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'Anti-Bricklin' proposed for Canada

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Rob Linke
Telegraph-Journal

OTTAWA - A proposal making the rounds here envisions the country emerging from the upheaval in the auto industry with a new carmaker as Canadian as maple syrup or the BlackBerry - and with an assembly plant in Fredericton, of all places.

[ENLARGE PHOTO](#)



Submitted Photo

As North American automakers struggle to survive, consultant Scott Paterson has been pushing a proposal for a Canadian-made car, which he says would be more viable than was the ill-fated manufacturing in the 1970s of the Bricklin sports car, shown above. The Bricklin was made at plants in Saint John and Minto.

Commons committee and growing media interest.

"It's an idea - an initiative. It started that way and it's still just an initiative," said Paterson, an unapologetic economic nationalist. "I'm sort of the evangelist guy."

While lacking a detailed business case, Paterson and his cohorts have produced a thought-provoking critique of foreign ownership of the biggest manufacturing sector in the land.

And now that nothing seems unthinkable - including taxpayers becoming majority owners of GM in the United States and taking a stake in GM Canada - Paterson and friends are intentionally provoking blue-sky thinking.

The way Paterson sees it, the current restructuring in the auto industry is the time to figure out how Canada could end its unenviable status as the only G8 nation that doesn't make its own car.

Even Australia, isolated and with only two-thirds of Canada's population, has the GM-owned Holden car company building uniquely Australian models.

The auto sector does represent 12 per cent of Canada's manufacturing production and provides 400,000 jobs.

The country is the ninth-largest producer of cars in the world - but all of them are models designed by and built in factories owned by the U.S. Big Three or Japanese firms.

That foreign ownership, argues Paterson, means Canada lacks control, doesn't rake in most of the taxes and isn't the home to most of the product research and development.

Instead, it has been content to supply raw materials, labour and parts.

A mere assembler of cars, Canada plays a role no better than Mexico or Slovenia, while smaller countries such as Sweden (which has only nine million people) developed diversified home-grown carmakers.

And emerging industrial economies such as China and India are vaulting past Canada as auto manufacturers.

Low-cost Mexico exported more car parts to U.S. plants last year than Canada did, said Paterson.

"We've grown fat on the branch-plant economy," he said. "It's given us a false sense we're advancing our causes, but if you're not in control you're just a commodity."

Canadians bought 1.6 million cars last year. Paterson says a new Canadian car would have to sell 250,000 units to break even. It should be achievable, he argues, given that "every country that makes its own cars occupies at least 30 per cent of the market."

Parts maker Magna International; subway, streetcar and plane manufacturer Bombardier; even electronics giant Nortel: Paterson sees them as partners on which a new car company could build.

Still, he concedes private investment won't be enough.

The key to supporting a venture on this scale would be public funding.

The federal government and Ontario are already offering to bail out carmakers and every country is, or soon will be, doing something similar, says Paterson.

The next step would be to convene a national roundtable of experts to examine the proposal.

Independent auto industry analyst Dennis DesRosiers dismisses Paterson's proposal as "worse than pie in the sky."

DesRosiers puts the chances of a Canadian car "at not just zero. It should be put into the insane category."

Just developing one new model would cost \$3 billion, he estimates. Tooling plants, building a dealer network, all the other aspects of starting from scratch could end up costing many times more.

The very thought of a New Brunswick-made car conjures visions of gull-wing doors, lime green paint and huge losses - the Bricklin.

From 1974 to 1976, flashy American entrepreneur Malcolm Bricklin produced nearly 3,000 sports cars - now collector's items - in the province.

The venture had a high price: a \$23-million bill to taxpayers (\$85 million in 2009 dollars).

But Scott Paterson has no intention of duplicating the Richard Hatfield-era economic development fiasco.

Paterson says his car would be "the anti-Bricklin" and his vision is, too.

Innovative, tough, reliable and winter-worthy: A truly Canadian car would be suited to the country's geography with the suspension and heating system, as well as defrosters for every window and snow tires mounted on rims, sold as standard equipment, suggests Paterson.

The 50-year-old consultant says he has assembled a loose coalition of like-minded economists and engineers - some at leading universities - to build the case for it.

So far, there's no prototype, no investors, not even an incorporated company.

Instead, there's a website (www.drivenorth.ca), preliminary meetings with federal politicians and their advisers, an appearance before a

Creating Canadian jobs this way could cost governments \$1 million per job, he estimated.

As for Fredericton being named as one possible site of a final assembly plant, Paterson says it reflects the trend toward manufacturing cars in modules.

The city is named as a potential home for one of several regional plants, but the rationale is based on politics and marketing, not the economics of manufacturing.

It's a bid to attract funding from provincial governments and spread consumer loyalty across the country.

Paterson said his group has not made any overtures to provincial governments.

"It's all just theory at this point," he said.

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This is the type of thinking we need to make Canada stronger and less dependent on the global market. Hope to hear more about this sooner than later.

8  THUMBS UP

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Jeff I., Saint John on 30/04/09 09:09:16 AM ADT

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