

# Historian Says Motor City's Problem Began in '50s

by Gerald Scott  
Editor  
U.S. Auto Scene

Perhaps the most startling statistic put forward by historian and author Jack Lessenberry in his speech about the Motor City's fortunes in the 1950s is this: back in 1951, about 51 percent of all the cars in the world were built not just in Southeast Michigan – but actually within the borders of the city of Detroit.

Shockingly, today, that figure is down to under 2 percent of the world's annual new vehicle output because the two remaining final assembly auto plants in Detroit – GM Hamtramck and Chrysler Jefferson – together produce "only" about 600,000 units of the 55 million cars and trucks still built worldwide every year.

How the mighty city has fallen.

Otherwise, in a speech entitled, "Detroit in the 1950s: Freeways and Fears Below the Surface," and given at Macomb Community College's Lorenzo Cultural Center, Lessenberry was able to tie a number of historical, social and industrial trends together to help put forward the notion that the city's recent decline actually started back then.

Of course, the 1950s both in Detroit and nationwide are remembered nostalgically as the fun, carefree, post-war years, but in Detroit many local economic fissures and fractures began as the city's postwar population began its slide from about 1.9 million residents to today's 713,000.

"The real problem in Detroit, the real reason Detroit began to decline . . . the real culprit was geography, the coming of the freeways (usurping neighborhoods such as Paradise Valley), but there was something else," Lessenberry said.

"From the 1920s to the 1940s, there were two fast-growing cities in America: Detroit and Los Angeles. Detroit, because of cars, Los Angeles because of (climate). At the time, most experts thought Detroit had the edge.

"Why? Because of (access to fresh) water. We had the water, we had the infrastructure, we had the factories, we had the trained manufacturing people, we were the industrial powerhouse of the world."

Lessenberry went as far as to declare that the city's actual high point came on July 28, 1951, when the city celebrated its 250th birthday and President Harry S. Truman came to town to give a celebratory speech in downtown Detroit.

In fact, Detroit and its domestic auto industry celebrated a number of milestones in that era, including the city's 250th birthday, the 50th anniversary of the greater auto industry (1896-1946), the 50th anniversary of the Ford Motor Co. (1903-1953) and the 50th anniversary of General Motors (1908-1958).

Various big street parades, speeches and other celebrations marked those notable anniversaries and milestones.

He tied Detroit's social decline to a number of factors, including so-called "white flight," which would later be exacerbated by the 1967 Detroit riots, the loss of manufacturing jobs starting with the closing of the big Packard plant on Detroit's east side back then, among other complex social and geographical factors.

"But Detroit had a problem – it was not elastic," he said. "Detroit could not expand its borders – it couldn't annex vacant fields and lands the way Los Angeles and San Diego and even Toledo were able to do and to some extent, still

do. Why? Because Detroit, by 1926, was up against county lines and other incorporated cities.

"Detroit added its last parcel of land in 1926 and it stayed there ever since."

Another key factor in the larger decline, he said, was the opening of the sprawling Northland Mall in Southfield in 1954, which would add to the eventual death knell of downtown retailers such as Hudson's, Kern's, Crowley's and other familiar local retail names that are now part of history.

With the opening of Northland, those living in northern Detroit, or any of the older, ring suburbs nearby – including Southfield, Ferndale, Royal Oak and Warren – now suddenly had less reason to visit or spend their money downtown.

"There was nothing like it in the world," Lessenberry said. "What was unique about it was that it had the world's largest, paved shopping center parking lot, room initially for 7,500 cars. So long to shopping downtown. Downtown stores had no place to park. Freeways also made it easy to get to (suburban malls)."

The fracturing of Detroit that so famously played out by the 1980s – when the Hudson's huge downtown store first closed and the decline of downtown became so pronounced – through to today, first began to play out in that era, he said.

"During the 1950s, the portion of Wayne County outside of Detroit added 400,000 people. Detroit, for the first time in its history, lost population. (But) Oakland County almost doubled, went from 396,000 to 690,000 (between 1950 and 1960)," Lessenberry said.

"Macomb County more than doubled – Macomb County had 184,000 people in



PHOTO: GERALD SCOTT

Local historian and Wayne State professor Jack Lessenberry described the rise and fall of the auto industry in a talk entitled, "Detroit in the 1950s: Tailfins, Freeways and Fears Below the Surface," at MCC's Lorenzo Center.



