



THE FORD PINTO, SAFETY DOES NOT SELL:

"The Ford Pinto case is mentioned in most Business Ethics texts as an example of Cost-Benefit analysis, yet in those formats any appreciation of the complexity surrounding the issues of such decisions is overly simplified. As a thorough study, this book provides material that enriches the entire idea of using a particular case as an avenue of learning about **Ethics, Business, Society, Technology, and Government Regulation**. Rather than as a mere reference tool for educators and other professionals, this book could be successful in the classroom in a way that no other anthology or collection of short case studies could be." - **Greg Pasquarello, Neumann College**

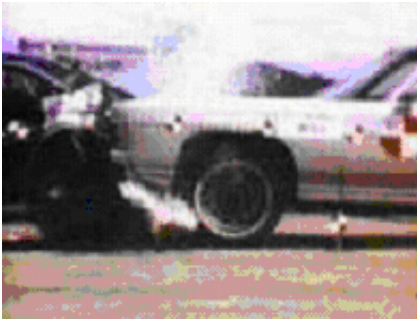
It was the late 60s, when the demand for sub-compacts was rising on the market. Iacocca's specifications for the design of the car were uncompromising: "The Pinto was not to weigh an ounce over 2,000 pounds and not cost a cent over \$2,000." During design and production, however, **crash tests revealed a serious defect in the gas tank**. In crashes over 25 miles per hour, the gas tank always ruptured. To correct it would have required changing and strengthening the design. Many studies of reports and documents done by Mother Jones on rear-end collisions involving Pintos reveal that if you ran into that Pinto you were following at over 30 miles per hour, the rear end of the **car would buckle like an accordion, right up to the back seat**. The tube leading to the gas-tank cap would be ripped away from the tank itself, and **gas would immediately begin sloshing onto the road around the car**. The buckled gas tank would be jammed up against the differential housing (that big bulge in the middle of your rear axle), which contains four sharp, protruding bolts likely to gash holes in the tank and **spill still more gas**. Now all you need is a spark from a cigarette, ignition, or scraping metal, and both cars would be engulfed in flames. If you gave that Pinto a really good whack? say, at 40 mph - chances are excellent that its doors would jam and you would have to stand by and **watch its trapped passengers burn to death**. In pre-production planning, engineers seriously considered using in the Pinto the same kind of gas tank Ford uses in the Capri. The Capri tank rides over the rear axle and differential housing. It has been so successful in over 50 crash tests that Ford used it in its Experimental Safety Vehicle, which withstood rear-end impacts of 60 mph. So why wasn't the Capri tank used in the Pinto? Or, why wasn't that plastic baffle placed between the tank and the axle - something that would have saved the lives of hundreds of people.

President Semon "Bunky" Knudsen, whom Henry Ford II had hired away from General Motors, and Lee Iacocca, a spunky Young Turk who had risen fast within the company

on the enormous success of the Mustang. Iacocca saying was that the Japanese were going to capture the entire American subcompact market unless Ford put out its own alternative to the VW Beetle. Bunky Knudsen said let them have the small-car market, but he lost the battle and later resigned. Iacocca became president and almost immediately began a rush program to produce the Pinto. Lee Iacocca wanted that little car in the showrooms of America with the 1971 models. So he ordered his engineering vice president, Bob Alexander, to oversee what was probably the shortest production planning period in modern automotive history. The normal time span from conception to production of a new car model is about 43 months. The Pinto schedule was set at just under 25. When it was discovered the gas tank was unsafe, did anyone go to Iacocca and tell him? "Hell no," replied an engineer who worked on the Pinto, a high company official for many years, who, unlike several others at Ford, maintains a necessarily clandestine concern for safety. "That person would have been fired. **Safety wasn't a popular subject around Ford in those days.** Whenever a problem was raised that meant a delay on the Pinto, Lee would chomp on his cigar, look out the window and say 'Read the product objectives and get back to work.'" The product objectives are clearly stated in the Pinto "green book." This is a thick, top-secret manual in green covers containing a step-by-step production plan for the model, detailing the metallurgy, weight, strength and quality of every part in the car. The product objectives for the Pinto are repeated in an article by Ford executive F.G. Olsen published by the Society of Automotive Engineers. He lists these product objectives as follows:

