

Europe on the cheap

by Debra_J_Saunders

American voters want "and President Obama campaigned on a platform of " European-style government at American tax rates.

Consider the Obama take on GM's and Chrysler's extended hand for another Washington bailout. Obama recognizes that the Detroit automakers are in trouble because of pension and retiree health care costs and quality issues, but his focus Monday was on the failure of GM and Chrysler to manufacture the "fuel-efficient cars and trucks that will carry us toward an energy-independent future." That's the happy conceit of Democrats who " their own personal driving habits and what you see on the nation's highways every day notwithstanding " have determined that Americans really prefer driving small, fuel-efficient cars in the style of Our Betters in Europe.

Now, with gasoline in the \$2 per gallon range, Obama's brainstorm for a successful business model is to create "the next generation of clean cars." Get it: GM and Chrysler are in trouble because their cars weren't liberal enough.

It helps if you forget that the Big Three cranked out big cars for years because Americans bought them in the days before gasoline hit \$4 per gallon.

Here's the European-government-with-American-taxes angle: If Obamaland believes it is in the interest of America's national security to drive fuel-efficient cars, the only sure route there is to levy higher gasoline taxes " as they do in Europe.

Look at France, where taxes account for about 70 percent of the price of gasoline, compared to less than 17 percent in the United States. Our Betters in Europe pay some \$5 to \$6.50 per gallon of gas " or 2.5 to three times more than Americans pay. That's why Europeans drive smaller cars. And that's why European carmakers design smaller cars.

Instead, Obama plans to push Americans into buying his promised "new generation of clean cars" with " you guessed it " lower taxes. This week, he supported "a generous credit to consumers who turn in old, less fuel-efficient cars and purchase cleaner cars." That's on top of an Obama stimulus provision that allows consumers to deduct sales and excise taxes for cars bought between Feb. 16 and the end of the year.

There's a logic deficit to the whole approach.

If the administration truly wants Americans to drive smaller cars, it needs to instill in automakers utter certainty that gasoline prices will rise and stay at very high rates. Short-term tax credits can't do that, as they leave carmakers unsure of what families will buy and afraid of losing the cushy-sized car market.

Raising the gasoline tax gradually but continuously is the only sure way to meet Obama's fuel-efficiency agenda. But Obama won't propose it because there is no way to hide the tax. Every time drivers fill their tanks, they'll see the price tag and know who put it there.

His entire 2008 campaign was based on telling voters they could get more government programs to promote health care, education and his environmental agenda "but 95 percent of families would not have to pay for it. When asked in a debate with rival John McCain what sacrifices he would ask Americans to make, Obama answered, "There is going to be the need for each and every one of us to start thinking about how we use energy." That's right, his sacrifice wasn't in the pocketbook "except for families earning more than \$250,000 " his sacrifice was in asking voters to think.

Consider Obama's campaign pledge to deliver universal access to health care. Say this for the French, they pay for their services; they pay a value-added tax of up to 19.6 percent and a 40 percent tax rate for income above some \$88,313. But at the 2008 convention, the Democratic platform asserted that under ObamaCare, the "typical American family" would save "up to \$2,500 per year." European services, American taxes "with a bonus.

Who really pays? The future taxpayers of America saddled with rapidly accumulating debt.

There you have the real Obama model "Europe, but on lower U.S. tax rates. This combo makes for an unsustainable model. Like Chrysler.

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