PHOTO: GERALD SCOTT

Visitors check out the scale-model car collection that's part of the "1950s" history exhibit currently running at Macomb Community College's Lorenzo Cultural Center in Clinton Township.

1950 and 405,000 by 1960. And Warren was recognized as the fastest-growing city in the nation. It grew in terms of territory to be sure, in 1950 (as a township), it had 400 people but then it had 100,000 people

by the end of the decade."

In many instances, and perhaps most instances, the rapid growth seen in Warren, Sterling Heights, Livonia and Southfield came at Detroit's expense as the city center

emptied out and, in turn, the suburbs bulged.

And it's all linked back to this series of intertwined social, economic and industrial events dating back to the 1950s, he said.

## Ford Brings Fiesta Classic to India

CHENNAI, India – Legends are known to reinvent themselves for a new beginning.

After establishing a strong foothold in the Indian market by winning over 100,000 customers, Fiesta – the legendary sedan from Ford – is set to better its success story in the B segment with the new "Fiesta Classic."

The Fiesta Classic will address a much broader customer base with two new trims – LXI and CLXI.

With this upgrade, the Classic becomes more attractive and affordable to customers as the petrol variants start at Rs. 549,030 (ex-showroom, Delhi) and diesel variants at Rs. 648,000 (ex-showroom, Delhi).

In its new form, the much acclaimed sedan will be available to more customers who now can experience the Fiesta Classic's superior drivability, aesthetic styling and best-in-class fuel efficiency with an all new interior package.

"With a proud and loyal customer base, the Fiesta has been one of the mainstays of our product brand portfolio in India. With the elegant Fiesta Classic's thrilling on-road dynamics, refreshingly classy new interiors and proven frugality, we invite more customers to experience and benefit from the additional new variants we are offering with our classy product," said Michael Boneham, managing director and president, Ford India.

The new Fiesta Classic retains its core characteristics of surefooted balance on the road, responsive steering and compliant suspension.

Its reputation as a driver's car is enhanced by its refined, trusty and proven 1.6 Duratec and 1.4 Duratorq powertrains. These powertrains deliver on the optimum mix of gripping performance and frugal fuel consumption.

The elegant new Fiesta Classic gets a refreshingly classy new interior with Ebony and Jasper Blue colored instrument panel, a new center and floor console finished in Graphite Metallic, new seats with soft-feel fabric and enhanced dual-tone door trims.

In addition, all the product variants will display the "Classic" moniker and will be available in a striking new body color – Colorado Red. It is offered in both petrol and diesel engine options across three variants – LXI, CLXI and SXI to suit growing customer re-

quirements.

Thrilling performance and fuel efficiency are signature attributes of the Fiesta Classic, which customers have been experiencing and enjoying throughout their ownership. This was proven once again by delivering 30 kmpl with the diesel and 20 kmpl with the petrol, as per a cross-country drive undertaken by a leading automotive magazine.

Recently, Fiesta was ranked highest by TNS for Customer Satisfaction in the "Midsize Segment," in their latest Automotive 2010 India Total Customer Satisfaction (TCS) study.

In addition to the new Colorado Red, customers can choose from the existing six color options – Moondust Silver, Diamond White, Panther Black, Sea Grey, Morello, and Chill.

Encouraged by the existing Fiesta Classic, Endeavour and The Figo's remarkable success and popularity, Ford India plans to bring the all-new global premium sedan Fiesta into India later this year.

This is part of its strategy to bolster Ford India's portfolio with eight new models by the middle of the decade.

## General Dynamics Poster Display Recalls Cold War, 'Atoms for Peace'

by Gerald Scott  
Editor  
U.S. Auto Scene

There is a neat adjunct of interest to the main "1950s" historical exhibit at MCC's Lorenzo Cultural Center in Clinton Township of late.

It seems that one of the side-rooms connected to the larger "The 1950s: Affluence and Anxiety in the Atomic Age" exhibit is dedicated to a series of corporate posters from General Dynamics promoting the old "Atoms for Peace" program.

Note that "Atoms for Peace" was an actual U.S. government program that distributed nuclear technology, materials and know-how to many cultures with less advanced research than the U.S. enjoyed in the 1950s.

