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Unrealistic goals for EVs will not be achieved

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Because multiple subsidies seem insufficient to lure multitudes into buying electric vehicles, President Biden is resorting to a labyrinthine industrial policy to supply what people are not demanding. A purchaser of an EV is eligible for tax credits of up to $7,500, if: If final assembly of the vehicle occurred in North America.

And if a minimum of 40 percent (80 percent by 2027) of the minerals in the battery, and 50 percent (100 percent by 2029) percent of the vehicle's components come from the United States or a country with which it has a *"free trade agreement."*

There are no such agreements with some nations that are important sources of EV materials, so the Biden administration has issued a semantic fiat: In the context of the pertinent legislation, the Inflation Reduction Act, the phrase *"free trade agreement"* shall mean any deal that encourages environmentally and labor-friendly trade — and such agreements do not need congressional approval.

Goldman Sachs says the IRA's subsidies of green investments will cost $1.2 trillion over a decade. They are luring firms from European nations, which retaliate by relaxing their rules that restrict permissible government enticements to keep firms at home. So goes the dialectic by which statism in one nation breeds reciprocal statism in others.

Biden wants EVs, which were only 5.8 percent of U.S. new car sales in 2022, to be 67 percent by 2032. (His initial target had been 50 percent by 2030.) So, consumer sovereignty must be extinguished.

Congress has inadvertently empowered the Environmental Protection Agency to accomplish indirectly what Congress never intended. Biden's EPA has issued such stringent limits (beginning with the 2027 model year) on the pollution generated by each manufacturer's total fleet, the limits will make internal combustion vehicles scarce.

Generally under industrial policy, supply precedes demand, and demand lags until government circumscribes our choices for our own good.

There is a history of what has been called *"policy beyond capability"* — splashy goals proclaimed with fanfare, then quietly unenforced, or amended.

The Cato Institute's Peter Van Doren notes that to implement the 1970 Clean Air Act, the EPA proposed parking surcharges and parking space reductions. Congress, horrified, forbade this.

And: *"By 2005, of the 338 deadlines set by the Clean Air Act Amendments of 1990 only 37 had been met by the deadline specified in the statute."*

Two-thirds of new cars sold nine years from now will be EVs? That will not happen, but much money will be spent not getting there.

What is delicately called consumer hesitancy regarding EVs includes worries about charging them. When U.S. automobile ownership surged from 8 million in 1920 to 20 million in 1929, drivers found gasoline because the private sector nimbly supplied service stations to meet demand. A century later, because industrial policy expects supply to precede demand, the Biden administration plans to spend $7.5 billion providing 500,000 charging stations for subsidized EV purchasers.

The Manhattan Institute's Mark P. Mills calls attention to *"the gargantuan, energy-hungry processes needed to make"* batteries for *"zero emissions"* EVs. There will be substantial *"upstream"* emissions from the mining required to unearth the lithium, graphite, nickel, zinc, aluminum, etc., which means that *"the rush to EVs could even increase global vehicle-related emissions."*

Still, the history of science is a story of surprises. Theodore Roosevelt, who like most progressives was cocksure about everything, foresaw a *"timber famine"* partly because railroads were ravenous for wood crossties, which rotted and had to be replaced.

Roosevelt did not foresee creosote, which prevents rotting. EV batteries will become lighter and better; substitution might reduce EVs' reliance on certain minerals. It is, however, usually safe to say of a goal proclaimed by overconfident progressives administering an industrial policy: That will not happen.