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Destroy Cars, Save the Economy! (9pm Friday on Fox News)

Posted By [John Stosse!](#) On December 16, 2010 @ 9:00 pm In [Cash for Clunkers](#), [Fox News Appearances](#), [Government](#), [Unintended Consequences](#) | [1 Comment](#)

My new special "Politicians' Top 10 Promises Gone Wrong" airs this Friday in Hannity's timeslot -- 9pm EST. Thanks, Sean, for letting me take your time!

My first promise gone wrong was last summer, when the administration passed Cash for Clunkers, which paid people \$3,000 to destroy their older car and buy a new one. They promised it would, and then that it did, stimulate the economy. President Obama said "it was more successful than we ever imagined." Of course he did. Politicians always see the seen benefit – in this case, the auto dealers getting new business because of the program. What they fail to see are all the nasty unintended consequences, such as:

1) The increase in cars sold during the Cash for Clunker month simply stole sales from months before and after.



[1]

2) [Used car prices went up](#) [2] an average of \$1,800 because used cars that would have been sold ... were crushed. Those of you who hoped for a bargain on a used car? Too bad. You poorer people who buy used cars? Too bad.

3) Charities that rely on used car donations [were hurt](#) [3]. Instead of donating their older car, people went for the \$3,000 government handout.

The [Cato Institute's](#) [4] David Boaz calls Cash for Clunkers "the dumbest program ever." Why doesn't the government just butt out? I confront Christian Dorsey from the progressive [Economic Policy Institute](#) [5] about that.

"You can't create a program that's going to make everybody happy. There are always going to be trade-offs. And I think the larger goals of Cash for Clunkers were honorable. Some of the trade-offs I can live with," he said.

He can live with that, but can you?

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