

# The Auto Industry In Jonestown

By Francis Menton | *Manhattan Contrarian* | May 5, 2023

[This is not something Prince Charles is going to want to hear in his insane Zero-Carbon footprint for the world, eco-salvation, fruit cake world lunacy! – Pastor Bob]

The [notorious events in Jonestown](#) took place so long ago that most readers probably don't have personal memory of them. In November 1978, in the jungles of Guyana, under the powerful spell of a religious cult with a charismatic leader, and of an all-embracing groupthink, some 900 people somehow agreed to participate in a mass suicide. It was a shocking instance of the kind of collective insanity to which humans can be susceptible.

You might think that the Jonestown massacre was a uniquely extreme example of such a mass psychosis, perhaps attributable largely to unusually susceptible subjects or to the isolated location. Surely our best and brightest leaders of government and business would never fall prey to such collective craziness.

If you think that, then perhaps you should look at what is currently going on in the automotive sector of the economy, under the spell of the climate cult and of government functionaries demanding fealty to anti-carbon doctrines.

On April 12, 2023 the EPA released its most recent proposed regulation of automobile emissions. The document is titled "[Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles](#)." It is 262 pages long in the standard Federal Register single-spaced three-column format, thus designed to be virtually impossible to read for anyone who is not getting paid to do it. But the heart of the proposed new rule is that, over a period of a few years, it is to become difficult-to-impossible for automobile manufacturers to continue to sell any significant number of internal combustion engine vehicles. Of course EPA never states that explicitly, and makes the game as difficult as possible for any layman to decipher. But try this language from page 29,196 (12 pages into the document and still in the early part of the Executive Summary):

GHG Emissions Standards. . . . The proposed standards are projected to result in an industry-wide average target for the light-duty fleet of 82 grams/mile (g/mile) of CO<sub>2</sub> in MY 2032, representing a 56 percent reduction in projected fleet average GHG emissions target levels from the existing MY 2026 standards.

As I understand it, no internal-combustion car can meet this 82 g/mile CO<sub>2</sub> emission standard on its own, so the standard effectively means that a manufacturer can only sell IC cars if it can also make and sell enough "zero-emission" cars to get an average down to this level. Thus does EPA deviously announce its intention to force manufacturers to make, and consumers to buy, all or almost all electric vehicles.

Now, at this point this is only a proposed rule. Currently, despite wide availability of electric vehicles, [they have only about a 7% market share](#) in the U.S. They also have many disadvantages as against combustion vehicles, including higher price, difficulty to repair when damaged, poor resale value, limited range, long time to recharge, and so forth. And all those are before you get to the most important problem with EVs, which is that the government geniuses are simultaneously working to destroy the electrical grid that is supposed to be the source of the energy for these things.

Might you think that the auto makers would be pushing back on behalf of themselves and their customers to keep combustion vehicles available? You would be wrong. From all appearances, the manufacturers are falling all over themselves to get on the electric car bandwagon. The EPA document itself contains a long list of industry announcements (from page 12,190 – 12,191):

A proliferation of announcements by automakers in the past two years signals a rapidly growing shift in product development focus among automakers away from internal-combustion technologies and toward electrification. For example, in January 2021, General Motors announced plans to become carbon neutral by 2040, including an effort to shift its light-duty vehicles entirely to zero-emissions by 2035. In March 2021, Volvo announced plans to make only electric cars by 2030, and Volkswagen announced that it expects half of its U.S. sales will be all-electric by 2030. In April 2021, Honda announced a full electrification plan to take effect by 2040, with 40 percent of North American sales expected to be fully electric or fuel cell vehicles by 2030, 80 percent by 2035 and 100 percent by 2040. In May 2021, Ford announced that they expect 40 percent of their global sales will be all-electric by 2030. In June 2021, Fiat announced a move to all electric vehicles by 2030, and in July 2021 its parent corporation Stellantis announced an intensified focus on electrification across all of its brands. Also in July 2021, Mercedes-Benz announced that all of its new architectures would be electric-only from 2025, with plans to become ready to go all-electric by 2030 where possible.

But as with the transformation of the electrical grid — where we forge ahead without ever having gotten a demonstration of feasibility or cost — the automakers are also forging ahead en masse into EVs with no demonstration that electric cars can become a successful mass product that fulfills all the functions that IC cars can fulfill. Tesla seems recently to have turned the corner into profitability, but with an expensive niche product that only the wealthy can afford and which is almost always a second (or third or fourth) car.

How is it going with other manufacturers? The *Wall Street Journal* had [an editorial on May 3](#) summarizing the results so far for a collection of EV startups. There's Lordstown: Lordstown had manufactured only 31 vehicles by late February 2023—most of which had to be recalled. Losing patience, Foxconn on April 21 threatened to withdraw its investment, triggering Lordstown's bankruptcy warning.

And Rivian:

Rivian commanded a \$153.3 billion market capitalization. Now it's worth less than \$12 billion.

The *WSJ* summarizes stock trends of other EV startups:

[O]ther EV startups have crashed from their pandemic highs, including Canoo (down 96%), Nikola (99%), Faraday Future Intelligent Electric (99%), Rivian (90%), Lucid (87%) and Fisker(81%).

How about at the big traditional manufacturers. [Robert Bryce at his Substack on May 3](#) collects some recent information as to Ford:

In March, Ford Motor Company announced that it lost \$2.1 billion on its EV business last year. Those losses were double the losses it had on EVs in 2021. As I noted in a [video I posted on TikTok](#) on March 23, Ford [made 61,575 EVs in 2022](#). Thus, the company lost about \$34,000 on every EV it sold last year. I also noted that the costs of making EVs aren't falling. Last year, the [cost of battery packs for EVs went up by 7%](#). . . . Indeed, it appears Ford's 2022 losses were only a warm-up lap. Yesterday afternoon, Ford reported a \$722 million loss on its EV business over the first three months of 2023. **During that span, Ford sold 10,866 EVs, meaning it lost \$66,446 on every EV it sold.**

Bryce goes on to quote a [JD Power report from May 1](#):

*"[M]any new vehicle shoppers are becoming more adamant about their decision to not consider an EV for their next purchase."*

When I last had a post on EVs ([February 23](#)), several commenters expressed the opinion that they thought the manufacturers could overcome all the manufacturing problems (cost, battery capacity, charging, etc.) and thus EVs would shortly become the superior product in the marketplace. I suppose that is possible, although if central planning turns out to work in this instance it will be the first time ever anywhere. **And further, there is nothing the manufacturers can do to make a country of 200 million or so EVs work when all the reliable generation on the electrical grid has been removed, and home heat has also been electrified. The auto manufacturers seem to be only too willing to go along with a collective suicide, a la Jonestown.**

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Blessings,

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