Shocked: "Energy Crisis" and Neoliberal Transformation in the 1970s

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Introduction: Levittown Ablaze

It would be difficult to find a landscape that represents the suburban boom of postwar American capitalism more than Levittown, PA.[1] Constructed by the famous suburban developers Levitt and Sons the development housed several white families –the attempt of a black family to move to the neighborhood in 1957 ignited a race riot[2] – whose male breadwinners worked in a nearby U.S. Steel factory. Levittown was the expression in landscape form of the postwar class accord between capital and labor that began to disintegrate in the 1970s. Thus, in 1979 the eruption riots in Levittown, PA can be seen, in the words of one historian, "symbolically marking the close of the postwar period" (341).[3] In the wake of the Iranian revolution and ensuing gasoline shortage, what one columnist called, "The Great Levittown Gas Riots of 1979"[4] was spurred on Saturday June 23rd by a convoy of independent truckers who converged on the Five Points intersection in Levittown (which contained 4 gasoline stations) to publicize their nationwide strike. The strike – one of many truckers' strikes during the 1970s – demanded "more fuel at lower prices, and a higher speed and load limits."[5] Equally frustrated over gasoline shortages and long lines at the pump, "scores of enthusiastic Levittowners line the streets to cheer on the convoy."[6] When one trucker who fired up the crowd was taken to the ground and beaten by police, the once peaceful protest turned quickly violent. Different accounts number the protesters between 1,500 and

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[1] Levittown, PA was a follow up from the first (and perhaps more iconic) Levittown planned community on Long Island. The second version actually responded to many critiques of the drabness of the first community. "Determined to avoid the monotony and regimentation of their original Long Island suburb, the Levitts paid particular attention to the communal design of their Pennsylvania suburb through such features as small, compact neighborhoods with curvilinear streets, irregular-shaped sections, and extensive trees and landscaping that created a 'park-like setting'" (58). See, David M. Anderson, "Levittown Is Burning! The 1979 Levittown, Pennsylvania, Gas Line Riot and the Decline of the Blue-Collar American Dream" *Labor* Vol. 2, no. 3 (2005): 47-66.

[2] See, Lizabeth Cohen *A Consumer's Republic: The Politics of Mass Consumption in Postwar America* (New York: Knopf, 2003), 217-218.

[3] Chad M. Kimmel, "No gas, my ass!": Marking the end of the postwar period in Levittown" in, *Second Suburb: Levittown, PA*, ed. Dianne Harris (Pittsburgh, PA: University of Pittsburgh Press, 2010), 340-353.

[4] Terry Nau, "Simo is Alaska Bound" *The Daily Intelligencer*, 27 June, 1979, p. 21.

[5] United Press International, "Truck strike having a hold on U.S. economy" *Galveston Daily News*, 24 June, 1979, p. 1.

3,000, who, "…torched cars, destroyed gas pumps, and pelted police with rocks and bottles."[7] As the police fought back brutally – many peaceful protesters were struck by clubs or bitten by police attack dogs – the protest combined rage over limits to gasoline with outrage over police brutality.[8] Chants erupted of "More gas now!" and "No gas, my ass!"[9]; both representing the popular refusal to accept limitations of gasoline which had more and more become seen as a necessity of everyday life. As one protester put it, "I'm frustrated by it all, like everybody else. We want to get gas without waiting in line."[10] Three weeks after the riots, Jimmy Carter delivered his famous "malaise speech" which blamed the stagflation and energy crises of the 1970s on a, "a crisis of confidence….as crisis in the growing doubt about the meaning of our own lives and the loss of a unity of purpose for our nation."[11] The speech of course came to symbolize the fall of Carter's presidency and the rise of Reaganism with its "optimism" about American might and refusal to accept the discourse of sacrifice.

The riot expressed the underlying contradictions of the postwar class consensus based on not only cheap oil, but also high wages, an increasing standard of living for middle-upper income blue collar workers, and exclusionary geographies of suburban white privilege. When oil was scarce working class consumers viewed it as just another threat to their way of life, along with attacks on wages and benefits in the workplace, demands of austerity from government, and escalating inflation. During the 1970s and into the neoliberal 1980s, more and more blamed this predicament on "big government" whose red tape and restrictions threated the freedom of average citizens. Of course, the solution to the shackles of big government was the market. As a historian of the 1970s put it, "Increasingly, all sorts of Americans, even those with dreams of radical reform, looked to the entrepreneur and the marketplace as the agent of

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[6] Anderson, 2005, 47.
[7] Andrew Tulley III, "Police placed at corner to prevent gasoline riot" *Frederick Daily Leader*, 26 June, 1979, p. 3.
[8] Patricia Wandling and Denise Foley, "117 arrested, 100 hurt in Bucks riots" *The Daily Intelligencer*, 25 June, 1979, p. 1, 2.
[9] See, Kimmel 2010.
[10] Quoted in, Kimmel, 2010, 347.
[11] Daniel Horowitz, *Jimmy Carter and the Energy Crisis of the 1970s: The "Crisis of Confidence" Speech of July 15, 1979* (Boston, MA and New York, NY: Bedford/St. Martin's Press, 2005), 111.

national progress and dynamic change."[12] While labor politics, government intervention, and energy were all seen as vital to the construction of "the American way of life" in the 1930s and beyond, during the 1970s it was precisely these forces that were suddenly constructed as problematic threats to that very way of life.

