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Feeling Crash-Resistant in an S.U.V.

By ROBERT H. FRANK

ITHACA N.Y. -- Each year for the past decade, the automaker that has offered the biggest lineup of heavyweight sport utility vehicles has won a huge sales and profit windfall. S.U.V.'s now account for some 20 percent of all vehicles sold by Ford (up from 5 percent in 1990), and brisk sales of the company's massive new Excursion have been generating profits of roughly \$18,000 per vehicle, several times the margin for passenger cars.

By one recent estimate, the Excursion and other jumbo vehicles accounted for most of Ford's record profit of \$7.2 billion last year.

Now, William Clay Ford Jr., the company's chairman and the great-grandson of founder Henry Ford, has begun to voice second thoughts.

An ardent environmentalist, he concedes that the Excursion's fuel consumption (10 miles per gallon in the city, 13 on the highway) helps worsen global warming, and that its bulk (more than 7,500 pounds -- three times as heavy as a Honda Civic) puts other motorists at risk.

With environmentalists deriding his company's new profit leader as the "Ford Valdez," Mr. Ford understandably feels a twinge of conscience.

But has he really done anything wrong? Consumers have voted with their dollars that they want larger vehicles, and if Ford had not supplied them, some other company surely would have.

Sticking to small vehicles might have soothed Mr. Ford's feelings, but would have been a disaster for his shareholders.

It might seem that the real blame, if any, lies with consumers.

But on closer inspection, it is hard to find fault with people who are simply trying to protect their families from being killed in auto accidents. The simple fact, after all, is that bigger means safer.

A recent Wall Street Journal study, for example, found that the five safest vehicles on the road today are sport utility vehicles (average weight: 5,500 pounds, not including the Excursion, whose weight was unavailable for the study). Among the 50 vehicles identified as safest by the Journal study, 18 were S.U.V.'s, 23 were large pickup trucks or vans, and only 9 were passenger sedans (and large ones at that, like the 4,100-pound Lincoln Town Car, also by Ford).

The mere fact, however, that manufacturers and consumers are responding rationally to current incentives does not mean that all is well. On the contrary, the problems identified by environmentalists are real, and they will persist in the face of moral invective aimed at manufacturers and S.U.V. drivers.

Indeed, these problems exist precisely because people are responding rationally to existing incentives.

The reason is that a family's safety on the road depends much more on a vehicle's relative size than on its absolute size. If all families bought smaller vehicles, we would have a cleaner environment and no family's safety would be jeopardized.

But a family can only choose the size of its own vehicle. It cannot dictate what others buy. Any family that unilaterally

bought a smaller vehicle might thus put itself at risk by unilaterally disarming.

Continued finger-wagging by social critics will do nothing to stem the harm caused by sales growth of sport utility vehicles. Yet, as a freedom-loving citizenry, few of us would want to empower bureaucrats to outlaw any vehicle they considered unfriendly to the environment.

The only practical remedy, given the undeniable fact that driving bulky, polluting vehicles causes damage to others, is to give ourselves an incentive to take this damage into account when deciding what vehicles to buy.

No one complains of intrusive government regulation when we tax trucks according to weight, because a truck's weight is a good indicator of how much damage it does to our roads.

Pegging passenger vehicle taxes to weight, emission levels and fuel economy can be recommended on similar practical grounds.

If William Clay Ford feels uneasy about Ford's role in our current environmental problems, he and his fellow executives should abandon their historical opposition to such policies.

Robert H. Frank, a Cornell economist, is the author of ``Luxury Fever."