

Meg Jacobs. *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s.* New York: Simon & Schuster, 2017. 384 S. \$18.00, paper, ISBN 978-0-8090-7507-2.

Reviewed by Rüdiger Graf

Published on H-Soz-u-Kult (April, 2017)

In her new book with the catchy title “Panic at the Pump,” Meg Jacobs is less interested in the energy crisis of the 1970s than in the transformation of American politics during that decade. She meticulously describes how a group of young Republicans in the Nixon and Ford administrations and later under President Reagan tried to overcome the legacy of the New Deal Order, arguing for deregulation and leaner government structures. For them, the field of energy was an ideal territory to push through their agenda, as it was heavily regulated with oil import controls and fixed prices. The brisance of Jacobs’ book results from the fact that the names of its central protagonists sound very familiar from the 1990s and early 2000s. She follows the rise of George H. W. Bush from Texas to the head of the CIA in the second half of the 1970s and to the vice presidency and then presidency in the 1980s. Bush was closely aligned with Donald Rumsfeld who was Ford’s chief of staff before becoming secretary of defense, re-entering the Pentagon under Bush’s son from 2001 to 2006. Rumsfeld’s successor as chief of staff was the young Richard Cheney who would later become secretary of defense under Bush the elder and vice president under Bush the younger. According to Jacobs, in the 1970s they worked consistently with a group of other politicians and government experts to “shift economic policy to the right” (p. 21). Together with Alan Greenspan, who became chairman of the Council of Economic

Advisers under Ford, and William E. Simon, who was first Nixon’s energy czar and then Ford’s secretary of the treasury, they argued that the energy crisis was largely caused by government intervention in the energy sector and could be solved by deregulation. Whereas Nixon had set a goal of energy independence, which could be achieved by either conservation or increased production, Jacobs argues that George H. W. Bush accepted U.S. oil dependence and tried to secure influence in the Gulf region (p. 300), which Jimmy Carter had already declared vital to U.S. interests.

The book’s biggest strength is Jacobs’ detailed chronological account of the presidents’ attempts to grapple with the energy crisis and the severe partisan conflicts over energy legislation in Congress. Based on her thorough understanding of American politics and an extensive reading of archival and published sources, Jacobs offers nuanced and well-written portraits of the essential figures in U.S. energy policy-making during the 1970s and on into the 1980s, explaining their motives and strategies. While her narrative of the Nixon and Ford administrations is very dense, it becomes more superficial and conventional for Carter, while Reagan functions as a contrasting epilogue. Above all, however, she understands the debate over energy not simply on its own terms but rather as a debate over the structure of the economy, over regulation and deregulation. Examining the media discourses on energy, Jacobs

also succeeds splendidly in conveying the sense of crisis that captured many people at the time. In particular, her detailed study of “Nixon’s not-so-silent majority” and the very vocal and aggressive protests of the truckers, who had been a Republican core constituency, adds to our knowledge of the first oil crisis (pp. 74–85). In her account, the oil crisis appears as the pivotal event of the 1970s, “wreaking havoc on politics, on the economy, and on daily life” in the United States (p. 85). Quoting Nixon’s advisers approvingly, Jacobs even describes OPEC’s (Organization of the Petroleum Exporting Countries) oil price increases together with the Arab oil embargo against the United States as an “energy Pearl Harbor” (p. 3). She argues that its impact was as big as that of the Great Depression, but had the opposite consequence as it led to deregulation and government cutbacks (p. 129).

Repeating these contemporary assessments, however, runs the risk of exaggerating the importance of the oil crisis as a causal factor in the transformations of the 1970s. As Jacobs shows in other parts of her book, the oil crisis was a highly salient event that easily lent itself to justifying a variety of political opinions and decisions. In order to be useful, however, it had to be constructed as an important watershed by contemporaries. Yet it remains highly questionable whether the oil embargo really shifted “international geopolitical power to the Third World,” causing a “devastating psychological shock” (pp. 54, 115), as Jacobs claims – though without actually developing the argument. After all, the attempts of the Group of 77, a coalition of developing nations within the UN, to use the momentum of the oil crisis in order to achieve a New International Economic Order failed.

Despite the fact that the oil crisis was a global phenomenon, Jacobs interprets it from a very narrow national perspective in which domestic partisan issues seem to trump all other considerations. Mistakenly, she explains right at the beginning

that the oil embargo was announced by the Arab members of OPEC and not, as was actually the case, by the Organization of Arab Petroleum Exporting Countries (OAPEC). Arab and other producing countries’ interests are virtually absent from the book as are the U.S. diplomatic strategies, both bilateral and multilateral, to counter the crisis. The architect and main communicator of the embargo, the Saudi Arabian oil minister Sheikh Yamani, appears only three times, even though he became a highly visible figure in Western media during the embargo. Moreover, the United States was not the only target of Arab petropolitics in 1973/74; OAPEC also announced production cuts against Western European countries and Japan in order to pressure them to exert a pro-Arab influence. This caused a serious disruption in the Western alliance at a time of détente – the Cold War was not “raging” in the 1970s as Jacobs claims – but British Prime Minister Edward Heath is the only leading European politician who is mentioned in the book – and only once.

Every book needs to have a regional focus and it may seem unfair to accuse Jacobs of not having included other countries and perspectives. Yet, it is difficult to conceive of a “definitive history of the energy crisis of the 1970s,” as the publishers advertise the book, being written from a national point of view. In addition, a broader perspective might have produced a more nuanced picture even of the political developments in the United States. In her book on the oil crisis, Jacobs is most interested in the debate over price controls, which the Republican President Richard Nixon introduced and the Democrat Jimmy Carter abolished, slightly sped up by Ronald Reagan. As an introduction to the complicated price-control system, however, I would still recommend Richard H. Vietor’s *Energy Policy in America since 1945: A Study of Business–Government Relations*, Cambridge 1984. She reconstructs the conflict over the regulation of the energy sector as a largely ideological battle between “conservative” advo-

cates of a free market and “liberal” supporters of regulation. At no point does Jacobs actually discuss the question of whether the regulation of the energy market did indeed contribute to the energy problems in the United States. Rather, she sees “supply-side evangelists” on the march and identifies Milton Friedman as the hidden godfather of an ideological crusade against regulation (pp. 103–106). Yet, European energy experts and even social democratic politicians did not need Milton Friedman to argue that artificially low prices for oil products in the United States prevented more effective energy conservation, which, in turn, might have helped to ease the energy crunch. As Jacobs herself acknowledges, Jimmy Carter was in favor of decontrol because he saw higher prices as encouraging energy conservation (p. 165ff.). Hence, the connection between decontrolling energy prices and a broader agenda of deregulation and marketization appears to be much looser than Jacobs claims in her otherwise very recommendable book.

If there is additional discussion of this review, you may access it through the network, at <http://hsozkult.geschichte.hu-berlin.de/>

Citation: Rüdiger Graf. Review of Jacobs, Meg. *Panic at the Pump: The Energy Crisis and the Transformation of American Politics in the 1970s*. H-Soz-u-Kult, H-Net Reviews. April, 2017.

URL: <https://www.h-net.org/reviews/showrev.php?id=49627>



This work is licensed under a Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 United States License.