

ED WALLACE

A Change is Gonna Come

BY ED WALLACE
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Typically stories from the Sierra Club don't cross my desk. That's not to diminish that group and its work, but there are other sources for environmental news that, while they also lean green, generally offer reporting that's factual and accurate. Still, on December 1st the Sierra Club published a report that Bank of America had stated it would not be financing any oil or natural gas development in the Arctic. And, according to the same article, this announcement aligned with statements from Goldman Sachs, JP Morgan Chase, Wells Fargo, Citi, and Morgan Stanley.

In the same seven-day period, Japan declared that it's thinking about mandating an end to gasoline-powered cars by the middle of the next decade. That news follows on the heels of similar mandates, proposed bans, or wishful thinking from China, England, South Korea, Iceland, Denmark, Sweden, Norway, Slovenia, Germany, France, the Netherlands, Spain, California, and Portugal.

However, as stated in this column a few weeks ago, decades of posturing from activists and politicians have not hurt your ability to go buy whatever type of vehicle you want to drive as of now. More important, because economic pragmatism is always a key driver for elected officials in either party, should 2035 roll around and if many car makers might fail because they can't make and sell gasoline-powered cars anymore, then that electric vehicle mandate is likely to be kicked down the road a ways.

Yet it's also possible that we are looking at this all wrong. Maybe it's not going to be the politicians who decide what we drive in the future. No, the automotive landscape may change because of the legal threat involving the worst that could happen due to global warming, which potentially could impose severe financial liability on a corporation — even if it's a vicarious liability lawsuit, like one against any bank for lending money for oil rigs in the Arctic.

The *Washington Post* reported on September 14, 2020, that over a dozen states, counties and cities are suing oil companies over damages they claim have happened due to climate change. Of course, we naturally assume California would be a lead plaintiff in lawsuits like this, but it turns out South Carolina wants a court-ordered Global Warming cash bonanza, too. So this isn't even a left vs. right argument; when it comes to getting money for nothing by blaming someone else for your personal problems, that mindset bridges all political spectrums.

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Few remember that just over a year ago Exxon won a lawsuit accusing the company of hiding the real facts of its contribution to our planet's predicted demise. But that was a roundabout lawsuit, anyhow. The crux was that by hiding the evidence of its culpability for global warming, Exxon was misleading its shareholders by not disclosing probable future losses to the company, when it would be forced to pay for the damage it has done to the planet. For the record, at the moment at least six state Attorneys General are suing Exxon and others over various issues pertaining to climate change.

However, what has changed recently is that large corporations are now pushing Congress to do something about this very issue. According to the *Wall Street Journal* on December 2nd, Amazon, Citigroup, and Ford are asking Congress to deal with "president-elect Joe Biden" "to address the threat of climate change." Another group mentioned as having switched positions on global warming is the American Farm Bureau Federation, while Intel and others including IBM, Unilever, and Walmart have become signatories to a climate manifesto.

Let me state my position right now so there is no misunderstanding as to what I believe in: The climate has changed. Wherever we are, we can always do better. Those last eight words define the entire American experience.

In the late 1940s Detroit sent engineers out to LA to study smog, its chemical composition and its primary sources. Those engineers returned convinced that automobiles were the primary cause of smog, but they didn't have the technology at the time to fix it. The first response was the positive crankcase ventilation mandated for all new vehicles sold in California in 1961. Within three years most new vehicles in America had that designed into their engines. But just 11 years later the catalytic converter lowered emissions from vehicles even more.

Then in the late Eighties, Honda gave us one of the first practical computer systems to set fuel-air mixture, thereby lowering emissions substantially — then in 1998 Honda delivered an engine to the University of California Riverside for emissions testing, and the equipment found none. But, instead of hailing Honda, California ordered more sensitive equipment and found a trace of emissions, which is where the "Partial Zero Emissions" moniker comes from.

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Honda allowed all manufacturers to use its engine patent for free.

As for the statement, wherever we are, we can always do better? It took fifty years from admitting cars were the primary reason for smog to ending a vehicle's contribution to it. I'm guessing we can do the same with greenhouse gases.

Still, here's my problem with lawsuits: Exxon did not go out and drill for oil, then refine it into gasoline, aviation fuel, and diesel just to see if it was possible. No, they did all of that because the public, as in you and me, demanded it for our transportation needs. Exxon did not become at one point the largest company in the world by market cap by accident. No, it was because our demand for their transportation fuels became overwhelming.

This new legal climate scenario is reminiscent of the lawsuits against Big Tobacco, which pitted one group of liars against another. Big Tobacco's executives claimed to have had no idea cigarettes were addictive or dangerous, while plaintiffs claimed they had no idea smoking was hazardous to their health. Really? Because Henry Ford wrote a pamphlet on the dangers of cigarettes, titled "The Case Against the Little White Slaver" — in 1914. Tex Williams co-wrote and sang "Smoke, Smoke, Smoke That Cigarette" in 1947, and it stayed at the top of *Billboard's* charts for 16 weeks. And then the Surgeon General mandated warnings on every pack of cigarettes sold in America in the mid-Sixties. Yet 30 years later people were either claiming under oath in court that cigarettes were harmless to the best of their knowledge or swearing they had no idea they were harmful.

In a nutshell, that's actually the legal debate over corporations' contributions to global warming. Big oil for decades claimed they had no idea what their industry was doing to the environment through atmospheric emissions, while the other side acts as if the products made by Big Oil that they gladly purchased were somehow fine - thus maintaining that any planetary damage is not their fault either. The same way smokers claimed they weren't to blame for their health problems even if they did buy and "smoke, smoke, smoke" those cigarettes.

Years ago General Motors used to take out ads for its Chevrolet Suburbans in the Sierra Club's magazine, simply because it was good business. Turns out Sierra Club members purchased quite a few Suburbans and full-sized SUVs so they could take the entire family out to the wilderness to enjoy it. GM stopped those ad placements some time ago, rightfully claiming that it was funding an organization that actually didn't care for GM's large vehicles. But it was actually the members of the Sierra Club, also GM customers, who were the culprits here. Notice that neither GM nor the Sierra Club pointed a finger at those SUV buyers. Nor will I.

Maybe all of this can be summed up by the old Dennis Miller joke: What's the difference between a developer and an environmentalist? The environmentalist already owns a home in the forest.

Years ago I was discussing pollution issues with Dr. Kay Jones, one of the founders of the EPA and even then the writer of the annual White House report on air pollution in America. I brought up a lawsuit against the EPA, and he laughed and suggested I might not know as much as I thought I did about how government really works. As he put it that day, many of those lawsuits trying to get a government agency to do something within its mandated wheelhouse are actually given to outside activists by insiders at the government agency. This is done when administrations or Congress keeps any given agency from doing what that agency believes is right. When the agency loses that lawsuit that they helped create, they can then bypass executive and Congressional oversight on that issue because of the court order.

That might be happening again on the climate debate.

Lee Iacocca of Chrysler used to say, when the crusaders get on their horses you might as well get out of their way. And around the globe climate crusaders are mounting up. And some are now respected CEOs of major corporations.

Again, let me remind you of my positions. Climate change has happened; and wherever we are - we can always do better.

But the court cases and corporate pressures are building up for real change. And unlike the president's campaign lawsuits to overturn elections, the judges aren't throwing the climate cases out.

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