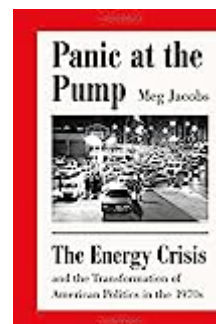


H-Net Reviews

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Meg Jacobs. *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s.* New York: Hill and Wang, 2016. 371 pp. \$35.00 (cloth), ISBN 978-0-8090-5847-1.



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Commissioned by Tammy Nemeth

Meg Jacobs's *Panic at the Pump* arrives at an auspicious moment. Many of the political discussions around energy problems today—the expansion of offshore drilling, the promotion of renewable energy and biofuels, concerns over the safety of nuclear plants, increased fuel efficiency standards, reduced power plant emissions—are similar to those from the 1970s, and they beg for historical comparison and context. We are due for a thorough reexamination of US energy politics and policy during that tumultuous decade.

Unfortunately, the book's subtitle promises more than it delivers. Jacobs is concerned mainly with the politics of oil and gas price controls, or more precisely, the political discourse surrounding them. This is a capable study as far as it goes in this direction. But it glosses over many of the vital energy questions of the day, ignores the interface between politics and policy, and has little to say about how the business and technology of energy development interacted with politics and policy.

Jacobs is *really* interested in price controls. Her 2007 book, *Pocketbook Politics: Economic Citizenship in Twentieth-Century America*, centers on how the US Office of Price Administration used price controls and rationing during World War II to arrest inflation and raise

consumer purchasing power. *Panic at the Pump* moves forward in time to examine the political struggles over controls on domestic oil and gas prices and emergency fuel allocations, or rationing, introduced by President Richard Nixon in the early 1970s. It narrates the debates between "conservatives," who wanted immediate and complete deregulation of prices, and "liberals," who supported government intervention. These debates lasted until 1981, when President Ronald Reagan fully lifted controls and allocations. Free-market reformers, Jacobs argues, used the energy crisis to shift American politics to the right and bring an end to the New Deal order. This is a plausible if not entirely new argument. The author's selected focus and evidence, based largely on national news publications and presidential library collections, does not clinch it.

In discussing price controls and fuel allocations, Jacobs neither describes how they worked nor assesses their economic impact. Phase IV price controls, imposed in August 1973, were "mind-bendingly complicated," according to *Time* magazine, and "piled confusion on top of complexity."^[1] The program introduced a maximum price formula for "old" oil (from wells already producing), but allowed "new" production and imports to sell at higher international market prices. Prices for old oil

were permitted to rise periodically, but not in step with world prices. Crude oil price increases, meanwhile, could not immediately be passed through to refined products, such as gasoline. The Cost of Living Council, which managed the program, allowed gas price increases once a month, usually during the first week, to accommodate rising world prices. As the end of each month neared, gas station owners anticipated a price hike and thus shut their doors or restricted sales until the new price took effect. Refiners, too, reduced output at the end of the month so they could charge wholesalers a higher price. This was the underlying cause of gas lines before and after the Arab embargo, which began in October 1973, but not something included in the book.

Jacobs provides an interesting account of the often overlooked truckers' strikes of 1974 and 1979 and the outrage caused by the notorious gas lines. She does not explain, however, why truckers were particularly disadvantaged. This resulted from the Emergency Petroleum Allocation Act (EPA) passed in late November 1973, which assured gasoline allocations to certain consumers and regions at a level based on what they received in 1972. In a tight market under this scheme, supply fell out of line with geographic changes in demand. To complicate matters, a priority system guaranteed fuel for agriculture, sanitation services, emergency services, and others at 100 percent of their 1972 base allocation. Truckers often found themselves at the end of the line, needing to refuel in places where allocations did not meet demand.

At one point, Jacobs poses the question that headlines the book: "What created the panic at the pump?" (p. 79). But she does not offer a definitive answer. She is more interested in the partisan political maneuvering brought on by the panic than on its causes, effects, and resolution. The narrative relies too heavily at times on quotations from politicians, often taken from published news stories. We never witness what happened behind the scenes, beneath the public pronouncements, where the real deal-making happened. One would expect the sections on the Nixon administration, for example, to have incorporated energy discussions from the hours upon hours of White House tapes.

Many of the big energy issues that helped shaped American politics in the 1970s receive little or no attention. The Trans-Alaska Pipeline (TAP), which was arguably the nation's most contentious energy issue in 1973 before the Arab embargo, appears only fleetingly. Jacobs fails to recognize that shipments of Prudhoe Bay

oil through TAP, beginning in 1977, went a long way toward alleviating US supply constraints and ending the energy crisis by the early 1980s. Senator Henry "Scoop" Jackson is a key liberal figure in the book, but readers will not learn about the fine political line he walked as both a champion of TAP and the author of the National Environmental Policy Act (NEPA). The pipeline became both the first major test of NEPA's environmental impact-assessment process and a conduit for delivering a significant amount of oil to refineries in Jackson's home state of Washington. Having angered environmentalists with his support of the pipeline, Jackson tried to make up for it in January 1974 with a grandstanding attack on oil companies' "obscene profits." This was not enough to save his chances for the 1976 Democratic presidential nomination.

There are other omissions. Jacobs overlooks the Public Utility Regulatory Policy Act (PURPA), part of the National Energy Act of 1978, which she dismisses as a "series of half measures" (p. 190). But PURPA was significant. It opened the door to competition in power generation, not as a part of a free-market deregulatory agenda but as a conservation effort to introduce cogenerated electricity (produced from recycled heat in industrial plants) into the grid. Similarly, the subject of offshore oil disappears after a short discussion of the 1969 Santa Barbara oil spill, despite the fact that offshore legal and regulatory reforms, which balanced a pro-development approach in the Gulf of Mexico with increasing restrictions on offshore drilling elsewhere, made for serious political drama that endures today. A couple lines about the 1979 film *The China Syndrome* are about the extent of the coverage of nuclear energy. In general, there are few oil and gas or utility company actors in the book, even though executives and their lobbyists spent a lot of time in Washington, DC during the 1970s. This book is about ideological politics, not interest-group politics.

Jacobs understands that the central political dilemma created by the energy crisis of the 1970s was the tension between the drive for energy independence and the push for greater environmental protection and conservation. *Panic at the Pump* ultimately provides little insight into the ways in which this dilemma was resolved or remains unresolved. In the conclusion, Jacobs offers no historical lesson to draw from the price control politics of the 1970s that occupies much of the book. Instead, she brings up modern debates about fracking, climate change, and renewable energy without clearly connecting those debates to the preceding pages.

A complete accounting of the energy crisis and the transformation of American politics will require a more comprehensive investigation than what is presented in this study. In addition to research in national periodicals and presidential library materials, it will require heavy lifting in federal agency records, Nixon White House

tapes, congressional hearings, and industry trade literature, and it will need to pay as close attention to the energy sector as it does to national partisan posturing.

Note

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