Popular understandings of the energy crisis tended to reinforce the shift to neoliberalism. If there was one utterance from the riot that reflects this larger popular interpretation, it was the quip, "No gas, my ass!" Poll after poll revealed that the majority of Americans believed the energy crisis was "fake" or "contrived" by a variety of forces including the oil companies (construed as monopolist profiteers), racialized oil sheiks, and government itself (through oil price controls).[13] Most believed that oil scarcity was not based in any physical limits but, was, as Ronald Reagan quipped in an OP-ED, a form of "politically inspired scarcity." [14] Thus, the energy crisis of the 1970s represented not as much a crisis of scarcity, but rather, as a *Fortune Magazine* editorial put it, "a crisis for the whole free market system." That is, the crisis centered upon a whole set of actors and institutions that were construed as the antithesis of the free and fair competition of the market.

Most Americans, however, were not concerned with abstract theories of supply and demand, but with a notion of "fairness" within the neoliberal logic of what I describe below as *entrepreneurial* life. A supplementary cultural politics that underlies such a view of "life" is the imaginary of an "even playing field" of competition wherein market subjects are assured that wealth and privilege only flows to those

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[12] Bruce Schulman, *The Seventies: The Great Shift in American Culture, Society and Politics* (New York: Free Press, 2001), xv.

[13] In an exhaustive study of various polling data, Richman concludes that, "the predominant view is that oil shortages have been contrived, particularly by the oil companies, to raise prices and profits" (576). For example, at the height of the gasoline line crisis in February 1974, one Roper poll revealed that only 18% of those polled felt the crisis represented a "real shortage", whereas 73% believe it was "not a real shortage" and 9% admitted not to know. Fast forward 5 years later at the height of the second oil shock in July 1979, and the numbers for each only varied slightly to 24%, 58% and 8% respectively. See, Al Richman, "Public Attitudes Toward the Energy Crisis" *The Public Opinion Quarterly*, Vol. 43, no. 4 (1979): 576-585.

[14] Ronald Reagan, "Op-Ed – Exploring New Energy Sources," *Long Beach Press-Telegram*, November 7, 1975, p. 22. Incidentally, Reagan's concept of scarcity sits comfortably close to a whole literature in radical geography and beyond that examines the social production of scarcity. See, Matthew Huber, "Enforcing Scarcity: Oil, Violence, and the Making of the Market." *The Annals of the Association of American Geographers* Vol. 101, No. 4 (2011: 816-826).

who work for and earn it. As Foucault states, "The society regulated by reference to the market that the neo-liberals are thinking about is a society in which the regulatory principle should not be so much the exchange of commodities as the mechanisms of competition...It is a matter of making the market, competition, and so the enterprise, into what could be called the formative power of society" (147-148).[15] Thus, an understanding of the rise of neoliberal political hegemony must grapple with the popular meanings of competition. The popular interpretation of the energy crisis was not only that it wasn't "real", but that it was unfairly rigged by a set of actors whose position in the market was both monstrous and unearned. The centralized and large organizational power over the market wielded by "Big Oil", "Big Government," and "Big OPEC," appeared discordant when compared to the decentralized, hardworking, taxpaying, suburban geography of everyday life epitomized by what Richard Nixon referred to as "The Silent Majority." Of course, this decentralized suburban geography was made possible through petroleum products, and the materiality of everyday social reproduction in American suburbs tended to reinforce an idealization of a free market. Thus, the rise of neoliberalism during the 1970s created a popular terrain of common sense around the construction of an *apolitical economy* wherein any visible form of power over the market – labor strikes, price controls, the redistribution of wealth – was construed as an unfair "political" attempt to capture wealth. Through the logic of entrepreneurial life the market must appear as an impersonal and decentralized geography of free and fair competition where the life chances of all individuals was negotiated through an even playing field. Before exploring this specifically neoliberal politics of the 1970s energy crisis it is necessary to provide some larger theoretical context on the debates over neoliberalism and historical context on the political economy of American oil production and consumption.

Theoretical Background: Energizing Neoliberalism

[15] Michel Foucault, *The Birth of Biopolitics: Lectures at the College de France, 1978-1979* (New York: Palgrave Macmillan, 2008).

We often think too much about the politics of energy – geopolitics, petro-states, oil spill regulation – and not enough about how energized practices prefigure particular forms of politics.[16] If the textbook definition of energy is the ability to do material work, I pose a different question – can energy do *political work*? More specifically, I aim to interrogate the role of petroleum products in both powering and provisioning neoliberal forms of common sense.

