

The issue can be broken down to Price gouging, inadequate Government regulations, and Discrimination of Canadians.

You're Questions on Pricing.

Yes, the rapid rise in our dollar did have a large impact on the prices, but over the previous four years as the dollar rose 1 or 2 % per year, most of the manufacturers did not adjust. So when our dollar reached between 90 and par, the savings were very significant.

This year the Canadian Manufacturers did drop their prices 3-6 %, but as of last month there was still a very significant gap. (Please refer to the entry on our web site dated Sept 2, titled "Saint John Telegraph-Journal confirms CWB findings"

<http://www.carswithoutborders.com/2008/09/02/fredricton-telegraph-journal-confirms-cwb-findings/> .

I have also attached a recent article by Colin Campbell published in McLean's Magazine Aug 6th. The price gap for medium to expensive priced automobiles is 18 to 35%.

Over the last few months the American Car Companies have cut their prices significantly.

When our dollar was down to .67 cents Americans were rushing up to Canada to buy cars. The American companies at the time insisted that the Canadian Companies raise their prices to cut off the access. They did.

There is a lawsuit pending in the U.S. on this.

The bottom line is why should the Canadian consumer not be free to shop for a vehicle in the U.S. when he/she could possibly save 20,000 \$\$\$

Canadians purchase on average 1.1 Million cars per year. If we were allowed to purchase them at the same prices as our cousins in the US then we would save 7-8 Billion a year. This money would be kept in the country and spent by Canadians to create jobs and improve our cost of living!

Regulatory Requirements.

Our Govt. has a "self-compliant" rule. This means that the Car Manufacturers dictate to Transport Canada which of their models meet Canadian Safety Standards. By law if they indicate that a vehicle does not meet the standard, they do not have to say why, and they do not have to state what modifications are required.

Transportation Canada has followed a policy lately to harmonize many safety regulations with the U.S., this is good, but they need to continue in order to prevent the Car Companies from creating non-tariff trade barriers.

Please refer to our postings on the Bumper regulations that were passed last June.
<http://www.carswithoutborders.com/2008/04/02/transportation-canada-issues-proposal-to-bumper-regulation/>

Prior to last year GM would issue a small bumper kit to Canadian dealers in order to convert the car to meet the old Canadian bumper standards. In 2007 when the price difference was over \$23,000 for some models, GM insisted they could no longer provide the kit and that the "American Version" of the car was did not meet Canadian standards. Based on our investigation

it appears that this was a bogus claim, and Transport Canada could do nothing because of the "self-compliant" rule.

Currently BMW forces Canadians that have purchased a US version of their car in the US to spend 3-5 thousand dollars to change the console. This is not required according to my sources at Transport Canada. But since the manufacturer says so, their position can not be contested.

Other than the "self-compliant" issue, a Car manufactured to meet the NY safety standards and one manufactured to meet the Canadian standards are identical with the following exceptions:

- 1) Canada requires Day Time Running Lights - this is a good regulation.
- 2) Canada requires tether strap mounts for child carriers - this is a good regulation.
- 3) The US requires a Tire Pressure Monitor System - excellent regulation that saves lives and reduces pollution.
- 4) Canada requires that the speedometer be in Kilometers. (Miles can be predominant, as long as Kilometers are shown) Currently all cars have both - this is a non issue.

95% of vehicles can be modified at a very low cost to meet the standards. But the Car Companies will not admit this. They want to create these barriers to prevent Canadians from purchasing US model cars. This will allow them to maintain higher prices and continue gouging us.

Warranty Issue.

In order to scare Canadians from purchasing a car in the US many Companies will not honor the warranty. Therefore the warranty for a car manufactured in Canada and sold to a Canadian in NY State is not honored.

Companies that operate in Canada, and make millions of \$\$\$\$ from Canadians, should be forced to honor warranties North American wide. If I purchase a Sony TV in Plattsburg or an identical Sony TV in Montreal, the warranty should be honored. This is discrimination. Consumer Protection laws should be updated to protect Canadians

Canadians Shopping in the US.

US Car Manufacturers have told their dealers not to sell to Canadians. They threaten them with fines and the possibility that they will lose their franchise. (This is collusion)

One dealer recently told me he could not sell to Canadians; he told me he could not accept my cash. Yet he indicated that if I just washed up on the American coast as an alien, and had job, he could offer me the car with a 0% financing package.

The true spirit of NAFTA is not being followed, Canadians are being discriminated against!

So I hope this helps enlighten you.

If you have any further questions please call me at any time, or consult our web site at www.carswithoutborders.com

Thank-you for your interest in helping the average hard working Canadian.

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