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The Perceived Effects of Increased Fuel Prices

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Introduction

This project, "Perceptions About the Causes and Effects of Increasing Fuel Prices," seeks to understand the attitudes of major newspaper editorials concerning the increase of fuel prices. A content analysis of various newspaper editorials from the New York Times, Washington Times, Wall Street Journal, and the Washington Post was conducted to gain an understanding of the attitudes and predictions these writers put forth concerning the increase in the price of fuel.

Some of the areas this study focused on included what the writer’s attitude was, what were the attributions of and consequences of increased prices, and what was the main thesis of the editorials. Over the last few years, especially the last summer, many of my friends, family, and acquaintances had to make major changes to their driving and spending habits because of increasing fuel costs and their attitudes concerning them were wide-ranging. In one case, a college junior was no longer able to afford enough gasoline to drive to her job. How was she supposed to earn enough money to cover tuition now?

Many drivers I have discussed this with were angry, if not furious, at the steady increases. They often complained about oil companies, refineries, and dealers inflating the prices or deliberately withholding supplies to increase their profits. Even when prices decreased for times they still maintained that, in the long run, oil companies were trying to manipulate the economic laws of supply and demand to enrich themselves. Some also chose to place some of the blame on the government saying that the U.S. government and policy makers had failed to adequately regulate fuel companies and dealers. A few, though not as many, chose to blame U.S. consumers for demanding too much fuel. If Americans cut back on their consumption they claimed price levels would be alleviated.

However, other consumers went in the opposite direction and were more easy-going.
Though inconvenienced by the price increases they were calmer and collected, sometimes even laughing about it. Most of them did not place blame on any given group but simply chalked the increases up to the laws of supply and demand. Even those who did place blame on oil companies or the government did not get nearly as worked up as the preceding group. There were also consumers in-between these two groups who were upset over the increases but not really angry. They only occasionally voiced how much they did not like the increases and while they did not make light of the situation they did not try to affix blame or became noticeably angry or upset.

Each consumer also had methods of dealing with the new increases. Two or three of my family members who have had to buy new cars over the past five of years have purchased hybrid cars. One or two relatives traded in the gas-only cars in exchange for hybrids. Many of my friends have bought smaller and more fuel-efficient cars or have at least tried to find various ways of getting better gas mileage out of cars they already own. Those family and friends who live in states where gasoline costs relatively more tend to have a somewhat angrier attitude about the increases and take more measures to compensate for them than those who live where fuel is cheaper.

By performing a content analysis on editorials from major newspapers (located in the northeastern United States) that focused on the effects of highly volatile gas prices, a better understanding can be gained of how American public opinion may be led with respect to rationalizations of this market. Sociological theory will be employed to understand the varied positions journalists take in their editorial forums.
Literature Review

To understand the effects of increasing fuel prices one must also understand the basic principles of how price increases can come about and how the fuel industry functions in general (production, distribution, government regulation, etc...). Looking back on past price increases and their consequences may provide insight in the price increase America faces in the present.

In *Gasoline Prices and Competition* (1966), Fleming discusses the production, distribution, and pricing of gasoline. He begins by noting all of the major refineries within the United States and goes on to describe the strengths and weaknesses of the various transportation methods available to the gasoline companies. Fleming takes care to note that the entire distribution center is connected and that a miscalculation or sudden change in demand could tie up or confound large portions of the network, drastically affecting the supply and price of gasoline in the given region. He also describes the intense competition among the oil companies, the difficulties involved in pricing gasoline, and how large-scale suppliers interact with local dealers.

Fleming also notes the difficulties the government faces in attempting to regulate the oil industry. Much of the legislation is confusing and contains loopholes. Though this book contains information relevant to my project, the specific facts may be too dated to use directly in my research. Also, Fleming focuses more on the supply side of the gasoline economy (production, shipping, etc...) and less on the consumer side.

In *Social Economy and the Price System* (1950), Bye begins by explaining the role of economics in society. An efficient economy is necessary to distribute scarce resources to satisfy human wants and needs as much as possible. Those who provide the most valuable work (the work that produces the products most demanded by consumers) will receive the highest income.
Though this system creates inequality it is the most efficient. Bye describes the economic principle of “Surplus Utility” and how companies seek to maximize profit by producing their goods at minimal cost. He goes on to describe the advantages of perfect competition; though it is not fully achieved its principles are still relevant to improving pricing efficiency. In a system with perfect competition, no one producer has enough market power to affect the overall price of a good. A good deal of the material in this book focuses on how consumers earn income and how market forces, input costs, and anticipation of future circumstances affect the current price of a given good.

