

Incentives Proposed to Encourage New Car Sales

TORONTO, ON -- March 19, 2008 -- Members of the Ontario PC Caucus have proposed an initiative to get old cars off the road and stimulate sales of new cars. "It's clear Dalton McGuinty needs a new path toward fuelling Ontario's economic engine," said Hudak. "This program would give Ontario drivers an incentive to start buying again."

PC Economic Development & Trade Critic Ted Chudleigh (Halton) and Finance Critic Tim Hudak (Glanbrook) urged the McGuinty Liberals to use next week's budget to implement a 'Retire-Your-Ride' initiative. The initiative, in partnership with a similar Federal program, would give Ontario drivers \$2,000 toward the purchase or lease of a new car after turning in their vehicle of ten years old or older.

Currently, there are over two million pre-1997 model year cars on Ontario roads. That is one million vehicles in the province.

"Not only would this program potentially boost auto sales, create jobs and spur our economy, it would also get many high-polluting, old clunkers off Ontario roads," added Chudleigh.

The Ontario Automobile Dealer Association also supports the idea.

"An effective scrappage program will benefit the environment, make our roads safer and will stimulate automobile sales. Taking one 1987 model year automobile off the road will reduce smog emissions equivalent of thirty-seven 2007 model year automobiles," said Geoff Wilkinson, Executive Director of the Ontario Automobile Dealer Association.

"Nearly 300,000 manufacturing jobs have disappeared from Ontario under the Liberals' watch. Practical steps like the 'Retire-Your-Ride' program are tangible efforts that can help out Ontario during difficult times."

The Ontario Automotive Recyclers Association (OARA) has already come out in support of the initiative.

"A provincial vehicle scrappage program, coupled with mandatory provincial licensing or accreditation of auto recyclers, would provide a significant boost to both Ontario's economy and its environment,"

Executive Director of the Ontario Automotive Recyclers Association. "Increasing responsible vehicle sales stimulates vehicle sales, ensures economic spinoffs, and improves our environment."

OARA has been actively involved in the development of a national vehicle scrappage program and a code of practice for auto recyclers. One of OARA's achievements was the development of the program, which provided incentives for people to retire their older vehicles through charitable donations, discounts and other incentives.

"Legitimate auto recyclers purchase end-of-life and accidented vehicles and retire them in a responsible and sound manner, taking into consideration such things as the hazardous fluids and mercury and other pollutants," said Fletcher. "Many other scrap dealers or junkyards buy vehicles solely for the scrap metal value and do not regard to proper environmental processing, and often contribute to the underground economy. A licensing or accreditation system would solve these problems."

A number of other jurisdictions are ahead of the curve compared to Ontario, with programs already in place.

The federal government's "Retire-Your-Ride" program allows consumers to trade-in their old vehicles for discounts on public transit passes, bicycles, membership in car-sharing programs or \$300 in cash. The program is funded by \$92-million in government funding until March 31, 2011.