Neoliberalism can be seen as a specific hegemonic political formation. Antonio Gramsci's conception of hegemony calls attention to the ideological aspects of social power that produce forms of "common sense."[17] As Gramsci describes, "Common sense is not something rigid and immobile, but is continually transforming itself, enriching itself with scientific ideas and with philosophical opinions which have entered ordinary life."[18] Thus, consent is secured only through a fractious struggle to produce common sense sentiments that serve to reinforce existing power relations as natural and just. Yet, it is important not to succumb to an *idealist* theory of hegemony. As Raymond Williams makes clear, hegemony is best theorized as a material *lived process*:

> [Hegemony] is a whole body of practices and expectations, over the whole of living: our senses and assignments of energy, our shaping perceptions of ourselves and our world. It is a lived system of meanings and values.[19]

Of course, energy is central to any understanding of "ordinary life" or the "whole of living." Energy is the stuff of material life – the food, the fuel, the muscles, and the fire, soot, and smog emblematic of the fossil age. On the one hand, the geographies of life itself must be materially produced out of particular relations with energy – relations with food, heating fuel, transportation fuel, etc. On the other hand, these historically sedimented and energized geographies themselves produce a particular cultural politics of

[16] For a recent novel attempt to link fossil fuel with a historically specific vision of "democracy", see, Timothy Mitchell, "Carbon democracy" *Economy and Society*, 38 (2009), 399-432.
[17] Antonio Gramsci, *Selections from the Prison Notebooks* (New York: International, 1971).
[18] Gramsci, 1971, 326 footnote.
[19] Raymond Williams, *Marxism and Literature* (New York: Oxford University Press, 1977), 110.

"life."[20] The cultural politics of life focuses on how wider narratives make normative claims about particular modes of living as a universal model. The materiality and cultural politics of life always invokes historically specific forms of spatial practice entangled with normative visions of what constitutes "the good life."

In this paper, I aim to link the ecology of petroleum products to a specifically neoliberal cultural politics of life. Neoliberalism is understood as a coherent set practices, policies and ideas including free market ideology, deregulation, and the cutback of social services.[21] I offer two interventions to these debates. First, there has been a proliferation of accounts detailing the "neoliberalization of nature" – showing how neoliberal policies have, successfully, and unsuccessfully, commodified, privatized and marketized various realms of biophysical nature, such as, fisheries, wetlands and forests.[22] Yet, few have asked how nature-society relations are internal to the process of "neoliberalization" itself; a socio*ecological* process entangled within particular regimes of resource, energy, and waste production. Thus, I aim to shift attention away from the neoliberal politics of ecology (or nature) to a framework that considers the *ecology of neoliberal politics*.[23]

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[20] The focus on "life" is influenced primarily by Marx and Engels's *The German Ideology* where they situate "the real life-processes" as the central object of historical materialist inquiry. See, Karl Marx and Freidrich Engels, *The German Ideology* (New York: Lawerence and Wisehart, 1970), 47. Kathi Weeks has also recently called for a renewed Marxist politics of "life" against work. See, Kathi Weeks, Life within and against work: Affective labor, feminist critique, and post-Fordist politics," *Ephemera* 7 (2007), 233-249. A renewed interest in the politics of life has also emerged out of recent efforts to combine Foucault's insights on biopolitical subjectivities and Marx's critique of capital. The most famous of these is of course the work of Michael Hardt and Antonio Negri, *Empire* (Cambridge, MA: Harvard University Press, 2000). See also, Mauruzio Lazzarato, "The Concepts of Life and Living in the Societies of Control", in *Deluze and the Social,* eds., Martin Fuglsang and Bent Meier Sorensen (Edinburgh: Edinburgh University Press, 2006), Tiziana Terranova, "Another life: The nature and political economy of Foucault's genealogy of Biopolitics" *Theory, Culture, & Society*, Vol. 26, no. 6: 234-262. The most sustained philosophical elaboration of these ideas are laid out in, Jason Read, *The Micro-politics of Capital: Marx and a Pre-History of the Present* (Albany, NY: SUNY Press, 2003), 103-152. Overall, this perspective on "life" should be distinguished from an emerging literature on what Nikolas Rose calls "The Politics of Life Itself." Nikolas Rose, *The Politics of Life Itself: Biomedicine, Power and Subjectivity in the Twenty-first Century* (Princeton, NJ: Princeton University Press, 2006).

[21] See, David Harvey, *A Brief History of Neoliberalism* (New York: Oxford, 2004) and Jamie Peck, *Constructions of Neoliberal Reason* (New York: Oxford, 2010).

[22] See, Nik Heynen, James McCarthy, Scott Prudham, and Paul Robbins (eds.), *Neoliberal Environments: False Promises and Unnatural Consequences* (London: Routledge, 2007).

[23] Similarly, Jason Moore has argued that we need to not only focus on capitalism's effects on environment, but also theorize the ecology of capital, "Capitalism does not *have* an ecological regime; it *is* an ecological regime" (34).