In *Competition, Ltd.: The Marketing of Gasoline* (1972), Allvine examines how competition among the gas companies serves as a price regulator. Companies usually try to compete through “non-price” tactics (selling gas credit cards, attempting to build brand loyalty, etc...) rather than lowering prices. If a dealer lowers the price by a few cents they risk starting a price war which will endanger the profits of all dealers in the region. Dealers realize they can all charge a higher price if each company keeps its prices within one or two cents of each other rather than trying to undercut one another. Because the gasoline industry is an oligopoly, the large firms can buy up small companies instead of competing with them.

Allvine describes how government attempts to regulate the gasoline industry usually causes more harm than good. He argues that because gasoline companies try to avoid price competition (and because the gas industry is an oligopoly), success in the industry is not necessarily linked to progressive or efficient management but rather to control over the market. Though the gasoline industry must still cater to the customer to some degree, the inelastic demand for gas allows them to set relatively high prices.

The article “Economics and the Pump: Does ‘Anti-Price Gouging’ Legislation Really
Help Gasoline Consumers?” (2004) by Cary Deck examines how government legislation affects the gasoline industry. Deck lists the three at the center of the high gasoline price controversy: zone-pricing, divorcement, and the fact that prices increase faster than they decrease. In zone-pricing, refineries set different wholesale prices for retailers that operate in different geographic regions. Companies say they do this to help the retailers remain competitive; however, legislatures accuse them of price-gouging in the more remote areas. Deck’s results indicate that zone-pricing does more good than harm. It costs more to transport fuel to isolated areas and higher prices are needed to offset the increased cost. Uniform pricing laws usually lead to companies setting a price that captures part of the profit in the isolated areas. Thus, the prices in more central areas (which used to cheaper than isolated areas) are now higher than necessary.

Divorcement laws prohibit refiners and retailers from being vertically integrated; that is, refiners can not own and operate retail gasoline stations (once again for the fear of price gouging). In reality however, divorcement raises costs. The retailers must add a markup on the refiner’s price to ensure they can make a profit, hurting consumers. Deck also notes that though prices increase faster than they decrease most studies he examined indicate that the asymmetry is short lived. He concludes that gasoline legislation can not keep up with the complex and intricate detail of the industry and often has undesirable affects.

In the article “The Family Life Cycle and Preferred Policies for Gasoline Conservation: A Conjoint Analysis,” (1983) Tashchian examines how couples in the different stages of the “family life cycle” react to possible regulations on gasoline consumption. First, Tashchian defines the stages of the cycle (those who are unmarried, married with no children, married with young children, married with older children, etc...). Respondents in the various groups were asked if they would support various policies that limit the consumption of gasoline (shutting off
pumps for certain time periods, raising prices, a tax on cars that have low fuel efficiency, etc...). Though none of these policies have been instituted they serve to measure how much the respondent is willing to sacrifice to purchase gasoline.

After compiling and analyzing the data, Tashchian describes his findings. Young singles are less supportive of conservative measures than young married couples (with or without children). The young marrieds are the most concerned with conservation while older married couples (either with an older child or children that have grown up) are the least likely to support conservative policies. Tashchian hypothesizes that the young married couples, especially with young children, have a more interesting home life than the other groups and don’t mind consuming less gas to leave the house. The older groups without children have less exciting home lives and require fuel to go out.

In “A Thirst for the Road, $3 Gas?” (2006) Raabe examines several consumer responses to the increasing price of gasoline. He notes that, though the price of gasoline has gone up, it hasn’t kept up with the increasing costs of living. After adjusting for inflation we see that gasoline cost more in 1981 than it does in most areas in the United States today. Raabe also explains that U.S. gasoline prices are still very cheap when compared to many Europe countries where the government tax on gas is much higher. He does note; however, that rising fuel costs will not affect only motorists but airline companies, construction costs, and the prices of consumer goods.

Though some consumers may try to travel less frequently or buy smaller cars if they chance to need a new vehicle there has not been a drastic decrease in the amount of gas purchased. Unlike price increases of the past, gas goes up by a few cents every week or month rather than a larger amount over a few days. Because the increase is more subtle and spans out
over a long period of time Raabe suggests that consumers may be less aware of the overall change and better suited to adapt to the increase.

