

Herd on the Street

by Les Swift

Cash for Clunkers

There's a lot more to this government "stimulus" program than meets the eye—and a lot less.

After much wheedling and groveling, and a few bucks passed discreetly under the table, I finally managed to land an interview with one of the busiest men in Washington. No, not "Mr. Economy," Larry Summers, who is admittedly busier than a Dutch boy facing the mother of all holey dikes. Not even President Nero himself, who is so busy looking in the mirror—and admiring all he surveys—that he barely has time to yell at his courtiers.

No, I'm talking about one of the top officials of the "Cash for Clunkers" program, the one new government program that even non-bankers can love. The program is a wild success, as might be expected of a program which gives people money for buying expensive things.

I met "Mr. Cash," let's call him—"Please don't call me Mr. Clunker," he begged—at his headquarters just outside of Washington. The location of the headquarters must remain undisclosed for security reasons, but I can reveal that it was, fittingly, adjacent to one of the biggest junk yards on the East Coast.

The office was truly impressive. All the desks are made of crushed cars, with Mr. Cash's desk being the very first clunker crushed during the program. Lighting was provided by recycled headlights.

Getting right down to business, I asked Mr. Cash who came up with the catchy name, "Cash for Clunkers."

"It actually belonged to the Federal Reserve," he said. "It was their in-

ternal codename for the bank bailout, and they were reluctant to give it up. After much persuasion, they finally agreed to let us use it."

"They do have a point," I replied. "It is a perfect description for an operation designed to buy bankrupt institutions and worthless toxic waste."

"Yes, but we take it one step further," he said. "We actually take what we buy out of service, and destroy it so that no one can ever buy it again. The Fed doesn't do that—they can't wait to find someone to sell it to."

He had a point there, you have to admit. At least the Clunkers program admits that what it is buying is crap. The Fed never does.

"But isn't the Cash for Clunkers program really a part of the financial bailout, just like the auto bailout?" I asked.

"Of course it is. You don't think the government is doing this to help the little people, do you?" he laughed. "The government bailed out the car companies to save the banks, and now they're buying cars to make sure the program works. We're not stupid, you know!"

"I'll buy that," I said. "But where is it going to stop? First the banks, then the auto companies, now the cars. What's next? Buying car insurance for them, to save the insurance sector?"

"We're working on that," he replied. "We call it 'Cash for Coverage.' We're also looking at ways to pay for the cars if the buyer defaults. We can't have the car companies eating the losses, after all we've done."

"What are you going to call that, 'Deals for Deadbeats'?" I asked.

"Not bad," he chuckled, "but we have to stick with the 'C's. Maybe 'Cash for Crooks.'"

"Then you'll really annoy the Fed," I replied. "That is clearly encroaching on their territory."

"You're right!" he exclaimed, a frightened look crossing his face. "We don't want to do that. Those guys play hardball. The New York Fed might have me whacked."

"That's a bit paranoid," I said. "Surely the Fed doesn't have assassins."

"Don't be so naive," he retorted. "My former boss got into trouble when he let the program run out of money, and the rumor is that what's left of him is in one of the desks around here."

With that, the interview was over.

As a parting gift, he gave me a rear-view mirror. "So you can watch your back," he said.

I needed it. The security guards, who looked at me like they were Blackwater operatives and I was an Iraqi, were bad enough. But what really creeped me out were the two plainclothes guys who followed me until I left the property. I hadn't seen such cold, soulless eyes since my tour of the trading floor at Goldman Sachs.

Shortly after I got back to my office, I got a call from an aide to one of the most powerful politicians on Capitol Hill—let's call her Speaker Screw-Face—who cautioned me.

"Attack the program if you want," the aide said, "but don't you dare write anything connecting it to the bank bailout! Speaker Screw-Face will be very angry with you if you do. There will be consequences."

I thought about that for a while, nervously looking out my window to see if those two guys were still following me. They were. But what the hell. Truth is truth.

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