Second, despite detailed accounts of neoliberalism's intellectual lineages, policy outcomes and resistance,[24] there is still little work explaining why neoliberalism succeeded as a *popular political project*. As David Harvey puts it, "Neoliberalism increasingly defines the common sense way many of us interpret, live in, and understand the world. We are, often without knowing it, all neoliberals now."[25] As Wendy Larner reminds us (511), the "complex appeal" of neoliberal tropes such as "freedom" and "choice" are not simply handed down by intellectual elites, but need to be understood as grounded in daily practices.[26]

In this particular paper, I will focus on the *transformative* politics of neoliberalism in the 1970s, but this moment only became possible after the groundwork was laid in the postwar period. A specifically *neoliberal* cultural politics of "life" *expanded* during the postwar period only to become hegemonic during the 1970s and beyond to the present. As postwar accumulation was materialized through the construction of vast sprawling suburban housing tracts, Keynesian ideas of government intervention and the social safety net were slowly transformed into an increasing politics of privatism. As many suburban historians have shown,[27] the political victories of the right in the United States (i.e. neoliberalization) depended upon the mobilization of a petty-bourgeois stratum of white suburban homeowners increasingly distrustful of government handouts, high taxes, and the redistribution of wealth.

See, Jason Moore, "Transcending the metabolic rift: A theory of crisis in the capitalist world ecology," *Journal of Peasant Studies* 38 (2011), 1-46

[24] Helga Leitner, Jamie Peck, and Eric Sheppard, (eds.), *Contesting Neoliberalism: Urban Frontiers* (New York: Guilford Press, 2006) and Kim England and Kevin Ward (eds.), *Neoliberalization: States, Networks, Peoples* (Oxford: Blackwell, 2007).

[25] David Harvey, *Cosmopolitanism and the Geographies of Freedom* (New York: Columbia University Press, 2009), 57.

[26] Wendy Larner, "Neoliberalism?" *Environment and Planning D*, 21 (2003): 509-512.

[27] Among the best studies of this phenomena include, Mike Davis, *Prisoners of the American Dream*: *Politics and Economy in the History of the American Working Class* (London: Verso, 1986), Thomas Edsall and Mary Edsall, *Chain Reaction: The Impact of Race, Rights and Taxes on American Politics* (New York: W.W. Norton & Co., 1991), Evan McKensie, *Privatopia: Homeowners Associations and the Rise of the Rise of Residential Private Government* (New Haven, CT: Yale University Press, 1994), Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton, NJ: Princeton University Press, 2001), and Matthew Lassitter, *The Silent Majority: Suburban Politics in the Sunbelt South* (Princeton, NJ: Princeton University Press, 2006).

Underlying the suburban geography of private homeownership is what Evan McKenzie refers to as an "ideology of hostile privatism."[28]

Here, as many have recognized,[29] Foucault's ideas provide a richer micro-political lens through which to view the macro-structural concept of hegemony. This suburban politics of life shows considerable overlap to Michel Foucault's 1978-79 lectures on neoliberalism recently published as *The Birth of Biopolitics*.[30] These lectures – given during the infancy of neoliberal hegemony – hold tremendous insight into the micro-politics of neoliberal subjectivity. In an ideal neoliberal society governed by competition, Foucault suggests that the "enterprise form" will dominate the social body. According to postwar German strands of neoliberal thought, the materialization of this enterprise form is assured through private property: "First, to enable as far as possible everyone to have access to private property….the decentralization of the places of residence, production, and management…"[31] This requires constructing a particular "politics of life", or *Vitalpolitik* as William Rüstow coined it, which means:

> …constructing a social fabric in which precisely the basic units would have the form of the enterprise, for what is private property if not an enterprise? What is the house if not an enterprise? …I think this multiplication of the 'enterprise' form within the social body is what is at stake in neo-liberal policy.[32]

Thus, the private homeowner runs their house like a business. So-called "responsible" homeowners construct a family budget tracking spending against revenue, make investments with savings and pensions, and maintain a healthy long-term relation with credit markets. Thus, it is up to the individual to make the right choices in the context of a competitive society.

[28] McKenzie, 1994, 19.
[29] See, Donald Moore, *Suffering for Territory: Race, Place, and Power in Zimbabwe* (Durham, NC: Duke University Press, 2005) and Mike Ekers and Alex Loftus, "The Power of Water: Developing Dialogues Between Foucault and Gramsci" *Environment and Planning D: Society and Space* 26 (2008), 698-718.
[30] Michel Foucault, 2008.
[31] Foucualt, 2008, 147.
[32] Ibid, 148.

Thus, the construction of a propertied mass of homeowners – an ownership society, as George W. Bush called it – creates a situation where your *own very life* is seen as a product of your entrepreneurial choices. Your investment in education, your hard work, your competitive tenacity, all combine to make a life – to *make* a living – for yourself. As is becoming more and more common, we hear that we are "the CEO of our lives." And, the product of a "successful" life is expressed through a set of material prerequisites– a home, a car, a family. Before examining how the oil crisis tended to reinforce this entrepreneurial construction of life, any political economy of oil must confront the ways in which the material and biophysical properties of oil are constitutive of petro-capitalism. In the 1970s, oil's exhaustibility and the uneven geography of deposits played a formative role in shaping the understandings of an oil induced crisis.