In *Going Shopping* (2001), Satterthwaite examines how the retail sector has grown over time and affects consumers and communities that interact with it. She also describes the affects different types of retailing centers may bring about. For example, smaller, slower-paced centers may serve as a common meeting place where citizens can have repeated interactions with one another. They may not care so much about purchasing goods but rather the social interaction. Larger, faster-paced stores may have fewer opportunities for interaction and the citizens become more focused on purchasing goods. Thus the faster and less personal a store is, the more important the price of the good becomes in gaining customers.

Satterthwaite also describes how becoming a consumer can affect one’s view of themselves. By purchasing luxury goods, or even being around large quantities of them in a store, consumers can view themselves as increasingly prestigious. However, this attitude often leads many into debt as they attempt to live beyond their means. How consumers see themselves can drastically affect their lives.

Lahart, in “Some Consumers Curb Upscale Buying,” (2006) explains how higher gasoline prices have changed consumer spending habits. Though some consumers reduce the amount of gas they purchase, travel less, or buy more efficient cars, many can not completely offset the increased costs of higher gas prices in their budget. Consumers may reduce their spending on other luxury goods to compensate by eating out less, buying less expensive clothing, etc… Gasoline is a crucial good for many consumers in developed nations and is inelastic in nature. Thus a change in gasoline price can easily ripple out and affect many other areas of a consumer’s life.
In *Oil Prices and Competition* (1953), Fleming begins by describing how many consumers think that gasoline companies conspire together to set higher prices than necessary to increase their profits. However, this is not the case. Different retailers can have similar prices without collusion. If a retailer sets their price too far above his fellows he will earn more money per gallon sold but will lose customers. If he sets his price too far below he will gain more customers but will suffer reduced income on each gallon sold. Because of these restraints a retailer only has a limited range in which to set his price. Thus multiple retailers can set similar prices without communicating with one another.

Fleming goes on to explain how the transportation costs of gasoline adds to the overall price (thus entire geographic regions may have to pay higher prices, not because of collusion, but because of transport). Gasoline retailers face fierce competition; however, they rarely set their prices more than one or two cents lower than their competitors lest they spark a price war. Rather, they use non-price competition, such as gas credit cards and discounts, and attempt to build brand loyalty among consumers.

Kleit, Andrew, in “Impacts of Long-Range Increases in the Fuel Economy (CAFE) Standard,” (2006) examines how increasing the CAFE fuel-efficiency standards would affect gasoline producers and consumers. The aim of the CAFE standards is to decrease the amount of gasoline demanded by the United States (thus lowering its price) by making automobiles more efficient. Automotive producers that do not meet the CAFE standards are fined. However, CAFE is not without its costs. Gasoline is a highly taxed good, so any reduction in demand would decrease the income of the U.S. government. Though the U.S. is a major consumer of foreign oil, many other countries across the world are also in the market. Kleit notes that decreases in the U.S. demand for oil may not influence the international market enough to lower
the price of gasoline.

After running his model, Kleit concludes that raising the tax on gasoline would be more cost-effective than raising the CAFE fuel-efficiency standards to save the same amount of fuel. If taxes increase the price of gas increases and demand will fall (even though the gasoline is an inelastic good demand will still decrease to an extent). However, if cars are more fuel efficient, many Americans will choose to travel more often rather than reduce their spending.

In “Gasoline and Crude Oil Prices: Why the Asymmetry?” (2000) Brown describes why gasoline prices increase faster than they decrease. Many consumers place the blame on monopolistic market forces caused by the gasoline industries; however, that is not the case. Brown argues that firms are quick to raise prices because they know, based on past experience, that their competitors will raise their prices under the same circumstances. If each firm in the industry increases its prices by about the same amount they can all increase their profits. Firms are reluctant to lower their prices too fast for the same reason they do not keep their prices low when they know their competitors will raise theirs; they do not want to seem like they are trying to undercut their competition and risk starting a price war.

This article gives insight into how gasoline consumers behave and view the gasoline companies. If prices start to rise a little, consumers will purchase a great deal of fuel in the short run because they fear prices will increase more and gas will be more expensive the next week. Purchasing fuel increases demand, causing price to increase more. This self-fulfilling prophecy is part of the reason prices increase so quickly.
Sociological theory may be used to rationalize market changes with respect to gas prices. Structural functionalism and Marxism offer rival explanations for the marked increase in fuel costs. The structural functionalist position would offer that though increasing costs may be inconvenient for many consumers, and disastrous for a few, ultimately the shift is functional for society at large. If gasoline prices did not rise to compensate for lower supplies and higher demand, many gasoline companies, drilling operations, refineries, and fuel distributors could face bankruptcy.

