

America's love affair with cars stalls as car sales slump to record low

More cars scrapped than sold in US for first time since second world war

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General Motors Corp truck - the company is suffering a slump in sales in the US.
Photograph: Jim Young/Reuters

America's love affair with the automobile could be sputtering to an end. Some 14m cars were taken out of action in 2009, 4m more than rolled off the assembly lines and onto the roads, a report from the [Earth Policy Institute](#) said today.

It was the first time more cars were scrapped than sold since the second world war, reducing the size of the US car fleet from an all-time high of 250m to 246m.

Last year was an extraordinarily [bad year for the US auto industry](#). Two of the three big car makers — GM and Chrysler — went through bankruptcy and were bailed out by the US government. Sales fell 21.2% from 2008 and the total sales volume was the lowest since 1982. Many consumers held off buying new cars because of fears of losing their jobs.

The Obama administration's efforts to spur demand by offering motorists up to \$4,500 on trade-ins of older cars and pick-up trucks saw 700,000 older models taken off the road. But that did not affect the total number of vehicles on the road because consumers could only take advantage of the scrappage scheme if they replaced their old clunkers with new more efficient vehicles.

Lester Brown, president of the Earth Policy Institute, said the slump in car sales goes beyond the economic recession. Americans may finally have decided that — with cars — enough is enough. The country now has 246m licensed cars for 209m licensed drivers.

"This is not a one-time event. We expect the shrinkage to continue into the indefinite future," Brown told a conference call today.

He predicted the US car fleet would shrink by 10% by 2020. He said he believed that America had reached the saturation point for cars. Japan recorded a similar milestone in 1990, and its fleet has declined by 21% since then.

"If we want to get all our vehicles on the road at once we couldn't do it because we don't have enough drivers," he said.

America has also undergone a transition into a largely urbanised society, with four out of five residents living in towns. Major US corporations are now taking congestion into account when planning new offices, Brown said.

Washington and other major US cities have been raising parking fees to increase revenue. Others are exploring congestion charges.

A younger generation — unsure about finding a job after high school or college — is also far less likely to see car ownership as a rite of passage, Brown, adding that the decline in car sales, plus increasing fuel efficiency, would help bring down America's greenhouse gas emissions.

"No one knows how many cars will be sold in the years ahead, but given the many forces at work, US vehicle sales may never again reach the 17m that were sold each year between 1999 and 2007. Sales seem more likely to remain between 10m and 14ma year," he said.