Fossil Fuels and the Specter of Exhaustibility

Ever since William Jevons classically posed *The Coal Question*, the politics of fossil fuels has always anxiously confronted the materiality of exhaustibility. As capitalism become more and more dependent upon fuels that were limited to stocks of subterranean deposits, the vexing predictive question of when we will start "running out" has recurred time and time again. In the United States, concerns amongst geologists about petroleum supplies date back at least to the 1920s and probably before, but the 1970s energy crisis witnessed an expansion of concerns with the finiteness of fossil fuels into the popular imagination.[33]

Most analysts consider the 1973 OPEC oil embargo as the signal moment of "energy crisis" with the quadrupling of oil prices, gasoline lines, and general geopolitical chaos.[34] Yet, the most important events perhaps happened earlier; or at least two events that guaranteed the OPEC oil embargo would have the particular effects that it did. First, hindsight reveals that 1970 was the peak of U.S. crude

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[33]Diana D. Olien and Roger M. Olien, "Running Out of Oil: Discourse and Public Policy, 1909-1929" *Business and Economic History* Vol. 22, no. 2 (1993): 36-66.
[34] The classic account is, Daniel Yergin, 1991, 543-680. Also see, Karen R. Merrill, *The Oil Crisis of 1973-1974: A Brief History With Documents* (Boston, MA and New York, NY: Bedford/St. Martins, 2007 and Horowitz, 2005.

oil production at 9.6 million barrels per day.[35] The US was the number one global oil producer up until the mid-1960s and, in fact, remains within the top three global producers up until the present day, but the US has never produced as much crude oil as it did in 1970. After the peak of US production became recognized for what it was, it vindicated petroleum geologist Marion King Hubbert who predicted as much in 1956.[36] Since this vindication, a whole cottage industry of peak oil theorists – and their detractors - have speculated and vigorously debated the impending peak of global oil production.[37]

Second, and related to this peak, 1972 marked the end of a postwar American capitalism based upon substantial oil production capacity. Indeed, it was the *overcapacity* of US production fields that sent oil markets into crisis in the 1930s, and necessitated the elaborate set of institutions to manage and curtail the production of oil in alignment with projected (and, incidentally, always increasing) consumer demand during the postwar period. In March of 1972 that the Texas Railroad Commission and the Louisiana Conservation Commissioner set all wells to 100% of their Maximum Efficient Rate of Recovery (MER).[38] The lack of spare capacity within the territorial boundaries of the US created great uncertainty within world oil markets, which depended upon the US – and specifically Texas – as the so-called "swing producer" who could step up production in moments of shortages.[39] The peaking of US production and disappearance of spare capacity came as an abrupt surprise. As Vietor recounts "Scarcely anyone

[35] Energy Information Agency, 2011, "U.S. Field Production of Crude Oil (Thousands of Barrels per Day) 1859-2011", < http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=pet&s=mcrfpus2&f=a> last accessed 23 August, 2011.
[36] Emma Hemmingsen, "At the base of Hubbert's Peak: Grounding the Debate on Petroleum Scarcity" *Geoforum* Vol. 41, no. 4 (2010): 531-540.
[37] Over the last decades there have been too many "peak oil" publications to count. Some of the most influential include, Richard Heinberg, The Party's Over: Oil, War, and the Fate of Industrial Societies (Gabiola Island, BC: New Society, 2003), James Kuntsler The Long Emergency: Surviving the End of Oil, Climate Change, and other Converging Catastrophes of the 21st Century (New York: Grove, 2005), and Matthew Simmons, Twilight in the Desert: The Coming Saudi Oil Shock and the World Economy (Hoboken, NJ: Wiley, 2005).
[38] Richard H.K. Vietor, *Energy Policy in America Since 1945: A Study of Business-Government Relations* (New York: Cambridge University Press, 1984), 199. The MER is a physical conservation tool which basically sets the maximum production rate from a particular well without reducing long-term prospects for recovery, e.g., damage to the gas and/or water pressure needed to push to subterranean oil up to the surface. See, E.W. Zimmerman, *Conservation in the Production of Petroleum: A Study in Industrial Control* (New Haven, CT: Yale University Press, 1957).
[39] The 1957 Suez Canal crisis and 1967 Six Day War are the prime examples. See, David E. Prindle, *Petroleum Politics and the Texas Railroad Commission* (Austin, TX: University of Texas Press, 1981), 70-94.

recognized the decline in spare capacity until it had occurred."[40] As late as 1968, the industry mouthpiece *American Petroleum Institute* estimated the US contained nearly 2.5 million barrels per day of spare capacity.[41]