Even if they did not go bankrupt, if any single firm in the fuel industry failed to keep up with the market price of fuel it would suffer from lower profit margins and may have to lay off workers to compensate, increasing unemployment. In the long run fossil fuels can not last forever. As the earth’s population and technology increase demand for fuel will continue to rise while supplies will continually be diminished. Increasing fuel costs have already prompted several firms, and governments, to look at the possibility of creating or expanding other sources of energy (such as hydro-electric, wind, and solar energy). Though it may take time and financially strain many consumers, increasing fuel costs may help spur technological advances that help humanity make the necessary move from finite, diminishing fossil fuels towards energy sources that are more permanent and reliable.

Marxism, by contrast, might offer that there is something more sinister at hand. As fuel costs increase, the lower classes will face a far greater strain than the upper classes. Not just gasoline, but home heating and electricity will become increasingly difficult for lower classes to afford exacerbating the situation for those already at risk for poverty. Nation-state governments must be able to help lower classes cope with this strain or risk increasing political instability.
Should the gap between the rich and the poor become too great and the lower classes unable to afford the high price of fuel; social unrest may flare up. Many consumers may blame the fuel corporations for the price increase (whether or not it is actually their fault) and think they are being manipulated so the corporations can enrich themselves and thus further cement their position as full-fledged members of the ruling class. These two theories have been applied to the newspapers used in this analysis to gain an understanding of how the editorial writers perceive the causes and responses to the increase in fuel costs.
Methodology

The methodology of this study consists of a content analysis of newspaper editorials concerning increasing fuel prices. The unit of analysis in this study is the individual editorial, five from each paper included in the sample. The sources for the analysis are drawn from newspapers published in the United States including the *New York Times*, *Washington Times*, *Wall Street Journal*, and the *Washington Post*. The *New York Times* and *Washington Post* reflect a more liberal ideology while the *Washington Times* and *Wall Street Journal* reflect a more conservative ideology. By having editorials from both ideologies this analysis provides a more balanced view of how the fuel price increase is perceived. All four papers are large enough to cover national and international news and can be found on-line. All four papers are located in the northeastern section of the country; the writers all address similar conditions; if they lived in different sections of the country widely varying regional differences would make finding credible results more difficult.

The editorials provide insight into which variables do the best job explaining how and why different groups of consumers are affected by fuel price increases. Editorials from 2004 to 2007 (as opposed to only 2006 to 2007) were selected so that the analysis would have a broad coverage of the fuel price increase. Some of the dates used were based on necessity; they were the only instances editorials specifically addressing the issue of increasing fuel prices in adequate detail could be obtained.

The variables I examined include the emotional tone of the editorial, what it attributes the increase to, what it views as the consequences and intensity of the increase, how long the increase will last, and what should be done in response to it. I cataloged the characteristics of the editorials and the ways in which they have been affected.
Criteria and Coding

The following are the criteria used for coding the editorials in the content analysis:

Emotional Tone, Attribution of Increase, Recommended Consumer Response, Intensity of
Increase, Duration of Increase, and Calls for Change. These are the aspects that will be
examined for discovering how the writers perceive the fuel price increase. Under each criterion
is its coding mechanism; a list of categories that each editorial will be placed into as it concerns
that particular criterion. Thus the editorials may be compared to one another on these bases.

Emotional Tone- the primary emotion the writer expresses to the reader concerning the subject of
increased fuel prices:

Anger (often uses harsh or attacking statements)
Indifference
Anxiety (expresses worry or concern)
Mistrust (of consumers, government, or companies)

Attribution of Increase- what the editorial writer perceives as the cause of the price increase:

Supply and Demand (power of the market place)
Monopoly power of companies (companies artificially inflating prices)
President Bush (not good at managing the economy, incompetent, etc…)
Corrupt politics (receiving contributions from oil firms in return for aid, etc…)
Middle Eastern nations (withholding supply to inflate price)

Recommended Consumer Response- what the writer most strongly recommends readers to do in
order to compensate for higher fuel prices:

Have bought a new car (a more fuel-efficient one)
Have sought to increase fuel efficiency (in their current automobile)
Have less money to spend on other luxury goods (to have more money to spend of fuel)
Have attempted to conserve energy in the home
General feeling of instability (there is nothing certain to be done; no universal method to deal
with the increase)
Intensity of Increase- the direction prices will go in the future:

- Will increase more still
- Will stabilize as it is now
- Will lower some over time (but never go all the way back down)
- Will drop back to prices as they were before the initial increase