The catchphrase was first used by President Eisenhower to help take the threats and fear out of atomic energy and nuclear power – this began only a decade following the atomic bombings of Hiroshima and Nagasaki – and thus Atoms for Peace was born.

General Dynamics, a post-war defense supplier formed in 1952, participated by creating and distributing a series of highly stylized "Atoms for Peace" wall posters, and these are now on display together with the 1950s history exhibit at

the Lorenzo.

"During the mid-1950s and stretching into the 1960s and beyond, the Cold War entrenched itself in the lives of Americans and others around the globe," the GD poster exhibit explains.

"The American Eagle and the Russian Bear glared at each other across the polar ice cap while an aura of suspicion and mistrust continued to grow between the superpowers.

"(Meanwhile), in the mid-1950s, General Dynamics President John Jay Hopkins wanted the public to see the company's dedication to peace through scientific exploration and research.

"He commissioned artist Erik Nitsche to create a series of posters called, 'Atoms for Peace,' to exhibit at the International Conference on Peaceful Uses of Atomic Energy held in Geneva, Switzerland, in August, 1955."

Swiss-born artist Nitsche was an ad agency artist of note from that era.

He came to the U.S. in the 1930s, first designed movie sets and later worked for various magazines as well as serving as art director for Saks Fifth Avenue, the fashion retailer.

"In 1950, Nitsche went to work for an advertising agency in Connecticut that handled

the General Dynamics account," the exhibit further explains.

"Here, GD's Hopkins found him."

So it was Nitsche who created this stylized series of wall posters, ones that put the phrase, "Atoms for Peace," into a variety of global languages, including Russian/Cyrillic.

If there's an irony to the phrase – much less to the posters – perhaps it's that as the people of Japan are learning today the hard way, so to speak, atomic or nuclear "atoms for peace" can nonetheless become a double-edged sword even long after the Cold War has ended. Talk about "Anxiety in the Atomic Age," indeed.

The General Dynamics poster series is set among the Lorenzo Center's larger 1950s history exhibit, which examines everything from the polio health care crisis to the Cold War and arms race, to social and cultural trends.

At the exhibit, there is a classic 1950s home "air-raid shelter" of the type suburbanites built who were expecting nuclear warheads from the Soviet Union to land anytime soon.

The exhibit's last keynote speaker will be President Eisenhower's granddaughter Susan, who will talk on May 6.

