



Toyota — The Jihad Continues

Now that the Department of Transportation is opening a formal investigation into the 2009-2010 Toyota Corolla over possible steering problems while the government is continuing with hearings by the U.S. House Oversight and Government Reform Committee on February 24th, the House Energy and Commerce Committee on February 25th, and by the Senate Commerce, Science and Transportation Committee on March 2nd about Toyota's "timely" response to braking and accelerator complaints, some are beginning to question "Why?"



More than that, the questions are "Why just Toyota?" and "Why now?" Some are asking "Is there something else going on here?"

To put things into perspective, Toyota sold 363,000 Corollas in 2009 and have sold another 136,000 so far in 2010, for a total (at this writing) of just under 500,000 vehicles. According to the National Highway Traffic Safety Administration, there have been 150 complaints filed by owners over the steering "issue." Toyota itself says it has received fewer than 100 complaints. According to an article in WorldNetDaily, Consumer Reports "indicated that, for the model year 2008, there were 52 complaints filed with the NHTSA against Toyota for USA [sudden unintended acceleration], out of a total of 1.8 million vehicles sold by the company that year."

In a <u>previous article</u> on this website, Tammy Darvish, the owner of 4 Toyota dealerships in the Washington, D.C. area, was quoted:

I don't want to minimize importance of any safety matter. But I think the media has made a sport out of sensationalizing something that is very common: a recall. I sell Chryslers, and they had 18 recalls last year. Did you read about any of those?

Last month, Honda announced a recall of 646,000 Fit models "due to a faulty master switch that could allow water to enter the electrical components resulting in fires." Less than a year ago, Ford recalled 4 million cars based on 550 fires. Even Ralph Nader admitted that "Over the years, most manufacturers have had problems with sudden acceleration." Jim Lentz, Toyota's President of U.S. Sales told reporters, "If you look at this whole issue of unintended acceleration, it's a very complex issue. It's been an industry wide concern." The author at BigGovernment.com said "There was no government outcry and no demand for Congressional hearings over these recent recalls. So why has Toyota suddenly become the target of a government-led witch hunt?"

Some have already concluded that Toyota is guilty not only of building unsafe vehicles, but hiding the facts from regulators. Ralph Nader <u>said</u> Toyota is guilty of an "unseemly coverup" and that "Toyota dropped the ball, and NHTSA allowed it to drop the ball and did not protect the American public from a very frightening problem."



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The *Christian Science Monitor* was hardly less charitable, calling the situation with Toyota its "latest corporate fiasco", symptomatic of "wider unaccountability and arrogance," and questioning how Toyota "could allow substandard vehicles to slip through its vaunted quality-control apparatus."

The *Monitor* then went on to attack those raising questions such as "Why Toyota?" and "Why now?" as "pundits who sensed a US-led conspiracy aimed at denting Japan's export industry."

It is helpful to remember that two of Toyota's three main competitors in the U.S., General Motors and Chrysler, are owned by the government. And that GM was overtaken by Toyota in 2008 as the world's largest automaker. As Brian Johnson put it: "The assault against Toyota represents one of the most public conflicts of interest the business world has experienced." The same point was reinforced by Roger Hedgecock who asked "As a co-owner of Toyota rivals GM and Chrysler, is the Obama administration and its jihad against Toyota [only about] 'consumer protection', or revenge against a successful, non-union, red state based rival?"

Of course, attorneys will stand to benefit greatly, no matter how the investigations turn out. Remember *Unsafe at Any Speed*, the book by Ralph Nader excoriating the Chevrolet Corvair, and the exploding Ford Pinto, and the Ford Explorer rollover cases. According to Hedgecock, "This panic could fuel lawsuits big enough to put Toyota out of business."

Pushback against the attacks on Toyota resulted in a recent letter by the Governors of four states where Toyota builds its cars and trucks. Governor Mitch Daniels from Indiana amplified their position by saying, "Let's recall. Let's fix it...If a fine is in order, then fine, but [the government and the press] have gone so far beyond that. It's very, very suspicious in view of the government's conflict of interest. The Congressmen running [these committees] have their own agenda and it is a discriminating agenda...They didn't [investigate] the last several hundred recalls [by other automakers]."

Another possible reason for the investigations and negative attention to Toyota by the national media may have to do with the supplier of the pedals installed in Toyota vehicles, CTS (formerly known as Chicago Telephone Supply) of Elkhart, Indiana. That company also supplies the same pedals to GM, Chrysler, Ford, and Honda. And according to the Consumer Report study referred to earlier, both GM and Chrysler "were the subject of SUA complaints to the NHTSA, but none of their plants were shut and the affected models were not recalled or banned from sale."

According to Wayne Madsen, a highly regarded investigative journalist, "China's Jiangling Motors has complained about sticking gas pedals from CTS and the firm has developed a reputation for faulty accelerator pedals and their associated sensors...Curiously, the Obama administration...has not criticized CTS, especially since it supplied the very same accelerator pedals [emphasis added]...to the U.S. military. The CTS-manufactured accelerator pedal used in Toyotas relies on an electronic pressure sensor [which are] vulnerable to non-civilian frequencies. The Obama administration, fearful that military transmissions may be responsible for accelerator accidents, may have sought to [deflect the issue] by blaming Toyota for the accelerator problems."

There may be another answer to the "Why?" questions. According to the Wayne Madsen Report:

The Obama administration, according to WMR's Asian sources, is waging an economic warfare campaign, coupled with industrial sabotage, against Japan through a pre-planned operation directed against the Japanese automobile manufacturer, Toyota.

WMR has learned that the Obama administration authorized the anti-Toyota campaign as a warning shot to Japan over its reformist government's insistence that the U.S. pull its military



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troops out of Okinawa. WMR has learned that Obama and his chief of staff, Rahm Emanuel, have decided to turn the screws on Japan, not only for auto market leverage, but also to punish Japan over the insistence by Prime Minister Yukio Hatoyama and the newly-elected anti-U.S. military mayor of Nago on Okinawa to move the U.S. military off of Okinawa.

In any event, the continuing attacks on Toyota are costly. Toyota expects to lose about 100,000 vehicle sales this year, which is costing the company and its dealers about \$2.5 billion a month. The biggest cost, however, will be borne by the consumer who will be persuaded that safety issues cannot be resolved successfully by the free market. More government intervention, rules, regulations, and penalties will make Toyotas more expensive, and the automobile market less free to innovate and develop new affordable products for those consumers.

Photo of the entrance to the Toyota Motor Manufacturing plant in Georgetown, Kentucky: AP Images





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