Duration of Increase- how long the prices will move in the direction the editorial predicted:

- Will continue indefinitely
- Will last several more years
- Will last several more months
- Will cease any day now

Calls for Change- what the writer says should be done on a national or inter-national scale to respond to the price increases:

- Do nothing (the market will work things out on its own)
- Increase government regulations (more control over companies)
- Decrease government regulations (less control over companies)
- Research alternative fuel sources (coal, ethanol, solar, etc...)
- Minimize fuel consumption
- Correct corruption (stop politicians from favoring oil industries)

*note: The results will indicate what the editorial writers think is true, not necessarily what is actually true

These criteria were significant in the editorials reviewed. Consumers’ and producers’ emotions, as well as how long and intense they predicted the fuel price increase will be, heavily influenced how they tried to adapt to the increases and how they reacted to those they held accountable for the increase.

The New York Times and Washington Post are large newspapers (and can be found online) that reflect a more Liberal ideology. The Washington Times and Wall Street Journal reflect
a more Conservative ideology. By having papers from both ends of the spectrum the analysis provides a balanced picture of how writers in general view the fuel price increase.

Presentation of Data

The following are examples to show how the code was applied to an editorial:

Anger: “Complacency reigned. Americans embraced the notion that cheap gasoline as a ‘right’ that, if impaired, must be blamed on greedy oil companies…or some sinister conspiracy” (Cheap Gas is a Bad Habit, 2005, 1; Washington Post).

Indifference: “Without a doubt, mankind can find ways to push back these constraints on global growth with market-driven innovation on energy supply, efficient use of energy, and pollution clean up…but we probably can’t push them back indefinitely…” (The End of Ingenuity, 2006, 2; The New York Times).

Anxiety: “Once again, the price of oil is making Americans nervous…our most critical goal in enhancing our energy security is to maintain a stable price for oil” (Praying at the Pump, 2007, 1; The New York Times).


Supply and Demand: “What no one in Washington is likely to admit, however, is that there isn’t much that anyone can do in the short term to alter a commodity price dictated by the laws of global supply and demand” ($60 Oil, 2005, 1; Wall Street Journal).

President Bush: “The worst kind of policy actually smothers price signals. Both President Bush and Congress are promising to rescue consumers from $3 gasoline…only discourages them from adapting” (An Opportunity in Oil, 2006, 1; The Washington Post).

Corrupt politics: “Both countries [the U.S and China] are rife with corruption that the United States has been trying to help mitigate…America’s laudable goals are, at best, wistful thinking…” (The Circle of Crude, 2006, 2; The New York Times).

Have sought to increase fuel efficiency: “…higher pump prices would push reluctant auto companies and American drivers away from today’s gas guzzlers” (Cheap Gas is a Bad Habit, 2005, 1; Washington Post).
Have attempted to conserve energy in the home: “While a warmer-than-normal winter helped American households partly dodge the heating-cost bullet, the average residential price for natural gas...was still 125 percent higher than it was six years earlier” (Supply and Demand, 2006, 1; The Washington Times).

General feeling of instability: “…few people can adjust their lifestyles to reduce their oil consumption significantly in response to price shocks” (Praying at the Pump, 2007, 1; The New York Times).

Less luxury money: “…consumers, by modifying their behavior, protect or enhance their well-being in ways not captured in economic statistics” (Prosperity Amid the Gloom, 2006, 2; The Washington Post).

Purchase new car: “Any motorist truly intent on burning less gasoline…could have found a vehicle that produces mileage as good or better than the Prius’s” (Who’s Afraid of Toyota?, 2007, 1; The Wall Street Journal).

Will increase more still: “Demand has skyrocketed…has not been met with increased production” (What’s Up with Oil, 2004, 1; The Wall Street Journal).

Will continue indefinitely: “In the long term…we are going to have to develop cars that need no oil, or learn to live with the risks of the global market” (Praying at the Pump, 2007, 1; The New York Times).

Will continue years: “It’s going to take a long time…to keep total gasoline consumption constant, average fuel efficiency must improve roughly by 50 percent…we should be able to do this” (Cheap Gas is a Bad Habit, 2005, 2; Washington Post).

Decrease government regulations: “In the long run, the government can lift restrictions on domestic production of oil and natural gas in Alaska and offshore” ($60 Oil., 2005, 1; Wall Street Journal).

Research alternative fuel sources: “Perhaps the most urgent step, if humankind is going to return to coal as its major energy source, is to figure out ways of safely disposing of coal’s harmful carbon dioxide” (The End of Ingenuity, 2006, 3; The New York Times).

