

**Written Submission for the Pre-Budget
Consultations in Advance
Of the 2020 Budget**

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Recommendation 1. That the government implement a new taxation regime for internal combustion engine (ICE) vehicles.

Body of Submission

The long history of our increasing knowledge of the deleterious effects of global warming and other changes (ocean acidification, drought, melting glaciers—along with their necessary water supplies, erratic and dangerous weather events, and so on) continues to provide increasingly dire prognostication for a healthy human future. I have been monitoring the subject for over thirty years, over which time and contrary to my expectations, human efforts to limit the emissions (CO₂, CH₄, and others) responsible for these changes have been signally inadequate.

While it is true that many benefits have accrued to society through the burning of fossil fuels (employment, travel, long-distance trade, and so on), these benefits are rapidly being eclipsed by the harms the accumulating emissions are causing.

No new technological process comes free of risk or without possible unforeseen side effects. However, the effects of fossil fuel use are becoming so damaging that a rapid transition away from their use is globally imperative.

Contemporary citizens are, to be blunt, spoiled. We indulge ourselves with an economy that privatizes well-being of all kinds (comfort, entertainment, goods and services) all while exporting onto the public weal the damages caused by resource extraction and use, along with associated pollution and other forms of waste. Politicians who require public support in order to be entrusted with management of our political economy find themselves in the unenviable position of having to promise what may in fact be impossible, the absurd notions of a continuously expanding economy that

also protects the environment upon which all economic behavior depends. We have been promising to lower emissions for decades, but emissions just keep going up. There is a great deal of “let’s pretend” built into our system.

Further to these observations, our democratic idealism allows for enormous sums to be spent on lobbying, dominantly done by massive and financially successful corporations. Canada’s economy has included the dominant presence of enormous oil and gas interests (even though a lot of share ownership may be international) who have managed to pressure governments to favour their activities and to be lenient when it comes to the damages they cause. Oil and gas interests are not the only dominating lobbyists, but for the purposes of my recommendation, they are in my spotlight, so to speak.

Canadians drive long distances in this country, whether commuting to and from work or going from city to city in pursuit of private interests. By far the greatest part of this mileage is allowed by the burning of fossil fuels.

Many automobile manufacturers are pursuing a transportation revolution toward so-called “greener” energy solutions provided by electric power, which has greater possibilities for production through renewable processes and for eliminating the noxious emissions at issue. To its credit, the governments (both federal and provincial) have gone some way toward encouraging the electrification of our transportation fleet by providing cash incentives to buy these newer vehicles. It is a useful strategy, but it is still not enough.

Any viewer who sees automobile ads on television will notice that very few (I haven’t seen *any*) promote purchase of electric vehicles. But there is a mass of seductive advertising promoting the ongoing purchase of ICE vehicles. Part of the reason for this lop-sided advertising is that

automobile dealers rely extensively on repairs and maintenance for their dealerships' cash flow. ICE vehicles are enormously complicated in their engineering and functioning and are far more prone to require extensive maintenance than electric vehicles. Another reason is that many of these manufacturers have invested enormous amounts of capital in assembly line equipment devoted to ICE manufacture. Changing more and more to electric increases the obsolescence of their manufacturing capital despite the fact that it may be perfectly functional, and requires investment in new manufacturing techniques. These costs are hardly insignificant. Thus, in a competitive capitalist economy in which reduction of costs and maintenance of cash flow (or increasing it) is the name of the game, making these changes is, in a word, difficult.

Advertising is enormously effective. Lobbying is enormously effective. When for decades it was well known that manufacturing and distributing tobacco products was just short of mass murder, modern countries continued to allow it. Now we demand warnings on packages and forbid television advertising of these products.

It's time to get tougher with the automotive industry. I propose that a variety of measures could be taken to enhance the speed with which we electrify our transportation system.

1. We can raise sales taxes on ICE vehicles in a progressive way, either by a certain per cent per year, or by a specific lump sum increase each year for a number of years. Conversely, we can lower sales taxes on electric vehicles.

2. The monies collected can be specifically directed to lowering the cost of electric vehicles by enhancing the rebate system.

3. Advertising for ICE vehicles can be taxed at a higher rate than advertising for electrics.

4. Advertising for ICE vehicles should be required to air warnings of the damage their emissions cause: higher incidence of cardiovascular and pulmonary diseases in cities, for example, and the specific amounts of carbon pollution being emitted into the atmosphere by each tankful of fuel the vehicle burns. Gradually, advertising for ICE vehicles could be phased out altogether, similar to advertising for tobacco products.

It is obvious from historical precedents in other industries that there might emerge powerful resistance to such measures. One hopes that the Government of Canada has the grit (no pun intended) and fortitude to pursue them, nonetheless. It is time to abandon the convenient hypocrisies that have characterized so much government action in the past. Even a cursory investigation into the current trajectory of emissions amounts despite our pious promises to the international community and the IPCC reveals that we have essentially been liars at worst, and incompetent at best.

There are many other areas of the economy where the government could usefully employ similar strategies. I have chosen this one to address.

Best wishes in your deliberations.