

Crises and Crisis Preparedness:

**Harper Scores Highly While Border Problem Perceived as Worsening
and Canada's Legal and Immigration Systems Considered Failures
Firms Perceive Palpable Risks for their Operations and Appear to Be
Taking First Steps to Action**

**BDO Dunwoody CEO/Business Leader Poll
by COMPAS for publication in
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1.0 Introduction

CEOs and business leaders on the COMPAS panel perceive palpable risks for Canada and for the operations of their own firms from health contagion and terrorism crises. They give Harper high marks for handling the border and terrorism but perceive border problems as getting slightly worse. They continue to see the Canadian legal and immigration systems as failures against terrorism.

The data on company preparedness carry the first hints that firms are beginning to contemplate planning for crises that might affect their own operations.

These are the key findings from this past week's web survey of CEOs and business leaders on the COMPAS panel, carried out for the *Financial Post* under sponsorship of BDO Dunwoody LLP on the anniversary of 9/11.

2.0 Canada-U.S. Border Problems Worsening But Harper Performance an Improvement over Liberals'

Panelists express increased concern about Canada-U.S. border problems, and yet the Harper government earns higher scores than its predecessors'. In one year, the proportion of panelists saying the situation has worsened has more than doubled though a plurality still believes that the situation is getting better, as shown in table 2A. Meanwhile, the Conservative government earns higher performance scores for handling the issue than its predecessor, as



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shown in table 2B. As one CEO put it, “The Liberals did a bad Job...Harper is doing a better job.”

Table 2A: After 9/11 there were problems of trade and travel at the Canada-U.S. border. Have these problems...become worse, remained about the same, become better, been entirely resolved?

	September 15, 2006	July 18, 2005	August 9, 2004	September 6, 2002
Become worse	30	13	16	12
Remained about the same	24	26	34	21
Become better	44	58	46	60
Been entirely resolved	1	1	0	4
DNK or no opinion	2	2	4	4



Table 2B: Harper Government Performance Scores

	%	DNK
Working with the U.S. government to keep open the Canada-U.S. border for trade and travel ¹		
September 15, 2006	66	0
August 9, 2004	53	0
September 6, 2002	60	1
In fighting terrorism		
September 15, 2006	64	0
August 9, 2004	40	0
September 4, 2003	44	1
September 6, 2002	43	2

3.0. Continuing Concern That Canadian Immigration Controls a Failure against Terrorists But High Respect for Harper Government's Performance

CEOs and business leaders on the panel are virtually as concerned as ever about the effectiveness of our immigration and legal systems, as shown in table 3A, and yet give the Harper government high grades for its performance fighting

¹ Five years after the 9/11 terrorism attacks, using a 100-point scale, how would you rate the federal government's performance in...



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terrorism, as shown in table 2B. The Conservative government's grades are much higher than those of the Liberals when in power.

Table 3A: (Q4) Do you strongly agree, somewhat agree, somewhat disagree, or strongly disagree that the Canadian legal and immigration system is working well to prevent terrorists from entering the country and to remove them when they are found?

	September 2006	August 2004	September 2003
Strongly disagree	47	50	42
Somewhat disagree	26	28	35
Somewhat agree	23	20	17
Strongly agree	2	2	2
Don't know or no opinion	3	0	4

While panelists might be tempted to embrace U.S. border control procedures given their incrementally rising concerns, in fact they appear to be turning their back on American procedures, as shown in table 3B. One CEO put his concerns this way:

In many respects our entry requirements are more difficult and it is notable, some U.S. prejudices notwithstanding, that terrorists get into the U.S. via the U.S. not Canada. That said, greater harmonization may well be desirable, but not just to please the U.S. if the result is that more terrorists start using Canada as the point of entry for the U.S., as we would still get blamed.



Irrespective of their views on the appropriate procedures, many CEOs expressed deep concern:

I fear that we recently imported possible terrorists from Lebanon as a result of Israeli-Hezbollah conflict. I hope I am wrong, but they did not seem like they were favourable to Canada.

Canada has done little to seriously curtail immigration of undesirables. The only reason we have not had a serious terrorist incident is because we are perceived to be a soft permeable target for entry to the USA. A terrorist attack might force us to tighten up and close that hole.

Our present Government is taking the terrorist issue much more seriously than the previous Government. It is clear that we have a threat living in our midst that to date has been very clever. We must recognize that the narcissistic "holier than thou" culture that took root under the previous Government should not continue to prevail.

I wonder sometimes if Canada appears to allow people into the country in inverse proportion to their desirability as immigrants.



Table 3B: (Q3) As you may know, Canada sometimes adopts U.S. procedures because there are advantages to doing so. At other times, we follow made-in-Canada solutions for good reasons as well. In the case of immigration and import controls, should Canada adopt U.S. procedures as a means of keeping the Canada-U.S. border as open as possible? [ROTATE POLES]

	September 2006	July 2005	August 2004	September 2002
Definitely adopt U.S. procedures	17	26	23	22
Probably	44	48	48	50
Probably not	20	20	18	18
Definitely not adopt U.S. procedures	13	4	8	7
Don't know or no opinion	6	3	4	4

4.0. High Perceived Crisis Risks for Companies; Hints of Increased Preparedness

Panelists feel palpable risks of terrorism and bird flue-type crises and to a lesser extent environmental crises, as shown in table 4A. Reports of active crisis preparedness planning are not truly higher but the data in table 4B imply the possibility of more discussion and inchoate thinking within companies. There has been an apparently sharp drop in the proportion of firms that have not discussed crisis preparedness.



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Table 4A: (Q6) On a 100 point probability scale, what do you estimate to be the probability over the next 12 months of each of the following types of crisis that would be serious enough to require at least a temporary change in how your organization was working? [RANDOMIZE]

	Mean	DNK
A serious terrorism incident	31	1
A serious contagion like the bird flu	28	2
A serious environmental problem	23	2

Table 4B: (Q5) Does your own company have a plan for decentralized operations as a protection in the event of a terrorist attack, serious contagion, or environmental crisis? [ROTATE POLES]

	September 2006	July 2005	November 2001
The company hasn't discussed the subject	46	65	59
Company operations are already decentralized	23	21	24
The idea of a crisis plan has been discussed but no decision has been made	16	6	15
The company adopted a crisis plan but it has not yet been implemented	6	4	2
Don't know or no opinion	9	5	NA



3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted September 13 - 15, 2006. Respondents 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 approximately 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.

