

## Go green, Mr. Harper. Junk new-car GST



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JULY 25, 2007

Prime Minister Stephen Harper wants a few good ideas to exploit when Parliament returns from its summer break. Here's one: Eliminate the GST on all purchases of new cars and pickup trucks for the next three or four years. Why? The fact is that new cars, all of them, are so much more efficient than older cars that it's folly to price them higher than absolute commercial necessity requires. Lower prices will induce more people to buy them.

This speedy vehicle replacement will reduce automobile pollution and cut greenhouse gas emissions - a difference in CO<sub>2</sub> emissions measurable annually in the millions of tonnes. In the process, the government could discreetly rescind the punitive tax that Finance Minister Jim Flaherty ineptly imposed on North American cars in his March budget.

Start this environmental action program by getting the clunkers off the road. Canadians cling to old gas guzzlers with the tenacity of Havana cabbies. The Canadian Vehicle Manufacturers Association says more than one million 20-year-old (or older) cars remain in use on Canadian roads, spewing 37 times more smog-forming pollutants than one million new cars.

You can express this statistic another way. Assuming comparable mileage, these one million old cars produce the same pollution as 37 million new cars - the equivalent of 25 years' worth of normal new car sales.

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Car Heaven, a program that helps people dispose of old cars, reports minimal progress in getting rid of this huge backlog. Its "clunker counter," which records the number of old cars retired from service, stood last week at 59,300 - after seven years of operation. The government should simply declare that these old cars are a public health menace and (aside from taking an antique auto for an occasional spin) ban them completely from the road.

In his spring budget, Mr. Flaherty introduced an incentive program to encourage people to buy new cars - but, effectively, only a very few makes and models. The program was thus needlessly limited and flagrantly discriminatory.

Mr. Flaherty's Vehicle Efficiency Incentive offered a \$2,000 break for people who were ready to let the Finance Minister select their next car for them, a \$2,000 penalty (or more) for people who weren't.

He based this discrimination solely on fuel economy, a dubious single indicator of a car's environmental footprint. He repudiated empirical evidence that all new cars qualify, by any reasonable standard, as acceptably green for the moment. (They will get greener still.)

Simply put, the government should stop acting as the high-pressure sales force of particular imported cars and remove its impediment to new car sales.

This is not a case of helping the troubled North American car companies. These companies sell a million cars a year on their own, notwithstanding sales taxes. But it would be wise to end the discrimination against them. (One federal study predicted that a pick-the-winner incentive program would cost General Motors, Ford and Chrysler to lose 4 per cent of Canadian sales.)

The reason to treat cars equally, though, can be defended on strictly environmental grounds.

By government calculation, all of the cars and light trucks on the road contribute 9.5 per cent of smog-forming emissions in the country. By industry calculation, new vehicles account for less than 8 per cent of the country's fleet. With the combined technological advances of the past few years, new cars are 10 times

cleaner than the average car in the fleet.

The car companies did the math that quantifies these advances: New vehicles contribute precisely 0.1 per cent of Canadian smog-forming emissions. In a comparable calculation for greenhouse gas emissions, the car makers say, new-model vehicles contribute only 1 per cent of Canadian emissions.

Make all cars emissions-free and "99 per cent of Canada's smog and greenhouse gas sources would remain."

This astonishing calculation encompasses the entire fleet of new cars, not merely the celebrated models. Indeed, it includes the fashionably denigrated SUVs. Yet the burning of one cord of wood now produces more smog emissions than a new SUV driven around the Earth's circumference 35 times. By comparable logic, the government should tax firewood at a rate of \$2,000 a cord.

Mr. Harper does need a few good ideas - preferably conservative ideas. Why else have a Conservative government?

The Flaherty Formula was first crafted for former Liberal prime minister Jean Chrétien, who passed on it, then recrafted for former Liberal prime minister Paul Martin, who passed on it.

The Conservative government took it off the discard shelf, blew off the dust and passed it off as its own. Expedient, perhaps. Not wise.

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