

First of Two Part Series on Gasoline Predictions and Policies,
Part 2 will be on Impacts of Gasoline Prices and Businesses

**New Caution about Government Intervention
following Hike in Gasoline Prices—
Drop in Support for Transit Subsidies and Reduced Support
for Tax Incentives to Encourage Fuel Efficient Vehicles**

**Weekly CEO/Business Leader Poll by COMPAS in
Canadian Business for Publication Week of April 30th, 2012**



**COMPAS Inc.
Public Opinion and Customer Research
Week of April 30th, 2012**



1.0 Introduction

Responding to increased gasoline prices, the CEOs and business leaders on the COMPAS business panel are reacting mainly by being cautious about government intervention:

- Support for cutting taxes on the purchase of fuel efficient vehicles has dropped to the lowest level in eight years; while
- Support for transit subsidies has also declined precipitously.

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.

2.0 Details

Table 2.1: In light of what has happened to gasoline prices, on a 7 point agree-disagree scale where 7 means agree a lot, please score each of the following opinions about what governments should do...

	MEAN	7	6	5	4	3	2	1	DNK
Cut taxes on the purchase of fuel efficient vehicles									
April 2012	4.6	24	15	21	10	10	7	14	0
March 2008	5.2	34	19	22	8	5	8	6	0
May 2007	5.1	27	26	18	12	4	5	9	0
April 2005	5.4	34	22	21	8	6	3	4	1
May 2004	5.1	29	24	17	9	6	5	10	1
Stop applying taxes above a certain price per gallon, for example above 95 cents a litre									



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	MEAN	7	6	5	4	3	2	1	DNK
April 2012	4.4	28	12	11	15	8	7	19	0
March 2008 ¹	4.4	29	16	7	9	6	11	21	2
May 2007	4.4	22	20	14	10	4	10	20	1
April 2005	4.4	30	11	12	6	8	15	17	2
May 2004	4.9	36	20	8	3	6	11	14	2
Increase subsidies to transit systems									
April 2012	4.1	11	16	17	19	15	11	10	0
March 2008	4.8	20	21	23	9	8	11	6	1
May 2007	4.6	19	16	25	16	8	9	8	0
April 2005	4.6	18	18	24	10	8	11	9	3
May 2004	3.9	10	14	17	15	14	17	12	1
Leave gas taxes alone as a way of cutting fossil fuel emissions									
April 2012	3.9	10	15	13	16	10	16	15	6
March 2008	4.3	18	9	19	16	11	15	8	4
May 2007	4.3	18	11	16	18	10	14	11	2
April 2005	4.1	15	11	13	15	18	13	11	4
May 2004	3.7	12	10	16	11	16	17	16	3
Do nothing because the problem will stabilize or go away									
April 2012	3.3	12	11	5	12	9	18	29	3
March 2008	3.4	9	9	11	18	11	19	21	3
May 2007	3.2	6	11	9	16	10	18	26	5
April 2005	3.4	8	11	11	13	16	19	21	3
May 2004	3.6	9	10	14	14	18	14	17	3

The following verbatim comments provide a nuanced sense of respondent opinion:

We are spoiled by low prices.

Rural Canada is dependent on gasoline for transportation. It does not have the options of the urban areas. Therefore the high prices have a more dramatic effect.

¹ Wording in March 2008: "Stop applying taxes above a certain price per gallon, for example above 85 cents a litre."



The world's resources are being used far too quickly and this will produce a crisis of unanticipated proportions.

Since the prices of gasoline are inflated substantially without due reason except to ever increase expanding big oil profits and it is a resource we are forced to use, prices should be government clamped to control disastrous economic impact. An alternative would be a government sponsored crash research program aimed at fast payoff alternatives, such as mobile natural gas contained in high pressure containment dissolved in acetone. We need smarter administrations which need to be more alert to technical solutions to combat deteriorating economics.

I'm on holiday in the U.S. at the moment. Prices here have been dropping. Cost of gasoline is about 25% less. Why?

Gasoline goes up-look at improving efficiencies in the vehicles you run.

The Canadian economy is a free market, I can see no collusion whatsoever when all the gas prices are exactly the same at all stations in an area. The government regulates the price of my milk but my gas which I use more of and hence pay huge taxes on does not get regulated, funny how it all works in Canada, EH?

Gasoline prices are putting a minor damper on the economy but they are not yet in the "danger" zone where companies or governments need to take radical steps.

3.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted April 27 – May 1, 2012. 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 n=90 are deemed accurate to within approximate 10.3 percentage points 19 times out of 20. The principal and investigator on this study is Conrad Winn, Ph.D.