Correct corruption: “But dealing with the effects will require strong and savvy diplomacy. President Bush blew the chance to make that point…” (The Circle of Crude, 2006, 1; The New York Times).

Increase government regulation: “Hence the need for a stiff oil tax. Government needs to foster a market for fuel efficiency” (Cheap Gas is a Bad Habit, 2005, 2; The Washington Post).

Do nothing: “Over time the voice of the market is rational, credible and therefore a potent instrument for changing behavior” (Prosperity Amid the Gloom, 2006, 2; The Washington Post).
Minimize fuel consumption: “...for energy conservation to break the old mold of ever-increasing demand...Americans have cut energy use during time of crisis” (Suddenly, It’s Hip to Conserve Energy, 2004, 1; The New York Times).
Findings:

The New York Times

Five editorials each from the *New York Times, Washington Post, Wall Street Journal,* and *Washington Times* were examined in this study. The *New York Times* editorials tended to have an emotional attitude of indifference and argued that price increases are caused by the natural economic forces of supply and demand. Most editorial writers from the *New York Times* do not mention any major life changes they’ve made because of the increase but do express a sense of general uncertainty about what will happen if/when the price increase continues (appendix 1).

The *New York Times’* most frequent suggestion for change is to research alternative fuel sources thus lowering the overall cost of fuel in the long run. However, one editorial (“Suddenly, It’s Hip to Conserve Energy,” 2004) did suggest minimizing fuel consumption to lower the intensity of the price increase and another (“The Circle of Crude,” 2006) said that doing correcting political corruption was the solution; inefficiencies caused by politicians looking after their own interests ahead of the nation’s were increasing the cost of gasoline (appendix 1).

In the five *New York Times* editorials, under the criteria of “emotional tone,” three editorials were coded as “indifferent,” one as “anger,” and one as “anxiety.” Under the criteria of “attribution,” four editorials were coded as attributing the increase to “supply and demand” and one to “political corruption.” Under “recommended consumer response,” three editorials were coded for “general instability,” one for “increase fuel efficiency,” and one for “conserve energy at home.” Under “intensity,” all five editorials were coded as “increase more,” and under “duration” four editorials were coded as “indefinite” and one for “years.” Lastly, under “calls
for change," three editorials were coded for “alternative fuel,” one for “correct corruption,” and one for “minimize fuel consumption” (appendix 1).

The Washington Post

*The Washington Post* editorials have one of each of the emotional overtones used in this analysis. It argues that supply and demand are mostly responsible for the price increase, but also that President Bush’s decisions play a significant role. Its editorials mention increasing the fuel efficiency of one’s vehicle and spending less money on luxury goods as ways of adapting to the price increase. As with the *New York Times*, most *Post* writers predict that the increase will last indefinitely; the minority predict it will still last several years at least (appendix 1).

The *Washington Post* also supports a wide range of changes. Each editorial has a different suggestion including: do nothing (market forces will work it out), increase government regulations, decrease government regulations, research alternative fuel sources, and correcting political mistakes (appendix 1).

In the five *Washington Post* editorials, under the criterion of “emotional tone,” one mistrusted the government, one mistrusted consumers, one was coded as “indifferent”, one as “anger,” and one as “anxiety.” Under “attribution,” three were coded as “supply and demand” and two were coded as “President Bush.” Under the criteria of “recommended consumer response”, two were coded as “general instability,” two as “increase fuel efficiency,” and one as “less luxury money.” Under “intensity,” every editorial was coded as “increase more” and under duration four were coded as “forever” and one as “years.” Finally, in “call for changes,” one was coded as “do nothing,” one as “correct corruption,” one as decrease government regulations, one as “increase government regulations, and one as “alternate fuel” (appendix 1).
The Wall Street Journal

*The Wall Street Journal* almost always expresses a tone of mistrust for the Federal Government and once had a tone of anger. All of the *Wall Street Journal* editorials argue the increase is a result of supply and demand in the market place. Most of the writers at the *Journal* either increase fuel efficiency or lessened the amount of money they spent on luxury goods to compensate for the higher fuel prices (appendix 1). All of the *Journal* editorials predicted that the price of fuels would increase indefinitely and that the best change that could be made would be to decrease government regulation in the market place.

