



## Popular clunkers program ends, critics predict economic fallout

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FONTANA - General manager Mike Cronin wrapped up the Cash for Clunkers program Monday at Fontana Nissan much like the program began: Customers waited in the showroom by noon, and the government-run Web site that processes the deals was down.

Cronin said his dealership sold about 150 cars during the program, which gave customers rebates up to \$4,500 to trade in gas guzzlers for more fuel-efficient models.

"Yesterday was the big hurrah," Cronin said. "It was hugely successful."

Transportation Secretary Ray LaHood called the program an unprecedented success and a boon for car dealers, automakers, scrap yards and financial institutions.

Transportation officials said through early Monday, dealers had submitted 625,000 vouchers totaling \$2.58 billion and expected to work up to the 5 p.m. Monday deadline to submit the proper sales paperwork.

LaHood anticipated between 700,000 and

800,000 sales from the program.

Dealers will get more time to submit their paperwork to the government for repayment after the Transportation Department extended the deadline for filing claims.

Dealers will have until noon today to file the paperwork, because of the temporary shut down of the computer system caused by demand.

The 5 p.m. Monday sales cutoff remained.

Some of the program's critics have called it a government quick-fix with troubling consequences.

"It's a diversion for the car dealers from thinking about the fundamental problems they have," said Chris Edwards, an economist at the Cato Institute, a libertarian think-tank based in Washington, D.C.

The program merely accelerated the spending consumers would've done in 2010 and 2011, meaning car sales then will be low, Edwards said.

And destroying the trade-ins makes no sense because they often are assets that could've provided years of good value to low-income families, who also are hurt by the steep decline in supply of used cars, which drives up the price, Edwards said.

Also, billions spent on cars translates into less money spent on other consumer goods, Edwards said.

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"It could be a zero-sum game," he said.

*The Associated Press contributed to this report.*

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