

## Conservative Research Department

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MR Gow,

It occurred to me that this New York Times  
article (13.10.81) and the 'Politics Today' enclosed  
WITH COMPLIMENTS might be useful for  
illustration of our low productivity & over-manning.

Lynda Rose

22.10.81.

## German Unit Far Outpaces One in Britain

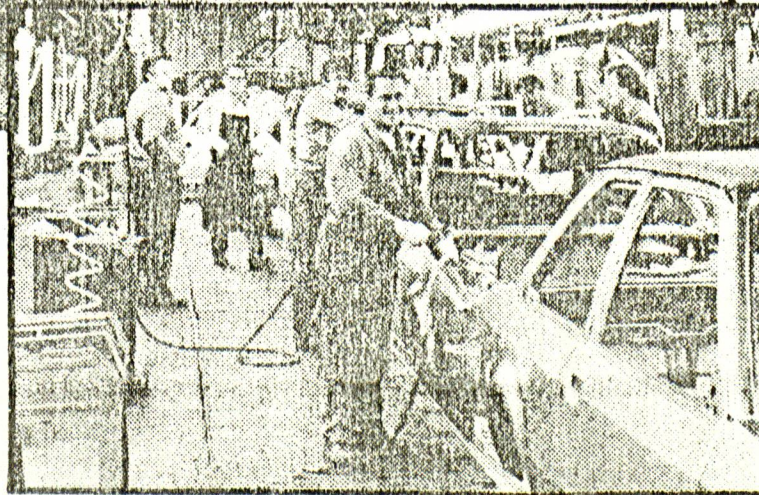
By STEVEN RATTNER

Special to The New York Times

SAARLOUIS, West Germany — To the casual visitor, the sleek gray Ford Motor Company plant here appears to be exactly like its cousin at Halewood, England, outside Liverpool. At each, shiny Escorts, Ford's hot new car, roll off bustling production lines dominated by robot welders and vast automated presses punching out steel as if it were aluminum foil.

But the resemblance ends at physical appearance. This plant produces some 1,200 cars a day, more than the 1,015 that Ford planners had anticipated, and requires 7,762 workers. Its counterpart at Halewood, with virtually identical equipment and production targets, has averaged only about 800 cars a day this year, and 10,040 workers have been needed to achieve even that production level.

"Our standards say it should take something like 29 man-hours of labor in both the body and assembly plants to make an Escort," said Bill Hayden, vice president of manufacturing for Ford Europe Inc., in an interview. "At



The New York Times/Steven Rattner

Workers at the Ford plant at Halewood, England, top, and employees at the Ford plant in Saarlouis, West Germany.

Saarlouis, they do it with 21 hours. At Halewood it takes 40 hours."

The experience of Ford, with two plants that are alike in every important respect, provides an unusually graphic example of the extent to which Britain has fallen behind in the effort to improve worker productivity and the extent of the challenge facing Prime Minister Margaret Thatcher in her effort to restore Britain's competitiveness.

### "Symbolic of British Industry"

"All of the problems I have in Halewood, I have in Dagenham," Mr. Hayden said in his office in suburban London, referring to a Ford plant in another British city. "All of the problems I have are symbolic of the whole of British industry."

To Mr. Hayden, and Ford officials in Halewood, the difference between the

two plants comes down to the attitudes of the workers. At Halewood, 20 strikes have occurred already this year; at Saarlouis, strikes are unknown. Under pressure, management at Halewood has organized the two daily shifts so that no one works on Friday night; at Saarlouis, there is no such pressure.

"It has to do with the mental attitude of our people here," said Paul Swoboda, the burly operations manager here. "People are very interested right from the beginning in making a high-quality product," he said in the plant's executive dining room.

Aside from statistics, subjective differences between the two factories become evident. Halewood seems to overflow with workers — some of them reading or eating, others kicking a soccer ball — while Saarlouis seems al-

Continued on Page D4

WASHINGTON, Oct. 12 (AP) — President Reagan said today that he would not block Texas International Airlines' bid to acquire Continental Air Lines, clearing the way for the takeover.

The decision, disclosed in a letter to the Civil Aeronautics Board, culminated eight months of legal and regulatory wrangling between the two carriers. Continental had bitterly opposed T.I.A.'s acquisition effort.

The C.A.B. recommended in August that Mr. Reagan approve T.I.A.'s bid. A Presidential decision was needed because international routes are involved.

