

The Firestone recall—corporations scramble to retain image amid further allegations

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As the death toll attributed to faulty Firestone tires climbs to 88 in the United States, both Bridgestone/Firestone Inc. and Ford Motor Co. are facing more charges of liability for their role in the disaster. Both companies face potential civil or criminal lawsuits as allegations of their culpability mount.

Firestone is in the process of 6.5 million-tire recall that began last month after it became known that the tires had a high rate of failure. Most of the 1,400 incidents reported so far involve the Ford Explorer. The treads on the tires have a tendency to separate from the other layers, causing turnovers and crashes.

The US National Highway Safety Administration warned last Friday that an additional 1.4 million Firestone tires may have even greater problems than those already recalled.

The Venezuela federal Consumer Defense and Protection Agency (Indecu) recommended Thursday that both Firestone and Ford face criminal charges for their role in tire defects that led to at least 47 deaths in that country since 1998. The tires involved include the 15-inch tires being recalled in the US as well as 16-inch tires of the same type.

Indecu blames both companies for the tire problems, stating that the accidents were the result of “a macabre combination between a suspension that is set too soft, and tires that are not appropriate for the Explorer.” It also claims that Ford’s recommendation to inflate tires below normal levels contributed to the high rates of tire failure. This recommendation was made in part to prevent the Explorer from rolling over during sharp turns.

Samuel Ruh Ríos, chairman of Indecu, asserts that the companies “concealed vital information from Venezuelan citizens,” citing communication between the two companies that he says demonstrates their

knowledge of a tire problem as early as 1998. At that time reports began to filter in of Firestone tire blowouts on Ford Explorers.

Indecu states that the two companies had a secret meeting, and it was decided that there was a problem with the tire design. But instead of issuing a costly recall, the design for new tires was simply updated, adding another layer, a “nylon cap,” beneath the treads. This layer, which is not present on the Firestone tires being recalled in the United States, would supposedly help prevent tread separation.

The absence of this cap, combined with hot weather, poor roads in Venezuela, and Ford’s low inflation recommendation, may have combined to produce a rate of tire failure up to 500 times higher than the same tires in the US. Ford eventually issued a recall for Firestone tires on its Explorer in May of this year. Meanwhile Firestone, which controls about half of the Venezuelan tire market, began producing tires labeled as having the extra layer, many of which in fact did not. The company has since recalled these “mis-labeled” tires.

Many details remain unclear. For example, Ford has stated that it has always requested a nylon cap on tires for its Explorer in Venezuela, while Firestone says that the request was made only last year, at about the time of the secret meeting alleged by Indecu. Firestone asserts that all its tires meet Ford’s specifications, even those “mis-labeled,” and that it is simply a coincidence that the mis-labeled tires were of the same type as those being recalled in the US.

Ford initially blamed quality control at one American plant in Decatur, Illinois for the problems with the Firestone tires, but the tires in Venezuela are made in that South American country. Moreover, over the last year Ford issued similar recalls in 15 other hot weather countries in South America and the Middle East,

clearly suggesting that there are basic problems with the tire design and the Ford inflation specification, problems of which the two companies were aware well before the US recall.

As both Ford and Firestone attempt to point fingers and contain the extent of the investigations, the US government has been forced to place more pressure on the two corporations. Many states have begun or are considering criminal or civil investigations into the tire failures, and the National Highway Traffic and Safety Administration has requested documents from Ford dealing with its overseas recalls. It has not received this information before now because the agency has no independent means of investigation and does not require corporations to report safety problems encountered in other countries.

The House Commerce Committee will be holding hearings next week, and will question both Ford CEO Jacques Nasser and Masatoshi Ono, the CEO of Japanese-owned Bridgestone Co., whose American unit is Bridgestone/Firestone Inc.

At the same time, corporate lobbyists have swamped Capitol Hill in an attempt to win over members of Congress to their respective explanations. Representative John D. Dingell of Michigan, the leading Democrat on the Committee, has already come out in defense of Ford, headquartered in Michigan.

In response to Nasser's previous refusal to give testimony to Congress (a position he later reversed), Dingell stated, "Undoubtedly, Ford will provide the right people that will allow the committee to determine the facts, while allowing Jacques Nasser to go about the business of manufacturing cars and finding safe tires for them."

Ford has many friends within Congress, including one of the chairmen of the upcoming hearing, Representative Fred Upton, a Republican from Michigan. Firestone, on the other hand, has hired five high-profile law firms to present its case.

As Firestone scrambled to produce tires for the recall, talks continued over the Labor Day weekend between Firestone and the Steelworkers union, which represents more than 8,000 workers manufacturing tires at nine plants. Union members have been working under extensions of contracts that expired this spring and summer.



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