

PRESS RELEASE

**Frank Valeriote, M.P.
Guelph**



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Valeriote calls for decision on scrappage

The Conservative government's continued musings on the possibility of a "cash for clunkers" program is having a negative impact on new car sales, says Frank Valeriote, Member of Parliament for Guelph and Chair of the Liberal Auto Caucus.

"This government continues to speculate but refuses to act on scrappage. Instead of stimulating car sales, one way or the other, people are now holding onto their vehicles on the chance this government may be offering a significant incentive at some point in the future. Car sales would be stimulated if the government announced that no scrappage program would be forthcoming based on pent-up demand," said Valeriote. "We see Ministers speaking publicly about the possibility of development or expansion of a cash for clunkers scheme which is encouraging people to delay their vehicle purchases. These ministerial musings are detrimental to the auto industry's recovery."

Valeriote was part of a Parliamentary committee that studied the crisis in the auto industry this past spring. Several countries have made use of a scrappage program, including the United States and Germany. While analysts estimate that the American program increased car sales by up to 750,000 vehicles it is impossible to tell the true effect based on the pent up need for car purchases with or without a scrappage program. There is also concern that such programs benefit foreign automakers as international trade laws prohibit a rebate program that solely benefits domestic auto companies. The Conservative government currently offers a "Retire Your Ride" program, which offers up to \$300 to consumers who trade in their clunkers.

"While the merit of a scrappage program, and the model used is ultimately relevant, at this point this government's ongoing speculation must stop. Either provide a substantial program or stop chatting about it—it's a simple as that. It's time for this government to be straight with Canadian auto buyers," said Valeriote.

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