

# Social crisis in Detroit: An investigative report

## Part 2: The impact of gas prices

Lawrence Porter, Naomi Spencer  
21 June 2008

*The following is the second in a three-part series. The first part, "The spiraling cost of food," was posted June 19; part three, "Collapse of an American city," concluded the series on June 23.*

Like the situation nationwide, the rising cost of gasoline is compounding the difficulties already confronting working people in Detroit. Living expenses are spiraling upward, the job market is contracting, and sources of credit and emergency aid are in increasingly short supply.

With poverty and unemployment rates that are some of the highest in the US, thousands of Detroit families already stretched to their financial limit must now choose between purchasing gas or food, or paying utility bills.

As of this writing, gasoline averaged \$4.08 a gallon nationally, according to the Automobile Association of America (AAA). However, new records are broken every week. As a signal of what is in store for the rest of the country, gas prices have already surpassed \$5.00 a gallon in parts of California.

Because of the climb in gas prices, the sales of pickup trucks and sport utility vehicles (SUVs)—one of the staples of the US auto industry and the source of their profits over the last 15 years—have dropped substantially. In May, Ford's sales of trucks and SUVs fell 26 percent compared with a year earlier, while GM's sales in the category fell 37 percent and Chrysler's were down 22 percent.

With the drop in sales, GM has announced plans to cut truck capacity by 700,000 annually, shutting four North American factories and eliminating 10,000 more jobs. In the Detroit area, this means the elimination of several thousand more jobs, stretching from locations such as the GM Pontiac Truck and Bus plant to parts makers such as American Axle & Manufacturing's

Detroit Gear & Axle plant. (See "The political lessons of the American Axle strike")

In the Detroit metropolitan area, gas prices have jumped up by more than a dollar per gallon in the past 12 months. Many workers already distressed by rising food costs and wage cuts are angry about the hardships they face, with most placing the blame directly on the policies of the Bush administration.

Jada Browning, an out-of-work waitress and mother of three, told the WSWS, "It's crazy. You either walk or put money in your car so that you can get a job." She said that food prices were so high, utility bills just had to wait, and gas was too expensive for her to purchase a full tank for her van. "I haven't been able to fill it up in so long I couldn't tell you anymore," she said. "You know, I'm scrounging for \$20-\$30, and that is just enough to pick my son up from school and go put in a couple of [job] applications. It is just hard."

Substantial sections of Detroit's population do not even have vehicles and must find other means of transportation. In fact, according to the US Census Bureau, 21.9 percent of households—more than one in five—do not possess a car. This places an enormous constraint on quality of life for residents who must travel across the sprawling metro area for work, food, school, and other basic obligations.

Detroit is the most expensive city to own and operate a car, according to Runzheimer International, a management-consulting company based in Wisconsin that specializes in employee reimbursement costs. Detroiters pay an average \$5,894 for auto insurance alone each year. In all, operating expenses such as gas, tires, oil, maintenance and ownership costs such as insurance total \$11,844 for city residents. Having a car is a major expense that is out of the question for many.

Lon Rubenstein, 46 and disabled, was interviewed at

a Save-a-Lot market, where he had ridden his bicycle. “These prices are ridiculous,” he said. “I live on \$600 a month. I have to use a bicycle to get around. I just can’t afford gas to put in my car. So, it is either eat or pedal a bike.”

Lon said he barely gets by; putting money away for a rainy day or retirement, he said, is out of the question.

### **More people taking public transportation**

Nationally, there has been a vast increase in the number of people taking public transportation, with some areas witnessing standing-room-only crowds on light rails and buses.

The two Detroit-area bus transportation systems have also seen sharp increases in ridership during the recent period. The suburban bus system SMART (Suburban Mobility for Regional Transportation) has experienced a 6.5 percent increase and currently transports 44,000 passengers a day. The Detroit Department of Transportation (DDOT) has also seen a 7 percent increase in daily passengers and now carries 140,000 passengers a day compared to 130,000 a year ago.

According to SMART’s general manager, Hayes W. Jones, mass public transportation is seeing the highest number of passengers in 50 years. “For many families, having one car—let alone two cars—is a luxury in this economy,” said Jones. “The price of gas is a huge deficit for most families.”

James Canning, a spokesman for Detroit’s Mayor Kwame Kilpatrick, told the WWS, “I attribute part of it [increase in passengers] to gas prices.” He added, “Part of it is also because Mayor Kilpatrick did a lot to improve services by bringing in 200 new buses.”

Public transportation in the Detroit metropolitan area is pathetically underfunded and inadequate. To answer his critics, Canning has pointed to plans by the city government to initiate a new light rail system to provide better transportation within two major routes of the city.

While there is little likelihood the funding for such a system will be developed, what is never mentioned is the deliberate policy by General Motors to shut down the former public rail system to force workers to purchase cars for transportation.

A federal court ruled in 1949 that GM, Firestone Tire, Standard Oil of California and others conspired to supplant electric rail lines with gasoline and diesel buses as a way to force the public to buy cars. The

court found that GM had worked to replace more than 100 transit systems in 45 cities including Detroit and Los Angeles with bus lines that were deliberately inadequate. The policy has persisted to this day, with the public paying for an inefficient, expensive and environmentally destructive policy aimed at boosting the auto industry’s profits.

The WWS interviewed several workers in downtown Detroit who decided to ride the bus because the cost of driving their cars was too high.

Mary Witherow, a bank worker, told us, “As of May I decided to take the bus.... They cut our overtime, so I couldn’t afford to get to work.”

“Where I work, the parking structure has gone up \$100 a month since November,” said Witherow. “So, between that and the cost of gas, I just couldn’t afford to drive.”

When she was asked if there were many more people in the same situation, she responded, “Yes, a lot. Five other people taking the bus with me in the morning said they started recently for the same reason. I started taking it because I knew that it would only get worse.”

William, a medical driver living in Clinton Township, a suburb northeast of Detroit, said he also began taking the bus because of the high gas prices. “Wages are the same, gas prices are going up, everything is going up, so it is cheaper for me to take the bus than to use my car.” The bus ride from Clinton Township to downtown Detroit is an hour’s ride each way. Driving was almost the same. “I had to cut back,” William explained.

Expressing a widely felt sentiment in the working class about the Bush administration, William said, “The present administration, under George Bush, the government just doesn’t care about poor people.” The Democrats, William added, were not doing anything either.

*To be continued*



To contact the WWS and the  
Socialist Equality Party visit:

**[wws.org/contact](http://wws.org/contact)**