1. TRUE SUBCOMPACT Size Weight
2. LOW COST OF OWNERSHIP Initial price Fuel consumption Reliability Serviceability
3. CLEAR PRODUCT SUPERIORITY Appearance Comfort Features Ride and Handling Performance Safety, you will notice, is not there. It is not mentioned in the entire article. As **Lee Iacocca was fond of saying, "Safety doesn't sell."**

A Ford engineer, who doesn't want his name used, comments: "This company is run by salesmen, not engineers; so the priority is **styling, not safety.**" He goes on to tell a story about gas-tank safety at Ford: Lou Tubben is one of the most popular engineers at Ford. He's a friendly, outgoing guy with a genuine concern for safety. By 1971 he had grown so concerned about gas-tank integrity that he asked his boss if he could prepare a presentation on safer tank design. Tubben and his boss had both worked on the Pinto and shared a concern for its safety. His boss gave him the go-ahead, scheduled a date for the presentation and invited all company engineers and key production planning personnel. When time came for the meeting, a grand total of two people showed up - Lou Tubben and his boss. "So you see," continued the anonymous Ford engineer ironically, "there are a few of us here at Ford who are concerned about fire safety." He adds: "They are mostly engineers who have to study a lot of accident reports and look at pictures of burned people. But we don't talk about it much. It isn't a popular subject."



Cost-Benefit Analysis One of the tools that Ford used to argue for the delay was a "cost-benefit analysis" of altering the fuel tanks. According to Ford's estimates, the unsafe tanks would cause **180 burn deaths, 180 serious burn injuries, and 2,100 burned vehicles each year.** It calculated that it would have to pay **\$200,000 per death, \$67,000 per injury, and \$700 per vehicle, for a total of \$49.5 million.** However, the cost of saving lives and injuries ran even higher: alterations would cost **\$11 per car or truck, which added up to \$137 million per year.** Essentially, Ford argued before the government that it would be cheaper just to let their customers burn!

The other side of the equation, the alleged \$11 cost of a fire-prevention device, is also a misleading estimation. One document that was not sent to Washington by Ford was a "Confidential" cost analysis Mother Jones has managed to obtain, showing that crash fires could be largely prevented for considerably less than \$11 a car. The cheapest method involves placing a heavy rubber bladder inside the gas tank to keep the fuel from spilling if the tank ruptures. Goodyear had developed the bladder and had demonstrated it to the automotive industry. Ford Motor Company ran a rear-end crash test on a car with the rubber bladder in the gas tank. The tank ruptured, but no fuel leaked. On January 15, 1971, Ford again tested the bladder and again it worked. The total purchase and installation cost of the bladder would have been \$5.08 per car. **That \$5.08 could have saved the lives several hundred people.**

In February of 1978, a California jury created a nationwide sensation when it awarded the record-breaking sum of \$128 million in a lawsuit stemming from a into accident (Weinberger Romeo, 45). This one lawsuit was three times what Ford executives and engineers had estimated their final cost would be.

Safety Strange as it may seem, the Department of Transportation (NHTSA's parent agency) didn't know whether or not this was true. So it contracted with several independent research groups to study auto fires. The studies took months, which was just what Ford wanted. In May 1978 the Department of Transportation announced that the Pinto fuel system had a "safety related defect" and called for a recall. Ford agreed, and on June 9, 1978 the company recalled 1.5 million Pintos. The recall came too late to save Ford's reputation. Millions of dollars in lawsuits were filed and won against the automaker, including the largest personal injury judgment ever. And in the 1979 landmark case *State of Indiana v. Ford Motor Co.*, Ford notoriously became the first American corporation ever indicted or prosecuted on criminal homicide charges. Though Ford was acquitted of reckless homicide in March 1980, the Pinto's reputation had plummeted disastrously; Ford ceased production of the car five months after the trial.

Crash Test Video

Federal crash-test footage shows the classic Pinto rear-end collision and fireball. Ford's choice to not fix the gas tanks led to many preventable lawsuits. It incurred high costs from court decisions and a negative opinion from the consumers on one of its "best-selling" cars.

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