Frank Lorenzo, president and chief executive officer of the Texas Air Corporation, T.I.A.'s parent company, said: "It is now time for the managements of both companies to direct our energies toward returning Continental to profitability. We look forward to working with the current Continental board to begin this task immediately."

### Shares in Nonvoting Trust

Texas Air announced in September that a purchase of 300,000 Continental shares of common stock had given it majority control of Continental. Texas Air then owned 7,752,200 shares of the Los Angeles-based carrier, slightly more than 50 percent of shares outstanding. The C.A.B. authorized the purchase of up to 67 percent, but Texas Air said at the time it had not decided whether to go beyond the amount needed for control of the company.

All of Texas Air's Continental shares have been held in a nonvoting trust pending President Reagan's ruling.

Continental is the nation's ninth-largest airline in terms of revenue. Houston-based Texas International is 17th.

"We will continue to seek board representation consistent with our ownership and interest in Continental," Mr. Lorenzo said. "We want to assure all Continental employees we want to build a strong and prosperous Continental."

A spokesman for the Texas International said that the next step would be a hearing next Friday before the Federal District Court in Reno to determine when to hold a shareholders' meeting, as soon as possible, at which Texas International would seek to fill six vacancies on Continental's 18-member board of directors of Continental.

The spokesman explained that the

## Kaufman Sees New Highs for Rates

By MICHAEL QUINN

Hotel, the financial markets have occurred 18½ or 19 percent, while Federal funds

# A Tale of Two Ford Plants in Europe

continued From First Business Page  
 xt depopulated and nearly every  
 rker in evidence is hard at his job.  
 Saarlouis, workers dash to open  
 ors for visitors touring in electric  
 ts, while at Halewood, one worker  
 eted a news photographer by ex-  
 ing himself.

## Quality Also Better

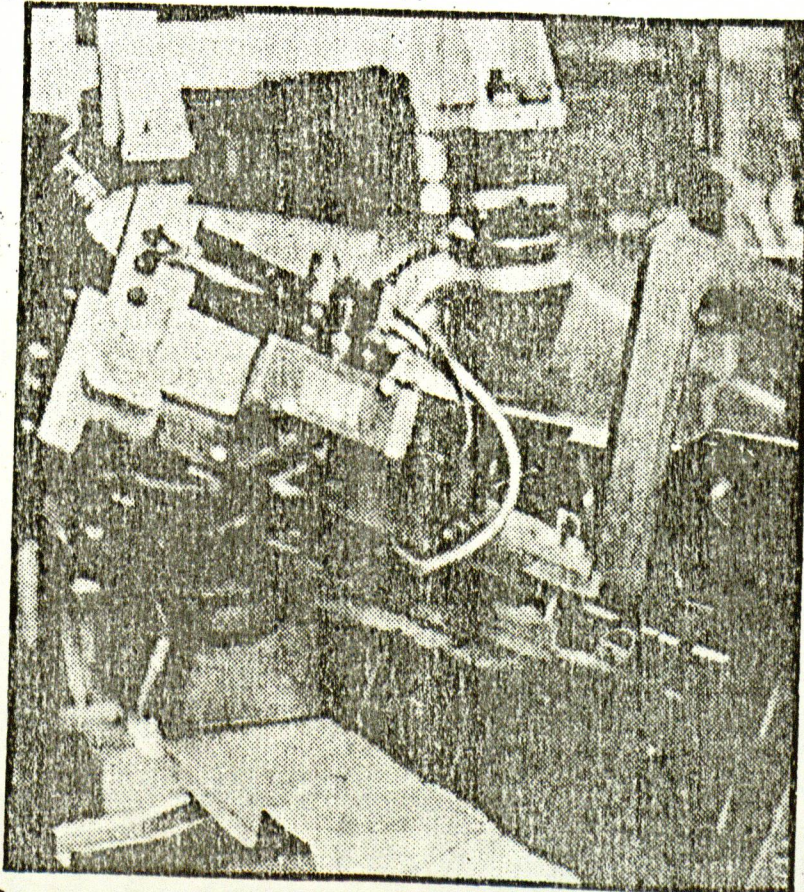
Despite the smaller work force,  
 Saarlouis's quality record remains un-  
 tched in the Ford system. Saarlouis  
 orts, on average, earn half as  
 ny demerits as Halewood cars,  
 ch are about equal in quality to  
 se produced in American plants. On  
 recent day at Halewood, 14 percent  
 he cars were rejected at the electri-  
 system checkpoint. At Saarlouis a  
 later, the same computerized  
 alitätskontrolle" rejected fewer  
 1 percent of the completed Es-  
 s.

