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Is now the time for a Canuck car?

Consultant pushing idea on Parliament Hill

Don Martin, National Post
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Lost in the mad rush to keep shovels digging and auto workers assembling is any sense of Canadian economic policy beyond surviving the recession.

Yes, it's that missing vision thing.

The panicked spending approach is politically understandable. When 100 Canadians per hour are joining the bloating ranks of the jobless, long-range strategy is a hard sell to the masses.

But a low-key consultant with a big dream is trolling the halls of Parliament with an idea that is arguably three parts vision, one part potential and another part patriotism.

In a time of dealer gluts and production overcapacity, Scott Paterson believes the moment has arrived for the federal government to help launch the all-Canadian car.

Crazy, right? Can anyone say "Bricklin?"

Enter a guy without expertise in the field who has quietly assembled a group of 20 economists and engineers to build the case for a new car on paper that would see prototypes rolling out in five years.

Mr. Paterson's been shopping his plan around as a document that has the same number of pages as the proposal for a \$3-billion bailout submitted by General Motors of Canada, although it is much more thought-provoking. Several Liberal MPs have expressed keen interest in his car concept as a dare-to-dream notion, perhaps sensing public skepticism over the impact of the budget's two-year \$35-billion stimulus package.

Without something galvanizing like a domestic car, a Golden Horseshoe bullet train, a world-class container port system or an overdue upgrade of the Trans-Canada Highway, the stimulus seems poised to roll out as a patchwork of press releases and

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This car concept is no overnight brainstorm. Mr. Paterson first floated it to John Manley in 1997 when he was Industry Minister under Jean Chretien.

Mr. Manley doesn't recall details of that meeting and still sounds decidedly skeptical that Canada can start a car from scratch. "It takes a lot of capital to design, engineer and manufacture an automobile, not to mention getting parts supplies and a dealer network established," he told me. "Unless he has a lot of dough, it will not likely get very far."

But with Canada poised to dump what will inevitably be the first batch of taxpayer billions to keep General Motors and Chrysler alive as a struggling concern in Canada, it might be a pitch worth pondering.

Mix the car parts ingenuity of Ontario's Magna International with the assembly production capacity of Quebec's Bombardier Inc., throw in some Nortel Networks electronics and, presto, Mr. Paterson's car is born using pan-Canadian know-how from companies desperate to diversify.

When Mr. Paterson approached them, Bombardier officials said the company had never considered car production. Mr. Paterson noted the company's snowmobile founders probably never envisioned the company building corporate jets either. Point taken.

Mr. Paterson doesn't hesitate to play the nationalism card in his plan, arguing its cars often define a country's image and economic clout. "All we've produced is a business model for Canada to be the 51st state," he says. Our auto sector policy "is just a photo copy of what's on [U. S. President] Barack Obama's desk."

Marrying Ontario parts with a Quebec car assembly line would be an idea even hardline Quebec separatists would find impossible to criticize, he says.

Canada is now the only G8 nation without a car to call its own. Even smaller Australia has the Holden, albeit produced under the General Motors umbrella, which claims 15% of its sales market.

"We are in the foreign-owned auto assembly industry," Mr. Paterson notes. "Unfortunately this is the same role that countries like Mexico and Slovenia occupy."

Mr. Paterson's preliminary proposal is for a government-sponsored roundtable of the key production principals to see if customizing an existing car platform for Canadian consumers is feasible.

The smart money might bet that a Canadian car is a (tail)pipe dream. But it might be worth studying before the inevitable second tap on taxpayer shoulders from U. S. car manufacturers needing more money from this side of the border.

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