



Junkyards mixed on clunkers program

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The "Cash for Clunkers" program is a mixed blessing for U.S. junkyard and recycling businesses, various business owners said.

Nathan Adlen, co-owner of Aadlen Bros. Auto Wrecking in Sun Valley, Calif., called the program a "bonanza," for junkyards. "As good as (Car Allowance Rebate System) is for advertisers, dealerships and related auto businesses, it's going to be better for us," he said.

But Andrea Gregovich, daughter of junkyard owner said the market will be flooded with used parts of clunkers -- cars that people don't want, The Los Angeles Times reported Wednesday.

"There's going to be so many cars all at once, it's going to be hard to make a profit," she said.

The federal program gives car buyers rebates up to \$4,500 for trading in older vehicles for a new model with better fuel efficiency. In its first week, owners traded in about a quarter of a million cars.

The recession has spurred a demand for used parts, as people hold onto cars longer, the newspaper said. But the price of scrap steel has fallen dramatically from \$550 a ton to \$125 a ton as the automakers are buying less recycled steel, Bruce Savage, vice president of communications at the Institute of Scrap Recycling Industries, said.

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