or their part, the workers at Hale-  
 d maintained in recent interviews  
 shop conditions at Saarlouis were  
 ife.

f that was in England, I'd stop the  
 immediately," said Stephen  
 dhead, the "convenor" at the  
 plant, who has visited the Ger-  
 plant twice. "It was such a viola-  
 of our health and safety regula-  
 we couldn't live with it." None-  
 ss, the Saarlouis plant has the  
 st injury record in Ford's entire  
 pe subsidiary.

one example mentioned by Mr.  
 dhead, the Halewood union sum-  
 d a company doctor to rule that  
 nen were required to lift the car  
 onto the body, a job performed by  
 nan at Saarlouis. But the other  
 it Halewood, only one man was  
 g the hoods; the second man  
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rom the very beginning it was al-  
 one man who picked up the hood,  
 othar Kotalla, a German worker  
 as the dull silver car bodies  
 d along behind him, 58 an hour.  
 heavy so we switch every hour."  
 h differences are found to per-



The New York Times / Steven Rathner

The robot welder used at both the Ford Motor plant in England and in West Germany. The West German plant turns out 1,200 new Escorts a day, compared with the 800 produced daily in England.

vade the two plants. In May, the work-  
 ers at Halewood went on strike for 11  
 days because they contended that four  
 men could not produce 60.2 transaxle  
 assemblies an hour, as the company  
 and the German experience suggested  
 they could. Five months later, the four  
 men are still assembling about 55 an  
 hour.

The economic consequences for  
 Britain of the lower productivity are  
 also evident. When the two plants were  
 retooled in August 1980, a significant  
 portion of the 1,015 cars a day sched-  
 uled to be produced at Halewood were  
 to be exported — to Scandinavia,  
 France, Italy and elsewhere. The fail-  
 ure to meet production goals meant, in

effect, no exports and no help for Brit-  
 ain's balance of trade.

Moreover, Ford officials have  
 argued that the low productivity  
 threatens British jobs. The Halewood  
 workers earn the equivalent of just  
 \$8.25 an hour, including fringe bene-  
 fits, while their German counterparts  
 make \$13.50 and have been offered a  
 Saturday shift at premium wages to  
 meet the demand for their cars.

With British workers half as produc-  
 tive, even that disparity is not enough  
 and Ford officials calculated a few  
 months ago that it costs \$1,000 more to  
 produce a car in Britain than to make  
 one in Germany and ship it to Britain.  
 That disparity has been kept down by  
 the regular devaluation of the British  
 pound — from 8.75 marks per pound in  
 1971 to 4.15 now.

Half of the Ford cars sold in Britain  
 are imports and the company is look-  
 ing to its other European plants for an  
 increasing supply of parts for British  
 assembly plants. By comparison, at  
 Saarlouis recently railroad freight  
 cars backed deep into the cavernous  
 plant were being loaded with trailer  
 after trailer of freshly stamped panels  
 for an assembly plant in Valencia,  
 Spain.

At Halewood, Ford officials have  
 been struggling to improve the plant's  
 poor performance. To some extent, the  
 current economic distress seems to  
 have had the desired effect of not only  
 bucking up management but also con-  
 vincing workers to become more coop-  
 erative. Although 20 strikes have oc-  
 curred so far this year, 300 took place  
 in 1976. Quality may not be as high as  
 desired, but the number of quality  
 demerits has been cut in half over the  
 past 12 months.

"A lot of the men got it through their  
 brains that if stoppages occurred as  
 regularly as before they could lose  
 their jobs," said John Bohanna, a soft-  
 spoken body plant employee.

The line managers at Halewood also  
 see signs of progress. "They may say  
 it takes two men on the engine dress it

## Nissan Pro U.S. Sales

DETROIT, Oct. 12  
 of Nissan Motors U.S.  
 the company's sales  
 year would improve  
 130,000 trucks, equal  
 performance.

That represents a  
 1981 of 6 percent in  
 percent in truck sale  
 rent limits on Japan  
 the United States.

