative randomly selected sample of 1008 adult Canadians was interviewed by telephone. With a sample of this size, the results are considered accurate to within  $\pm 3.1$  percentage points, 19 times out of 20, of what they would have been had the entire adult population of Canada been polled. The margin of error will be larger within regions and for other sub-groupings of the survey population. These data were weighted to ensure that the sample's regional and age/sex composition reflects that of the actual Canadian population according to Census data.*

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