

# WHY NOT A CASH FOR FORD FOCUS PROGRAM?

With the wild success of the Cash for Clunkers program, I've seen a number of people asking why the program didn't also come with a requirement that the new car be made in the US. So I did an experiment. I pretended I had a 1999 V6 Ford Explorer—just the kind of car this program aspires to get off the road. I started with this list of cars assembled in the US, then cross referenced those cars with the CARS.gov site to see what would get me a full \$4500 rebate. I always opted for the smallest automatic engine I could get and I looked only at 2009 models.

And here's what—doing a quick review—I could get:

Car	Union	Engine	Transmission	
Chevy Cobalt	Yes	US	Canada	
Chevy Malibu (and Hybrid)	Yes	US/Canada	US/Canada	
Ford Escape (and Hybrid)	Yes	US/Mexico	US/Japan	
Ford Focus	Yes	US	US	
Ford Ranger	Yes	US	France	
Honda Civic	No	US	Japan	
Honda Element	No	US	Japan	
Mazda B Series Pickup	Yes	US	France	
Mazda Tribute (and Hybrid)	Yes	US/Mexico	US/Japan	
Nissan Altima	No	US	Japan	
Pontiac G5	Yes	US	Canada	
Saturn Aura (and Hybrid)	Yes	US/Canada	US/Canada	
Subaru Outback	No	Japan	Japan	
Toyota Corolla	Yes	US	Japan	
Toyota Camry Hybrid	No	Japan	Japan	
Toyota Venza	No	US/Japan	US/Japan	

In other words, if you wanted to make sure the

Cash for Clunkers program went into a car that was assembled in the US with a US engine and transmission, you'd be requiring consumers to buy a Ford Focus. (And, in fact, Ford Focus was the most popular car under the program.)

And maybe a Saturn Aura or Chevy Malibu, Toyota Venza or Ford Escape (in the latter two cases, you'd be using the program's lower requirements for MPG improvements for small trucks).

A couple of caveats about this. First, I'm sure I missed something—probably a hybrid, or someone's small truck or crossover that qualifies under lower standards for MPG improvement (I apologize in advance for whatever I missed). Which of course demonstrates that for several of these—Escape, Ranger, B Series, Tribute, Outback, and Venza—a new buyer would only get the benefit because of the lower requirements for trucks. Also, if someone had an even bigger clunker than a Ford Explorer, they'd get the full \$4500 benefit from more cars, including things like Accords and Camrys and Malibus (the Ford Fusion is assembled in Mexico) that are assembled in the US but do not improve MPG enough over the 16 MPG Explorer to qualify for the full bonus.

You see, manufacturers—whether they're American or Japanese, union or non-union—simply don't build many efficient cars in this country. There are a lot of reasons for that, but the basic reason is that the margins on efficient cars are much smaller, and with higher labor and—more importantly—health care costs in the US, it is a lot harder for a manufacturer to build small cars profitably in this country than to build trucks. And so, manufacturers—whether they're American or Japanese, union or non-union—build bigger cars in the US and import the smaller cars.

And note, this is going to get worse in the near future before it gets better. While GM has wavered about whether the G5 will go the way of the rest of Pontiac, it appears that it will disappear, as will the Saturns. And Toyota is

most likely going to close its Fremont, CA plant and send Corolla production to Canada, where it won't have to pay health care. (Note, too, that Honda only makes some of the Civics sold in this country in the US, with the rest assembled in Canada.) GM and Chrysler both promised to build minis they'll introduce in upcoming years—the Spark and the 500—in the US, but that will take a few years. And Toyota promises to build the Prius in Mississippi one of these years.

But until then, any effort to get clunkers off the road will by definition be a Cash for Imports or a Cash for Ford Focus program.

Update: Added the Aura to the "maybe Made in USA" per FunnyDiva2002.

Update: Added the Chevy Malibu to the "maybe Made in USA" after bmaz the GM fan hounded me; I had checked the 4-speed, and not the S6, which would qualify for the full \$4500.