



Demand *Less Traffic & Lower Gas Prices*

The Conservative Plan for Motorists and Commuters

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Leader, Conservative Party of Canada**

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Introduction

Canadians are tired of being stuck in traffic. And they're sick of paying more and more just to fill up their tanks. To get to work today, most urban residents have to endure stop-and-go traffic, packed commuter trains, crowded subways, standing room only streetcars or slow bus rides.

It's a costly, frustrating and time-consuming process that occurs day after day, month after month, year after year for people who live in large centres.

Unfortunately, the problem is getting worse. Our network of urban highways, thruways, parkways and boulevards is not keeping up with population growth. The Toronto Board of Trade estimates that congestion costs the GTA alone \$2 billion annually in lost productivity.

Cash-strapped provinces and municipalities are having a hard time keeping up with infrastructure renewal while the federal government enjoys large surpluses.

Driver frustration resulting from congestion is compounded by high gas prices. And while Canada cannot control the world price for oil, high commodity prices are made worse by excessive government taxation on fuel.

Unfortunately, urban gridlock is an issue that Liberal politicians like to talk a lot about but very little seems to get done.

And when Liberal politicians do talk about congestion, it always seems to be about some sort of vague, grandiose public transit project that are never realized.

The new Conservatives have a specific, detailed and credible plan to help our provinces and municipalities to invest in new infrastructure. It's a balanced plan that lets lower levels of government to determine which type of infrastructure is appropriate – roads or transit – for their communities.

And our plan includes real tax relief for motorists struggling to keep up with the high taxes the Liberals charge on fuel.

Sharing Gas Taxes To Support Infrastructure

Liberal Record

Infrastructure spending was a major plank of the Liberal's original *Red Book* campaign in 1993 in which they pledged to create jobs with a \$2 billion infrastructure fund. The money was eventually spread out over 3 years. It was and continues to be an invasion of provincial jurisdiction using the federal spending power.

When the program was finally up and running, the government included "cultural and social infrastructure" in service delivery. Funds then flowed to professional sports stadiums, bocce courts, tennis courts, film productions and even canoe museums.

In subsequent announcements, the Liberals created a new department to administer infrastructure funding and created a wide range of new programs designed to spend more money in areas of provincial and municipal jurisdiction.

Conservative Commitments

A new Conservative government will invest in infrastructure by transferring a minimum of 3 cents per litre of the federal gas tax to the provinces for infrastructure. Canada's new Conservatives will insist that the money be fairly divided between provinces and municipalities, and between urban and rural communities within the provinces, and that the money be directed to new projects that would not otherwise have been built.

A new Conservative government will also phase out the Canada Strategic Infrastructure Fund and other federally run infrastructure programs, while retaining the Border Infrastructure Program to enhance federal infrastructure such as airports, ports and the National Highway System.

Liberal Confusion

When it comes to sharing gas tax revenues with provinces and municipalities for the purposes of infrastructure funding, the Liberals are all talk and no action. Paul Martin promised to share such revenues when he was a candidate for the leadership of the Liberal Party. And now, he's making the same pledge during the federal election.

The problem, however, is that the Martin Government delivered a budget in between his Liberal leadership victory and the current election campaign. The budget offered no sharing of gas tax revenues. The Liberals simply cannot be trusted on this issue that is so important to our provinces and cities.

The Conservative commitment will cost a net \$1.2 billion when fully implemented.

Cutting Gas Taxes To Help Drivers

Liberal Record

Paul Martin increased the excise tax on gasoline to 10-cents per litre from 8.5-cents in his 1995 Budget. At the time, Martin stated that the tax increase was a temporary measure to fight the deficit. In total, this tax generates more than \$4.5 billion per year for the government, none of which is specifically earmarked for roads or transit.

The Liberals have also maintained the practice of charging the GST on top of the federal excise tax on gasoline – a tax on tax. This generates an additional \$300 million each year for the Liberals, none of which is specifically earmarked for roads or transit. The government actually profits when gas prices rise, at the expense of drivers.

Conservative Commitments

A new Conservative government will axe the “tax on a tax” by removing the GST from the federal excise tax on gasoline.

Furthermore, a new Conservative government will eliminate the GST portion of gas prices above 85 cents per litre.

Liberal Confusion

Liberal MPs like Dan McTeague have pointed out that the supposedly temporary increase in the federal excise tax on gas remains in place long after Canada’s budget was balanced. Yet, the government refuses to lift this temporary measure.

The Conservative commitment to remove the GST from the federal excise tax on gasoline will cost \$300 million annually.

Summary of Commitments

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