

**Pre-Budget Wishes: Infrastructure, Infrastructure,
Infrastructure, Not Tax Cuts**

**BDO Dunwoody Weekly CEO/Business Leader Poll
By COMPAS in *Canadian Business*
For Publication February 21, 2008**



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1.0. Introduction

In anticipation of the forthcoming budget, CEOs and business leaders on the COMPAS panel were asked for their views on desirable priorities. Infrastructure emerges as the only area where a majority call for greater spending. More money for debt paydown, health transfers, and military preparedness earn plurality support, followed by spending on the environment. Strongly held opinion opposes more tax cuts.

These are the key findings from this past week's Internet survey of CEOs and business leaders on the COMPAS panel. The weekly business survey is undertaken for *Canadian Business* magazine under sponsorship of BDO Dunwoody LLP.

2.0. Infrastructure by Far the Highest Priority, Tax Cuts by Far the Lowest

Infrastructure emerges as by far the highest priority for greater spending, as shown in table 2. More money for debt paydown, health transfers, and military preparedness earn plurality support, followed by spending on the environment. Strongly held opinion opposes more tax cuts. Opinion on other areas is largely divided.

The following verbatims provide a nuanced sense of panel opinion:

If I were the PM, my budget would have lots of nice to have new initiatives but the spending wouldn't start for a while and would be triggered to start only as government revenues hit certain levels. However, the budget would also have a plan to deal with what happens if the economy struggles and government revenues are below preset levels. In that case,



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funds would be diverted from the nice to have new initiatives into infrastructure projects that would create employment.

Federal money should be poured into protecting our rights to Arctic lands that we claimed many years ago as belonging to Canada

How about...taxes on withdrawal from RRSP's having a ceiling of 20%.

It will boil to which lack lustre leader do you want, as the policies are the all same.

[The budget does not much matter because] Harper is a poor communicator.

Although paying down the debt is important, it should be postponed for a while as we enter a period of economic uncertainty in favour of increased investments in the productive capacity of the economy, namely infrastructure projects and support to Canadian manufacturers.

This should be a fiscal prudence budget. Fund only what is needed and help the economy to ride out downturn-hence my interest in manufacturing.

The drive to appease the voting public has got in the way of good reason and it would be a great shame if the prudent and responsible fiscal management in the past many years is reversed.

Any new government should bite the bullet and bring back the GST.

The 1st priority must be to reduce debt, which reduces interest expense.



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Table 2: (Q1) As you may know, the federal government will announce a budget next week. Please indicate whether federal spending should rise, fall or remain unchanged in respect of each of the following. RANDOMIZE

	Rise	Remain Unchanged	Fall	DNK
Infrastructure	63	33	4	0
Paying down the national debt	45	42	13	0
Health transfer payments to the provinces	43	50	8	0
Military preparedness	42	47	11	0
Environmental protection	36	54	9	0
Post-secondary education	29	63	8	1
Support for manufacturing	26	57	15	2
Home security including border and immigration controls and domestic preparedness against potential terror	21	59	20	0
The GST	19	63	18	0
Aid for farmers	16	52	31	2
Corporate taxes	4	44	52	0
Personal income taxes	0	37	63	0

3.0. Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted February 19 – 21, 2008. Respondents



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constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of 129 are deemed accurate to within approximate 8.7 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D. and Tamara Gottlieb.