Thus, in 1972 it appeared the US had reached its geological limits. Of course, it was during the same year, that the Club of Rome issued its now infamous *The Limits to Growth* which undergirded a decade fixated upon scarcity and the exhaustibility of nonrenewable resources (like fossil fuels) upon which modern industrial capitalism depends.[42] A 1974 Op-Ed in the *New York Times* titled "An Age of Scarcity," problematizing abundance as only a "modern idea." More than other commodities, the scarcity of oil – with its pervasive embeddedness in all forms of everyday practice – signaled a larger crisis. While there were shortages of many commodities in the 1970s, one editorial states, "Not wheat, nor newsprint, nor beef came close to discommoding as many Americans as do gas and oil."[43] As early as 1972, an Editorial decaled, "the energy crisis…threatens the American way of life, at least that life that means color television, frostless freezer, self-cleaning ovens, and electric grills, knives, combs and toothbrushes."[44] The centrality of energy powering a whole set automatic machineries and social reproductive practices was suddenly problematized. The multiplicity of petroleum products provided the materiality underneath an individualized vision of control over the stuff of life – space, the home, the body – but, the 1970s witnessed innumerable events that put this control over life into question. The imaginary of finite fossil fuels was also rooted in a corresponding discourse of energy nationalism which produced anxiety over increasing reliance on energy not found within the territorial boundaries of the U.S. nation-state. Thus, alongside oil's exhaustibility, the geopolitics of oil is also profoundly shaped by the uneven geography of deposits.

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[40] Vietor, 1984, 199.
[41] American Petroleum Institute. *Petroleum Facts and Figures* (New York: API, 1971), 101.
[42] Donella H. Meadows. *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe, 1972).
[43] *Simpson's Leader Times*, "Shortages Everywhere" Janurary 10, 1974, p. 6.
[44] *Sarasota Herald-Tribune*, "Depth of America's Energy Crisis Called Endemic and Also Incurable" April 23rd, 1972, E1.

Foreign Oil and the Territoriality of Dependence

One of the most basic geographical problems with petroleum (and other mineral resources) is that deposits are unevenly distributed and materially fixed in space. During the postwar period, the scalar contradictions of petroleum governance in the United States were worked out to construct what could be called a Fordist national oil regime wherein mass oil consumption was largely provisioned by domestic production. It is fashionable to trace US dependence upon foreign oil to 1945 when Franklin Roosevelt had his famous meeting with Saudi King Saud on an American warship along the Suez Canal.[45] But, this meeting was not about securing Saudi Arabian oil for American consumers, but rather for US oil capital. With its Americanized enclaves, US oil companies exploited domestic and migrant workers in the Saudi oil fields to mainly export oil to Europe and Japan; not the United States. [46]

Foreign oil was seen as a problem long before the 1970s, but the concern was mainly articulated by a coalition of independent high-cost domestic oil producers.[47] With clear memories of the crisis in East Texas, these producers feared that prices would collapse if cheap foreign oil was allowed to flood the domestic market. Precisely because of the actions by state prorationing agencies to restrict output and keep prices high, oil produced from Venezuela to the Middle East was considerably cheaper to produce. Although estimates varied, Prindle suggests that in 1960 an average barrel of crude in the Middle East cost $.20 to produce, while the US level averaged $1.75 (a number that may itself be reflective of proration policies).[48]

Thus, until the 1970s, “foreign oil” – especially the massive reserves in the Middle East – was constructed as a grave, but narrow and sectoral, threat to the domestic US oil petroleum industry. International Companies – and even independent refiners – always had a strong incentive to import this cheap oil and capture markets within the high priced markets of the United States. The contradictory tendencies of this

[45] Yergin, 1991, 385-386.
[46] See, Robert Vitalis, *America’s Kingdom: Mythmaking on the Saudi Oil Frontier* (Stanford, CA: Stanford University Press, 2007).
[47] Douglas R. Bohi and Milton Russell, *Limiting Oil Imports: An Economic History and Analysis* (Baltimore, MD: Resources for the Future and Johns Hopkins Press, 1978).

arrangement revealed themselves very early on in the 1950s. Table 1 shows the level of imports and the percentage of imports quenching demand throughout much of the postwar period. The slow and steady increase in imports both in raw numbers and as a percentage of demand was considerable. The pace, however, could have been considerably greater had not the Eisenhower Administration installed the mandatory import quota program that remained in effect between 1959 and 1973. This program putatively attempted to fix the level of crude imports at 12.2 percent of domestic demand, but a complicated set of exemptions by refineries and geography ensured that the level was higher than that. Nevertheless, Bohi and Russell estimate that if the program were not instituted imports would have constituted 61% of domestic consumption in 1970.[49] The program served to mollify the contradictory tendencies inherent within the entire system of prorationing – namely, the maintenance of national high cost producers in the face of a global geography of low-cost production.[50]

Only in the 1970s did the concept of "foreign oil" begin to become problematized not from the perspective of oil producers, but oil *consumers*. Americans were not worried about foreign sources of coffee, bananas, or, increasingly, manufactured consumer goods, but oil's *saturation* of social reproduction and centrality to ideas of life, home, freedom, and mobility made dependence upon foreign oil seem unduly precarious. Ever since, leaders have continued to promise the territorial trap of an energy system contained within American borders in the name of "energy independence." Richard Nixon's first major speech after the OPEC embargo initiated a new "Project Independence" which unrealistically promised American independence from foreign oil by 1980. Moreover, oil's fixity in space (and declining reserves within the US territory) created increasing geostrategic discourses where access to oil for the

[48] Prindle, 1981, 75.
[49] Ibid, 277.
[50] A great summary of this period is found in, Gary D. Libecap, "The Political Economy of Crude Oil Cartelization in the United States, 1933–1972" *The Journal of Economic History*, Vol. 49, No. 4 (1989): 833-855.