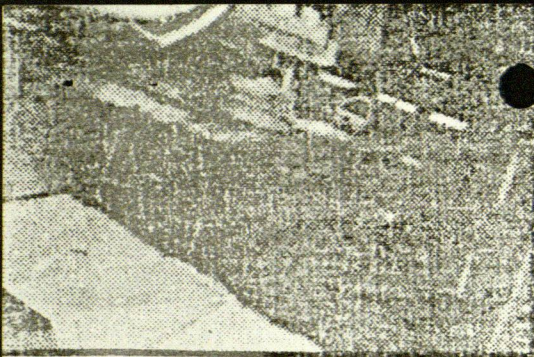
The company predi-  
 sales in the United S  
 model year of about  
 composed of 7.7 mill  
 2.7 million imports.  
 about 1.6 million vel  
 total sales in the sev  
 1981 model year.

## Sun Cuts P

The Sun Company ha  
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 as much as 1.8 cents a  
 sylvania, Delaware a  
 and a subsidiary, Sunn  
 reduced wholesale be  
 by two-tenths of a cen  
 gallon on the Eastern  
 parts of Tennessee, I  
 and Michigan. The S  
 the 11th-largest gasoli  
 the United States. A  
 said the company was  
 competitive market."

## Woolworth

LONDON, Oct. 12  
 worth & Company said  
 subsidiary, B and Q (R  
 agreed to buy Dodge C  
 vately owned chain of  
 stores, for \$38.1 million.  
 subject to Governm  
 should become effect  
 weeks, it added. The d  
 Dodge City stores to th  
 by B and Q. Combined  
 companies last year w  
 lion at stud



The New York Times/Seymour Rattiner

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The line managers at Halewood also  
see signs of progress. "They may say  
it takes two men on the engine dress,"  
said Arthur Rothwell, the general pro-  
duction manager. "Six years ago, they  
would have said six and gotten six."

But industry analysts say there is  
still a long way to go. Management's  
efforts are now concentrated on rais-  
ing productivity, a painstaking pro-  
cess of identifying a bottleneck — at  
the moment, the assignment of work-  
ers and work in the paint shop — and  
negotiating at length with the unions to  
remove it. With various shop rules,  
moving one worker, part of a process  
known as "rebalancing," often re-  
quires that five be shifted.

"To really understand what we're  
talking about, you have to be Eng-  
lish," said Ted Rayment, operations  
manager at the plant. "We English  
are not good receivers of instruction.  
We like to know the basis of the in-  
struction and why it's being given."

Indeed, the English managers ap-  
pear to be making almost as great an  
effort at communicating as their Ger-  
man counterparts to instill "positive  
motivation." A concept on the conti-  
nent known as "area management"  
has been adopted, creating mini-  
plants that are easier to operate and  
that provide closer contact with work-  
ers.

Meetings with union leaders occur  
regularly, and every six months or so  
the workers are given time off to hear  
a presentation about productivity and  
jobs. But only a small percentage of  
workers attend, according to Ford offi-  
cials.

"The problems were compounded  
with the new model," Mr. Rothwell  
said of the period since August 1980.  
"All our management resource was in-  
volved in trying to control disrup-  
tions."

sale price of its units  
as much as 1.8 cents a  
sylvania, Delaware and  
and a subsidiary, Sunn  
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by two-tenths of a cen  
gallon on the Eastern S  
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subject to Government  
should become effect  
weeks, it added. The d  
Dodge City stores to th  
by B and Q. Combined  
companies last year w  
lion, excluding value-ad

## BRIEFS

● Babcock & Wilcox, an  
of McDermott Inc., rece  
power contracts valued  
from Sandia National L  
Livermore, Calif.

● Barnes Engineering  
ford, Conn. said that it  
V.T. Technologies Inc. ha  
of the capital stock of In  
curity Associates in a  
10,000 shares of Barnes of

● Brunswick Corp. said  
nated acquisition negotia  
ternational Controls Corp.

● Centennial Petroleum  
covered a commercial ga  
rell County, Tex., with a  
flow of 3 million cubic fee  
at a depth of 9,830 feet.

● Centronics Data Com  
said it and its lender bank  
in principle to a two-year  
line of credit on a collatera

● Cray Reserch announce  
ing Computer Services w  
the memory capacity of  
percomputer from the pres  
lion words of memory to  
words. The two-million-wo  
system will be installed n  
Boeing's new computer ce  
vue, Wash.

● Damson Oil Corp. said  
pleted testing its Farmer

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