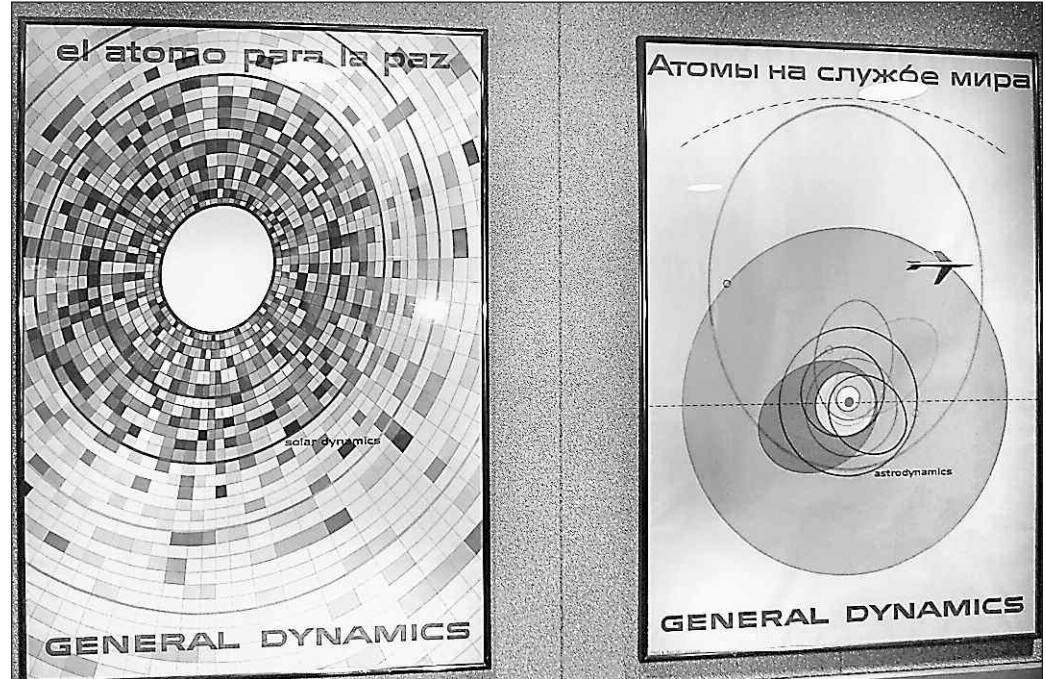


PHOTO: GERALD SCOTT

General Dynamics' 1950s "Atoms for Peace" poster series is on display at MCC's Lorenzo Cultural Center in Clinton Township. The stylish posters promoted the peaceful use of atomic energy.

## U.S. Economy Finally Gets Some Good News: Unemployment Rate Is Dropping

By JEANNINE AVERSA  
AP Economics Writer

WASHINGTON (AP) – The nation's unemployment rate dropped to its lowest level in two years in March, and the outlook is brightening as major companies plan to add more jobs.

Increased hiring cut the unemployment rate to 8.8 percent – an encouraging sign for the unemployed and for President Barack Obama's re-election prospects.

Still, the job gains haven't led many people who stopped looking for work during the recession to start again. Fewer than two-thirds of American adults are either working or looking for work – the lowest participation rate in 25 years.

The economy added 216,000 jobs last month, the government said Friday. Factories, retailers, the education and health care sectors, and professional and financial services all expanded payrolls. Those gains offset layoffs by local governments, construction and telecommunications.

The improved outlook propelled the Dow Jones industrial average to a 2011 high in early trading. Stocks then pared their gains as oil prices climbed to 30-month highs. The Dow closed up about 57 points, or 0.46 percent.

The private sector added more than 200,000 jobs for a second straight month. It was the first time that's happened since 2006 – more than a year before the recession started.

And it could mark a turning point in job creation. America's largest companies plan to step up hiring in the next six months, a March survey of CEOs found. Google, Siemens

Corp. and Ford Motor Co., among others, have said they plan to add workers.

Economists expect the stronger hiring to endure throughout the year, producing a net gain of about 2.5 million jobs for 2011. Even so, that would make up for only a small portion of the 7.5 million jobs wiped out during the recession. The economy must average up to 300,000 new jobs a month to significantly lower unemployment.

The unemployment rate has fallen a full percentage point since November, the sharpest four-month drop since 1983. Stepped-up hiring is the main reason. But a more sobering factor is that the number of people who are either working or seeking a job remains surprisingly low for this stage of the recovery.

People without jobs who aren't looking for one aren't counted as unemployed. Once they start looking again, they're classified as unemployed, and the unemployment rate can go back up. That can happen even if the economy is adding jobs.

Just 64.2 percent of adults have a job or are looking for one – the lowest participation rate since 1984. The number has been shrinking for four years. It suggests many people remain discouraged about their job prospects even as hiring is picking up.

A falling unemployment rate is vital for Obama, who is 19 months from a re-election vote and facing a lineup of potential Republican challengers who will make his stewardship of the economy the dominant issue.

President Ronald Reagan had low job-approval ratings in his first term, when unemployment surged to 10.4 per-

cent. By Election Day 1984, the unemployment rate had sunk to 7.2 percent. Reagan won a landslide victory.

"Although we got good news today, we have to keep the momentum going," Obama told workers at a UPS shipping facility in suburban Maryland. "There are still millions of Americans out there that are looking for a job that pays the bills."

Just 15 percent of Americans surveyed in mid-March said the economy had improved in the past month, according to an Associated Press-GfK poll.

That's a sharp decline from January, when 30 percent said so.

And 28 percent said the economy would worsen. It's the largest percentage to say so since the question was first asked in December 2009.

"It's good for Obama that unemployment is falling," said Terry Madonna, a political scientist at Franklin & Marshall College in Pennsylvania.

"But ultimately, what voters care about is whether this recovery is helping them. Can the kids go to college? Can I pay the mortgage? Can I take a vacation?"

Even those who are working have less spending power than they did a year ago. Wages were flat in March. And over the past 12 months, they've trailed inflation. Workers have scant bargaining power to demand raises because the job market is still healing only slowly.

Job growth is getting no help from local governments, which cut 15,000 workers last month while wrestling with budget shortfalls. They are expected to keep shedding jobs.