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**Ford Pinto Case**

In the late 1960s, Ford began the development of a subcompact car that it hoped would compete with small inexpensive imports. In an apparent effort to maximize profit, Ford executives set strict specifications for the car, mandating that it be 2000 pounds and $2000. 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” (*Fordpinto Blogspot*). To correct it would have required changing and strengthening the design. Although Ford had access to a new design which would decrease the possibility of the Ford Pinto from exploding, the company chose not to implement the design, which would have cost $11 per car, even though it had done an analysis showing that the new design would result in 180 less deaths (*Fordpinto Blogspot*). The company defended itself on the grounds that it used the accepted risk/benefit analysis to determine if the monetary costs of making the change were greater than the societal benefit. “Based on the numbers Ford used, the cost would have been $137 million versus the $49.5 million price tag put on the deaths, injuries, and car damages, and thus Ford felt justified not implementing the design change”( Christopher).

“In the 1947 case of *United States v. Carroll Towing Co.*, Judge Hand effectively devised the cost-benefit analysis to help decide future cases. If the expected harm exceeded the cost to take the precaution, then the company must take the precaution, whereas if the cost was liable, then it did not have to” (Christopher). However, cost-benefit analysis focuses on a specific accident, while the risk/benefit analysis requires an examination of the costs, risks, and benefits through use of the product as a whole. Based on this analysis, Ford legally chose not to make the design changes which would have made the Pinto safer. Though, just because it was legal doesn't necessarily mean that it was ethical. It is difficult to understand how a price can be put on saving a human life.

There are several reasons why such a strictly economic theory should not be used. First, it seems unethical to determine that people should be allowed to die or be seriously injured because it would cost too much to prevent it. Second, the analysis does not take into all the consequences, such as the negative publicity that Ford received and the judgments and settlements resulting from the lawsuits. Also, some things just can't be measured in terms of dollars, and that includes human life.

[**References**](http://fordpinto.blogspot.com/2010/03/another-sample-entry.html)

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