In the five *Wall Street Journal* editorials, under the criteria of “emotional tone,” four editorials were coded as “mistrust government” and one as “anger.” Under “attribution” all five were coded as “supply and demand.” Under “recommended consumer response” three were “general instability,” one was “purchase new car,” and one was “less luxury money.” Under the criteria of “intensity” all five editorials were coded as “increase more” and under “duration” all five were “forever.” Under “calls for change” four were coded as “decrease government regulations,” and one as “alternate fuel” (appendix 1).

The Washington Times

*The Washington Times* usually has an emotional overtone of anger or of mistrust directed toward the government. Three of its editorials argued supply and demand were the cause of the increase while two claimed government corruption was to blame. Most editorials indicated that spending less luxury money was a good way to deal with the increase or that there was no sure way to deal with it; a sense of instability permeates throughout the nation. Though all the writers predict that prices would continue to increase, only two of them thought it would be indefinite.
Three predicted the increase would only last a matter of years. Researching alternate fuels is the *Washington Times*’ primary suggested method of lowering fuel costs; however, correcting government corruption was a close second (appendix 1).

In the five *Washington Times* editorials, under the criteria of “emotional tone,” two were coded as “anger,” two as “mistrust government,” and one as “indifferent.” Under “attribution,” three were coded as “supply and demand” and two as “political corruption.” Under the criteria of “recommended consumer response,” two editorials were coded as “less luxury money,” two as “general instability,” and one as “conserve energy at home.” Under “intensity,” all five editorials were coded as “increase more” and under “duration” two were “forever,” and three were “years.” Lastly, under the criteria of “calls for change,” three were coded for “alternate fuel” and two for “correct corruption (appendix 1).”

**Comparison**

Every editorial in the content analysis argues that the price of gasoline will continue to increase. All of them argue the increase will last at least a number of years; most predict it will continue indefinitely. The majority of editorials from each newspaper attribute the increase in fuel prices to supply and demand. The editorials were reasonably objective. Though each writer had their own ideas concerning the increase in fuel prices they used data to back them up, not hearsay and guesswork.
Variance

The majority of the New York Times editorials have an emotional tone of indifference while the Washington Times and Wall Street Journal editorials tend to express a mistrust of the government. The Washington Post editorials have a wide variety of emotional tones, no two of which are the same (mistrust government, mistrust consumers, indifference, anger, and anxiety). The majority of the New York Times and Wall Street Journal editorials argue that general instability is the primary consequence of increasing prices. The Washington Post editorials are split evenly between general instability and increasing fuel efficiency (with one advocating spending less money on luxury goods). The Washington Times editorials are split evenly between general instability and spending less money on luxury goods (with one editorial supporting conserving energy at home).

The majority of the New York Times and Washington Times editorials argue that researching alternate fuels is the solution to increasing prices. All but one of the Wall Street Journal editorials advocate lowering government regulations. The Washington Post editorials each call for a different response (do nothing, correct corruption, decrease government regulations, increase government regulations, and research alternate fuels).
Conclusion

In this study, editorials from the New York Times, Washington Post, Washington Times, and Wall Street Journal concerning the rise of fuel prices were analyzed. Six main areas were coded for: the emotional tone of the editorial (anger, indifference, anxiety, or mistrust), what the increase was attributed to (supply and demand, monopoly power of firms, President Bush’s actions, corrupt politics, or the actions of Middle Eastern nations), the recommended consumer response of the increase (buy a new car, increase fuel efficiency, spend less money on luxury goods, conserve energy at home, or not being sure how to deal with the increase on a permanent basis and living with a sense of instability), the intensity of the increase (will increase more, will stabilize, will fall but not all the way, or will return to previous levels), the duration of the increase (indefinite, years, months, or will end any day), and what should be done to change it (nothing as natural market forces will control the situation, increase or decrease government regulation, research alternative fuel sources, minimize fuel consumption, or correct corrupt politics).

The majority of the New York Times editorials have an emotional tone of indifference, argue that the consequence of increasing fuel prices is general instability, and claim that the solution is to research alternative fuels. The majority of the Washington Times editorials express anger or mistrust of the government, argue that general instability and spending less money on luxury goods are the recommended consumer response of increased prices, and that researching alternative fuels is the solution.

The Washington Post editorials each have a different emotional tone (mistrust government, mistrust consumers, indifference, anger, and anxiety), the majority is split between arguing that general instability or increasing fuel efficiency is the primary consequence of price
increases, and each editorial advocates a different solution (do nothing, correct corruption, decrease government regulations, increase government regulations, and research alternate fuels). The majority of the Wall Street Journal editorials express a mistrust of the government, argue that general instability is the primary consequence of increasing prices, and advocate lowering government regulations.