Table 1– Total imports and imports as a percentage of domestic demand in the United States, 1945-1974

Year	***Imports[51] (millions of barrels)***	***Imports/Consumption %[52]***
1945	-69	-4
1946	-15	-.8
1947	-5	-.3
1948	53	2.4
1949	116	5.5
1950	199	8.5
1951	154	5.9
1952	190	7
1953	231	8.1
1954	254	9
1955	321	10.4
1956	368	11.2
1957	367	11.2
1958	520	15.9
1959	573	16.6
1960	590	16.8
1961	636	17.6
1962	699	18.6
1963	698	18.1
1964	753	19
1965	833	20.2
1966	867	19.9
1967	813	17.8
1968	854	19.8
1969	1,071	21.3
1970	1,154	21.9
1971	1,351	24.9
1972	1,654	28.8
1973	2,199	35.5
1974	2,150	36

reproduction of American life was equated with national security, or what was eventually termed "energy security."[53]

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[51] Rounded up to nearest barrel.
[52] Rounded to nearest first decimal place.
[53] The term "energy security" stretches back into the 19th century and emerged in relation to mechanized warfare's reliance on fossil fuel. Alexander E. Farrell, Hisham Zerriffi, and Hadi Dowlatabadi "Energy Infrastructure and Security" *Annual Review of Environment and Resources* Vol. 29 (2004): 421-69.

Amongst politicians and intellectuals, the oil crisis was represented as a great geopolitical confrontation between the United States and Europe and the rising power of OPEC and oil producing countries. The effective use by OPEC of what was called the "oil weapon" seemed to reverse the many centuries of Euro-American global domination.[54] It was the mere assertion of power by non-Western countries that was seen as so shocking and unacceptable. On a more popular level, the politics of oil were shot through with a racialized politics of anti-Arab xenophobia. Countless political cartoons saturated American newspapers with highly caricatured images of obese Arab oil men (and they were always men) cynically plotting their next draconian imposition of pain on American consumers. This racialized politics circulated founds its purchase in popular culture through anger over US exports to these very nations. By the second oil shock of 1979, country music star, Bobby Butler, released "Cheaper crude or no more food" which echoed a longstanding sentiment that the US fed the world and thus could cut off food supplies as retribution. One letter to Nixon's energy czar in 1973 presciently summed up the song's message, "Tell the Arabs, 'You drink <u>your</u> oil and we'll eat <u>our</u> grain."[55] As I will detail later, the primary objection emerging from popular discourse was that Arab nations were unfairly intervening within the marketplace. Yet, for most Americans, the energy crisis was less about geopolitical confrontation and foreign policy, and more about the "shock" of gasoline lines and limits to everyday geographies of social reproduction combined with spiraling inflation, or what was called "the rising cost of living".

Freedom on Fumes: Gasoline Lines and the Geography of Limits

During the winter of 1973-1974, and again in the summer of 1979, consumers witnessed winding lines at gasoline pumps in different parts of the country, limits on how much gasoline could be purchased, and outbursts of violence between and among consumers and gas station attendants. One attendant in Bradenton, FL was killed by being crushed between two cars when an eager driver propelled the car in

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[54] Examples include, Arthur Ross, "OPEC's challenge to the West" *Washington Quarterly,* Vol. 3, No. 1 (1980): 50-57. Walter Levy, "Oil and the Decline of the West" *Foreign Affairs* Vol. 58. No. 5 (1980): 999-1015.

front of him forward into the victim.[56] In Pennsylvania, Bruce Hibbs obtained a 12-gauge shotgun joining "a number of operators who are toting guns to protect themselves."[57] Theft from gas stations and automobiles themselves was not uncommon. No longer taken for granted, access to gasoline appeared as a Hobbesian "war of all against all."

The geopolitical narrative of dependence and insecurity translated well to the everyday struggle for gasoline. Just as the OPEC embargo was represented as a lack of US control over distant spaces, the gasoline shortage was characterized by a sudden and dramatic limitation to the privatized command over space central the postwar vision of entrepreneurial life. For many short on gasoline, the most pressing concern was how to traverse the new suburban geography marked by vast spaces between home and work. This new geography made private automobile commuting the only option, and, therefore, the sudden lack of gasoline was framed as an unjust threat to livelihood. As one writer from the infamously suburban Southern California put it to President Nixon's Energy Office, "Many thousands of us have no public transportation to get to our jobs and rely on our cars. I have to travel 70 miles a day round trip to work and no bus could get me there. I *must* drive, and soon I'll be unable to buy gas *or* afford it. This *isn't right*!"[58]

