

Cash for clunkers junked...but dealer ads still running; Feds try to salvage

By Michelle Malkin • July 30, 2009 08:57 PM

Scroll for updates...

The feds are shocked that people flocked to take advantage of easy money. Whodathunk?!

Via **USA Today**:

The government is suspending the explosively popular 'cash for clunkers' program at midnight tonight fearing it would go broke before it could parcel out what it still owes dealers for a huge backlog of sales.

The pending suspension was confirmed by Bailey Wood, legislative director for the National Automobile Dealers Association (NADA), which had been called Thursday night by the National Highway Traffic Safety Administration, which administers the program. Rep. Candice Miller, R-Mich., confirmed as well, saying she had been told by congressional leaders.

"Obviously the program has been an immense success in stimulating automotive sales," Wood said.

"The thing has exploded. It has exceeded everyone's expectations," said Miller, who was involved in writing the original legislation, known as CARS, for Car Allowance Rebate System. "Throughout our history, it has been auto sales that have pulled us out of recession. People are more likely to buy cars than houses. Not to be too Pollyannaish, but we're gettin' our mojo back. This could be the pivot" that begins an economic recovery.

As of late Thursday, the government had committed roughly \$850 million of the program's \$1 billion, according to calculations by NADA and various congressional offices. It's unclear whether and how the CARS program could be restarted.

Good thing they junked it. Alan Reynolds at Cato explains how easy it was **to use "Cash for Clunkers" to buy a gas-guzzler.**

Good riddance to **Fraud on Wheels.**

Update: Watching L.A. Ink tonight (I'm in hotel decompressing from the book tour), I've already counted 4 ads touting Cash for Clunkers.

Oops.

Update: Feds are trying to **salvage the clunker clunker.**

Posted in: **Enviro-nitwits**

Send to a Friend

Regular View

comments (64)  trackbacks (19)