Application of Theory

Four major papers were used in this analysis. The New York Times and Washington Post represented the liberal point of view while the Washington Times and Wall Street Journal represented the conservative point of view. From the Functionalist perspective, everything in society works towards keeping some sense of equilibrium and enforces social norms. Consumers' behavior and social institutions are all smaller parts of the whole of society and all work to maintain the norms and values in a society. Even things that are seen as negative can work for the stability of society (for example, crime may seem like a deviation but in reality it serves to create jobs for police officers and all those in the justice system and can serve to enforce social norms and values from being an example of how one shouldn't behave).

However, from the Marxist point of view, the marketplace is not to be entirely trusted and should be regulated by the government. If left unchecked, the market will be controlled by monopolies and large, powerful firms that will seek to hurt the consumer to enrich themselves.
Functionalism

The Functionalist perspective would say that supply and demand would take care of the increasing cost of fuel. The price increase does not mean something is wrong with the way things are being run; rather, it will guide consumers and firms to seek the most logical and cost-effective solutions to the problem. Nothing should be done by the government; the market forces alone will guide society to the best solution to this problem, be it alternative fuels, increasing the supply of oil, or becoming more fuel efficient and conservation-minded. The Wall Street Journal strongly supports the argument that supply and demand are the source of the price increases and that government interference is a bad idea; the market will work everything out. The Washington Times, another conservative paper, also argues that supply and demand are at work here and that the government will only corrupt the advancement of society; the market should be left alone.

Marxism

The New York Times, a liberal paper, largely attributes the price increase to supply and demand; however, rather than decreasing government regulations, the Times suggests that research alternative fuels is the solution to the problem. The market alone should not be trusted; the government should have a hand in the matter and promote alternative fuels if industries do not.
The Washington Post, though a liberal paper, takes a very moderate stance in this situation. Its editorials attribute the increase to supply and demand but also to President Bush's actions. In each of its editorials there is a different suggestion as to changes that should be made. One says to increase regulation while another says to decrease it; one says to address political corruption while another says to do nothing and let the market work everything out.

Overall, Functionalism seems to be the most held to view. Though not all writers agree on how to deal with the price increases, most are inclined to say that natural supply and demand, rather than government corruption or companies creating monopolies, are the cause of the fuel price increase (appendix 1). Though spending less money on luxury goods and increasing fuel efficiency are suggested ways of dealing with the increase, the majority of editorials do not mention a universal way to deal with the increase. Each individual consumer should find their own methods based on their personal financial situation; since there is no cure-all for the increase a sense of general instability will permeate the country until a solution is found.

Every editorial argues the increase will continue; some for years, most forever (appendix 1). The conservative Wall Street Journal maintains that decreasing government regulation is critical and that the market will find the best solution. The liberal and moderate papers largely argue that researching alternative fuels is the answer and that, as Marxism suggests, the government should not be corrupted by corporate influences but should serve to keep the economic markets in check and look after the welfare of the consumer (appendix 1).
The New York Times editorials tend to have a liberal standpoint and argue that supply and demand within the international economy are the primary causes of fuel price increases. Researching alternate sources of fuel is the best way to adapt to the problem of price increases.

The Washington Post, the second liberal paper, takes a moderate stance. Its editorials maintain that supply and demand are the leading causes of price increases but suggests a wide range of solutions. The Wall Street Journal editorials also supported the claim that supply and demand are the source of the price increase. The editorials took a conservative stance and argued along functionalist lines. Decreasing government influence over the marketplace would help lower fuel costs. The market should not be controlled by the government and will work to lower costs more efficiently without interference. The Washington Times, a conservative paper, argued that supply and demand and government corruption were the causes of the price increase. Researching alternate fuels and correcting the government corruption are the most effective methods of responding to price increases. Each set of editorials provides different arguments for the causes and solutions to increasing fuel prices. Understanding each writer’s arguments may help consumers adapt to increasing fuel costs and use fuel in a more efficient manner.
### Appendix 1

Content analysis results

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<td>Anger (1)</td>
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<td>Anger (2)</td>
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<td>President Bush (2)</td>
<td>Political Corruption (2)</td>
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<td>Less Luxury Money (1)</td>
<td>General Instability (2)</td>
<td>Purchase New Vehicle (1)</td>
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<td>General Instability (2)</td>
<td>Conserve Fuel At Home (1)</td>
<td>Spend Less Luxury Money (1)</td>
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<tr>
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Bibliography


