

Ford offers settlement to block lawsuits over Michigan plant explosion

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Ford Motor Co. has offered the families of each worker killed or injured in the February 1 explosion at its Rouge complex power plant in Dearborn, Michigan, a financial settlement in return for dropping any future legal actions against Ford or other parties involved in the facility. The company has offered the families of the six workers killed and 14 injured \$1 million each and some additional benefits, in a settlement that will also reportedly ban the survivors or their families from publicly talking about the blast.

The offer comes as evidence continues to mount about the unsafe conditions maintained by the world's second largest automaker at the 78-year-old facility where the massive boiler explosion took place. A recent report in the *Detroit Free Press* revealed that three of the six workers who died from injuries had filed health and safety complaints before the explosion, and that one of them had specifically warned his co-workers to "stay away" from Boiler 6 where the explosion occurred. Other workers complained of antiquated equipment and the lack of maintenance at the facility that was scheduled to be replaced in the year 2000.

Ford made its offer before the completion of the official investigation by state and local authorities. It is a highly unusual offer, particularly because workers' compensation law in Michigan makes it almost impossible for workers to win liability lawsuits against their employers, unless they can prove extreme cases of negligence in what is known as intentional tort.

Legal and worker safety analysts, however, believe that Ford wants to prevent new details about safety violations from emerging even in a failed lawsuit. Moreover, under Michigan law workers can sue third parties, such as boiler and equipment manufacturers, who in turn could sue Ford, further embroiling the company in a legal and public relations scandal.

Moreover, the settlement offer coincides with the

ongoing negotiations between the United Auto Workers and Ford for a new national contract. From the day of the explosion UAW officials have defended management and claimed the facility was one of the safest in Ford's system. Further evidence of Ford's criminal negligence both implicates the union, which also ignored the power plant workers' safety complaints, and further discredits the UAW's promotion of labor-management "partnership," the central theme of its contract talks with Ford.

Enrico Schaefer, an attorney and workplace safety advocate who maintains a web site dedicated to the Rouge plant explosion (www.hilbornlaw.com/rougeplant), recently commented on the offer. "Ford has no history of altruism when it comes to handling potential litigation or injuries resulting from its alleged negligence. Anyone would be naive to rule out the possibility here that there is a lot of dirty laundry in the Rouge Power Plant hamper... Early reports paint a pretty grim picture of the state of disrepair of the power plant, the lack of adequate 'state of the art' safety systems and the antiquated equipment. If I'm a Ford lawyer, bean-counter or bureaucrat, I worry far less about the particulars of this disaster and more about the long-term implications of a long drawn out, and very public, legal battle... To the extent the information does come out, Ford must do everything in its power to make it come out as quietly as possible."

Each family has been offered a lump sum of \$1 million and the salaries, benefits and medical insurance for the injured workers, and the families of the six deceased workers, will be paid until they are or would have been 65. The offer will reportedly cost the company between \$20 and \$30 million.

This is a drop in the bucket for Ford, the world's most profitable auto company. The amount is equal to the profits Ford made every single day (\$27 million) between April and June. It is roughly equivalent to the value of the stocks personally held by former Ford chairman Alex

Trotman.

Last quarter Ford earned a record \$2.5 billion, up four percent from a year earlier. Its total revenues rose 13.4 percent from a year ago to \$42.28 billion. In North America the company earned a record \$1.97 billion, up 19 percent from last year, bringing its return on sales for the first half of 1999 to 7.1 percent, also up 19 percent.

As one worker commented on the web site, “Twenty to thirty million dollars is a cheap way to get rid of these families... They must have passed the hat at a board meeting! The results of the investigation aren't even in yet—but Ford Motor Company wants to settle now! What are they afraid of?”

Ford is hoping that the severe financial pressures the families of the Rouge victims face will force them to settle quickly. Most of the charity funds set up by the company and the UAW to help them have dried up, especially since the settlement announcement was leaked by Ford's attorneys to the Detroit newspapers. The company also hopes that the offer will placate families who have been complaining that they have been ignored months after the explosion.

The victims' families have suffered through horrible deaths of their loved ones or the painful hospitalization of survivors who will never fully recover. The last worker in the hospital, John Sklarczyk, who suffered third-degree burns on 85 percent of his body, remains in stable condition. Sklarczyk, 47, was a general foreman at the powerhouse and has been hospitalized in Toledo, Ohio for more than five months. He has undergone more than 30 surgeries.

Ford is also reportedly seeking to make the families to sign confidentiality agreements so that they can't even discuss the settlements with each other. Workers believe this is aimed at sowing dissension among the families.

Abandoned by the UAW and under pressure from their attorneys to settle, the families of two injured workers have accepted Ford's offer. Others are saying they will await the results of the official investigation and press for the truth to be revealed.

The Dearborn Fire Department's report into the cause of the explosion is reportedly being drafted now, and Fire Chief Jack MacArthur said his office will issue its findings by the first week in August. A state investigation into the boiler explosion and workplace safety issues is to be completed by early August.

Both investigations have been marred by controversy. Last February the family of one of the deceased workers obtained a court injunction to prevent Ford or any of its

agents from destroying evidence at the power plant. Then the state safety agency complained that Ford was obstructing its investigation into prior safety violations at the plant. There have also been complaints that some of the inspectors in Dearborn (where Ford maintains its headquarters and is the city's largest employer) have close ties to the company, may have been hired at the direction of Ford and have even worked for Ford before.

Ford management and the UAW bureaucracy are anxious to cover up the fact that safety conditions in the auto plants are being sacrificed to boost productivity and profit margins. The company slashed \$3 billion in 1997 and \$2 billion in 1998—beating targets both times—and is aiming to cut another \$1 billion this year. The ongoing downsizing and push for higher productivity has contributed to the erosion of safety at all of Ford's plants throughout the world.

The February 1 disaster has done little to change conditions. On July 19 a contractor was injured when a slag fire erupted at Rouge Steel, near the destroyed power plant in the Rouge complex. Before this latest incident a Ford worker e-mailed the following message to the Rouge Explosion web site, noting a “very disturbing situation at the Power and Utility Department” at the Ford Rouge plant.

“They are running their power operation off of four temporary boilers that were installed after the powerhouse was destroyed. It is my understanding from speaking with various employees that they are not safe to operate. They are understaffed with boiler operators, they require the climbing of high ladders in bad weather and they are being supervised by the same supervisors that were in power when the powerhouse blew up. Those 'temporary boilers' and blowers are just another accident waiting to happen.

“This is very scary for the people who are forced to operate these boilers. It is also scary for any operators that were injured and will be forced to work on these boilers when they return to work. Neither Ford Motor Company nor the UAW seem to have any regard for the safety of the workers. They are only interested in corporate profits.”



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