

Canadians Split 50/50 on Simply Letting Car Companies Go Bankrupt

*But Majority (67%) 'Agree' on Life Support Bridge Financing and
if No Remedy Found by Next Deadline Taxpayer Money Should
be taken off the Table and Let Car Companies Determine Own
Fate*

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But Majority (67%) 'Agree' on Life Support Bridge Financing and if No Remedy Found by Next Deadline Taxpayer Money Should be taken off the Table and Let Car Companies Determine Own Fate

Toronto, ON – Canadians are supportive of lending a hand to the ailing auto industry for the time being, but if they can't get the industry back on track Canadians believe enough is probably enough.

A new Ipsos Reid poll conducted on behalf of Canwest News Service and Global Television reveals that when it comes to simply letting the car companies go bankrupt, even though it could put thousands of Canadians and Americans out of work where they lose their pension money, Canadians split right smack down the middle 50/50.

But they are willing to support a temporary lifeline: (67%) Canadians 'agree' that 'government should give the car companies some bridge financing for the next month or two, and if they can't find a remedy to restructure after that, regardless of job or pension loss, taxpayer money should be taken off the table and *the companies decide on their own fate, which could be bankruptcy.*

The Federal and Ontario governments have already agreed to provide bridge financing (\$3-billion to GM and \$1-billion to Chrysler) to help these auto companies finance their



operations for the short term. This action follows similar steps taken by American President Barack Obama when he said on Monday that the car companies' business plans 'don't go far enough' in revamping the North-American industry in the face of higher fuel costs and fierce foreign competition. To tide them over while they rework their plans, GM is seeking an estimated US \$6-billion in loans from Ottawa and Ontario and Chrysler is seeking US \$2.25-billion.

The Canadian and Ontario governments have set out conditions for the loan, including mandatory plans for restructuring as a condition to access any government cash, an interest rate of 5% and Ottawa will receive an interest-bearing note in return, and that loans are to be used exclusively to finance operations, and cannot be used to pay back taxes or to finance bonus payments, pay increases from last year or severance packages.

Not necessarily bankruptcy, but perhaps a necessary bankruptcy...

Canadians are split on whether the government should just let troubled car companies go bankrupt, even though it could put thousands of Canadians and Americans out of work and lose pension money. Fully one half (50%) 'agrees' (17% strongly/32% somewhat) with this position, while the other half (50%) 'disagrees' (17% strongly/33% somewhat) with this idea.

Two in three (67%) Canadians 'agree' (22% strongly/45% somewhat) that 'government should give the car companies some bridge financing for the next month or two, and if they can't find a remedy to restructure after that, regardless of job or pension loss, taxpayer money should be taken off the table and the companies decide on their own fate, which



could be bankruptcy'. Alternatively, one in three (33%) 'disagrees' (12% strongly/21% somewhat) with this position.

Is Government tough medicine on both sides of the border too tough? Canadians don't think so...

A full majority (85%) of Canadians 'disagree' (49% strongly/36% somewhat) that 'Canadian governments are being too tough on car companies', while 15% 'agree' (3% strongly/12% somewhat) that this is the case.

Comparatively, most (84%) 'disagree' (48% strongly/36% somewhat) that 'the American government is being too tough on car companies', while just 16% 'agree' (3% strongly/13% somewhat).

Further, just one quarter (26%) 'agrees' (9% strongly/18% somewhat) that 'governments shouldn't be telling the car companies to restructure their industry and operations' compared to three quarters (74%) who 'disagree' (45% strongly/29% somewhat) that government's shouldn't be telling the industry to restructure.

These are the findings of a poll conducted on behalf of Canwest News Service and Global National from March 30 to April 6, 2009. This online survey of 1024 Canadian adults was conducted via the Ipsos I-Say Online Panel, Ipsos Reid's national online panel. The results of these polls are based on a sample where quota sampling and weighting are employed to balance demographics and ensure that the sample's composition reflects that of the actual Canadian population according to Census data. Quota samples with weighting from the Ipsos online panel provide results that are intended to approximate a probability sample. Statistical margins of error are not applicable to online polls, however, an unweighted probability sample of this size, with a 100% response rate, would have an



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estimated margin of error of +/- 3.1 percentage points, 19 times out of 20, had the entire adult population of Canada been polled.

-30-

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- 4 -

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