The Ford Rouge disaster

US auto industry profits rise along with injuries and deaths in factories

Jerry White
4 March 1999

A week before the February 1 blast that claimed six workers' lives at its factory in Dearborn, Michigan Ford Motor Company reported its eleventh consecutive quarter of higher operating profits as strong sales of lucrative light trucks and relentless international cost-cutting allowed the company to retain its position as the most profitable automaker in the world.

In the company's earnings report, Ford President and CEO Jac Nasser boasted, "We delivered a total return to investors of 89 percent (including stock price and reinvested dividends), which placed the performance of Ford stock in the top quartile of S & P 500 companies for the second year in a row." Nasser has earned the nickname "Jac the knife" by slashing $4.3 billion in costs in the past 18 months, including eliminating nearly 9,000 jobs in North America, Europe and South America last year. Ford more than doubled its goal of slashing $1 billion in costs in 1998.

An examination of the last 25 years shows a definite correlation between the restructuring of the US auto industry and its return to profitability on one side, and the increase in deaths and injuries among auto workers on the other.

Since 1973, 420 UAW members have been killed on the job, according to the union's Health and Safety Department. While the number of auto workers killed each year has fallen overall during this period, the ratio of deaths per 1,000 UAW members has increased sharply due to the precipitous decline in the number of unionized auto workers. At the same time, despite the falling employment in the industry, the number of injuries have soared.

The turning point in this process occurred in the late 1970s and early 1980s when the auto companies faced an unprecedented challenge from their Japanese competitors and turned to the UAW to assist them in the destruction of hundreds of thousands of jobs and the driving up of productivity from the remaining work force. Between 1980 and 1994 unit labor costs in the US auto industry fell by 21 percent, as GM, Ford and Chrysler reduced their total work forces from 750,000 to 375,000.

One industry observer wrote about the integral role of the UAW during the period between 1979 and 1983 when Ford closed 13 factories and slashed its hourly work force from 191,000 to 101,000. "It was a drastic downsizing that could have wreaked havoc with labor relations, except that Ford used the crisis creatively. In 1979, it launched Employee Involvement, a program to solicit suggestions from workers on how to improve quality and productivity. GM had a similar program, but only on paper. Ford really meant it. It hired a new head of labor relations, Peter Pestillo, from outside the auto industry, and he marshaled senior management to work with union officials to achieve results.

"An early test had come in 1980, when Ford told the union it would close its woefully, uncompetitive metal-stamping plant near Cleveland. When the union begged for a reprieve, Ford flew Joseph D'Amico, the factory's firebrand UAW leader, to Japan, to tour factories there and gauge the competitive challenge firsthand. For D'Amico, it was like Paul's trip to Damascus. The union developed a plan for saving $15 million a year at the Cleveland plant by eliminating such nonsensical rules as one that required millwrights to walk alongside forklift drivers whenever the drivers were moving machinery" (*Comeback: The fall and rise of the American auto industry).*

During this period auto workers lost virtually all shop floor representation as UAW officials took on the role of foremen, enabling management to eliminate tens of thousands of middle management positions. In 1982 Ford was the first of the US carmakers to establish a profit-sharing agreement. Under this arrangement auto workers were forced to forestall their annual wage increases in return for income based on company earnings. UAW officials completely identified their interests with the company and abandoned any struggle to defend their members' independent needs, including safety in the factories.

According to a report issued by the New Directions faction of the UAW bureaucracy, the injury rate per 100 auto assemblers had fallen from 7.7 in 1979 to 5 in 1985. Then, as the implementation of labor-management "partnership" programs accelerated, the injury rate shot up to 28.3 in 1991, an increase of over 460 percent. The jump in injuries coincided with an 81 percent increase in productivity in the auto plants. A Minnesota doctor concluded that auto assembly workers suffered more injuries than nonunion meat packinghouse workers.

The UAW Skilled Trades Department reported in 1990 that the rate of injuries to auto workers increased fourfold and job-related illnesses rose thirtyfold between 1985 and 1988 alone. In 1986 20 auto workers were killed, the highest number since 1977. Every year, the union admitted, one out of three UAW members was injured or made acutely ill, and one in ten was disabled.

By 1988 Ford sold nearly as many vehicles in North America as it had a decade earlier, but with only about half as many hourly workers. Many factories were working maximum overtime schedules--two 10-hour shifts a day instead of the standard 8-hour schedules. "In a volume-driven business such as automobiles," one industry writer said, "this was a recipe for minting money."

Ford and the UAW agreed to a series of "Modern Operating Agreements" at the Wayne and Dearborn assembly plants in Michigan where key models like the Escort and Mustang were to be launched. Under what was known as "management by stress," workers in a production team were encouraged to constantly increase productivity, so that management could add work to a job without limits. Unlimited overtime was combined with six- and seven-day workweeks, all job classifications and work standards were abolished, and higher pay was offered to "team leaders" to serve as drill sergeants.

The new industrial regime--which led to record profits for the Big Three auto companies and tens of millions of dollars in bonuses for the corporate executives--quickly exacted its toll of the lives and limbs of auto workers. Between 1989 and 1990 at the Rouge complex eight workers were killed, including one worker buried under iron slag, one who drowned in an oil bath, another crushed between two rolls of steel in the galvanizing mill and three workers who died of heart attacks.

At the Wayne Assembly plant on February 3, 1989 John Torchetti, a 57-year-old auto worker, collapsed from chest pains while at work in the final assembly area, where he drove cars off the line. Neither plant management nor Ford doctors called an Emergency Medical Service unit to take him to the hospital although he had a history of heart problems and had been on medical leave at least four times in recent years. Hoping to get him back on the line as soon as possible, or at the very least to conceal his condition to avoid paying medical insurance and workers' compensation costs, management left Torchetti in the infirmary for two hours where he died.

Under criticism from rank-and-file workers UAW Local 900 President Jeff Washington immediately defended the company and denounced any suggestion that "we have the line sped up so fast that it is killing the workers."

This was a typical response from the UAW. In another case involving GM's Lordstown, Ohio plant, epidemiologist Robert Park, who had prepared a study which proved the connection between the high incidence of lung and stomach cancers and unsafe conditions at the factory, charged under oath that GM and the UAW suppressed his conclusions and toned down the public report.

The relentless cost-cutting, downsizing and systematic undermining of working conditions was the essential prerequisite of the US automakers' recovery of the 1980s. In the last decade, however, despite record profits, there has been no letup in the attack on auto workers' jobs and conditions. On the contrary, with the auto companies confronting a crisis of overcapacity in the global auto industry, they are in a frantic struggle to establish strategic mergers, consolidate their operations and cut costs to squeeze out every extra dollar for their stockholders.

For example General Motors, the world's number one auto company, has been criticized by Wall Street analysts for not matching Ford's "success" in job-cutting although GM has eliminated 125,000 workers since 1987 and has targeted another 50,000 jobs over the next few years.

In 1997, the last year for which figures are available, 13 UAW members were reportedly killed, including five at GM, Ford and Chrysler plants. Tragically, the names of Donald Harper, 58; Cody Boatwright, 51; Warren Blow, 51; Ken Anderson, 44; John Arsenau, 45 and Ronald Moritz, 46--the six men killed in the Ford Rouge explosion--have now been added to the list of those sacrificed for the auto companies' profits.