Apart from getting to work, the limits on gasoline threatened the entire expansive geography of household provisioning and social reproduction. A letter from suburban Long Island family laid out the impossibility of life under gasoline shortages, "We live on Long Island and cannot walk to food stores, banks, doctors, etc. Forget pleasure riding – how do I feed my family if it is six miles round trip to *one* supermarket and about the same to our doctor, upon whom we literally depend on to survive?"[59] This was not only a crisis of space, but also the dialectical relation between space and time. The most visceral

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[55] Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[56] "More areas planning gas rationing" *The Oakland Tribune*, 10 February 1974, p. 1.
[57] Associated Press, "Crisis produces incidents" *The Progress*, 25 February 1974, p. 6.
[58] Box 6, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA, emphasis always in original.

aspect of the crisis was marked by lines – that is, time spent waiting. A widely read article in *Time* "Gas Fever: Happiness is a full tank" depicted a housewife waiting in line knitting a scarf. "Housewives in hair curlers knit sweaters at the wheels of their station wagons in the predawn blackness of Miami."[60] The time spent in line cut into time not working and this so-called "free time" was also filled up already with the vast duties of privatized social reproduction. In a story focused on the plight of exurbanites, the *New York Times* laid out the common sense association between leisure, automobility and the weekend. "Americans' leisure-time activities, particularly those on the weekend, have long been dependent on their cars, and there are indications that a drastic revision of those activities is taking place in some places."[61] Shortly after the OPEC embargo, news reports circulated that the Nixon Administration was considering a ban on Sunday driving. One letter writer from New York City boasted that he uses public transit for work during the week, but reserves the weekend for recreation and oil-powered escape. "We drive to escape the caverns of the city; and mass transportation is insufficient for such purposes. Such a ban would amount to the complete elimination of recreation outside the home…"[62] In the exurban fringe, one isolated individual lamented, "Before the energy crisis…I'd visit friends or go to see my brother or play golf, shop around town. Now I stay home and work around the house… What the hell kind of life is it to just work all the time and not have any recreation or vacation even."[63] Indeed, removal of plentiful gasoline raised new questions about the nature of life in the suburbanized United States. As seen in figure 1, an ad for long-distance telephone service offered a techno-spatial fix to the new limitations over space confronted by American drivers – "Fill 'er up this weekend" with phone conversations rather than face to face visits with family and friends.

Certainly the experience of the first oil shock was discombobulating. But, a more important political question is how the crisis itself was explained. Who/what was blamed? How did the energy

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[59] Box 17, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[60] "Gas fever: Happiness is a full tank" *Time*, 18 February 1974, p. 35.
[61] Stevens, 1974.
[62] Ibid.

Figure 1 – "Fill 'er up this weekend"

[63] Stevens, 1974.

crisis fit into the wider political shifts of the 1970s? I will spend the rest of this paper addressing these questions. First, it is important to situate the oil shock within a wider concern with inflation and the cost of living during the 1970s.

Life's Cost

> "I know where my inflation comes from; from the gas that you give me!"
>
> -Archie Bunker to his son-in-law, Michael Stivic, *All in the Family*

The hit television series *All in the Family* centered upon the cracks in the pillars of postwar social reproduction during the 1970s – a bigoted male breadwinner (Archie Bunker) threatened by the social and political upheavals of the 1960s. In 1974, the first four episodes of the fifth season were titled "The Bunkers and Inflation." The saga detailed the increasing cost of living for the Bunker family in the face of a strike at Archie's plant and the necessary entrance of his wife Edith into the workforce. Without Archie's wages, bills mount, gender roles are destabilized, and Archie's is forced into the tasks of household maintenance and social reproduction.

The story arc that holds the four episodes together is the strike, and, interestingly, it is the strike itself that is constructed as an utter calamity for the Bunker family because of the loss of wages. As an avowed old "trade union" man, Archie makes his hostility to the "young hothead" strikers plain, "There's a right way to strike and a wrong way to strike, and the right way is don't strike!" The plot represents the remarkable turnaround in the four decades between the Great Depression and the 1970s. The threat to the life of the Bunker household was, in a word, *political claims on the market* – labor strikes. Once central to a vision of a "better life" and fairness in American political economy, labor unions were now constructed as corrupt, greedy, and illegitimate interests groups whose wage demands served to push prices upward and harm ordinary consumers. As labor historian Jefferson Cowie puts it succinctly, "the old disease of low wages in the thirties was now the new cure for bloat in the seventies."[64]

The Bunkers battles with inflation fit squarely within a larger narrative in the 1970s over the rising cost of living. During the 1970s, several polls indicated that the rising cost of living was the primary concern of the majority of Americans.[65] Inflation was constructed as a universal threat that affected all consumers everywhere threatening both their incomes and savings. The entrepreneurial vision of life as a business was reinforced through an escalating set of money costs and a vicious cycle of price increases outstripping wage increases. In August 1971, President Nixon's economic stabilization program – which included the infamous abrogation of the international gold standard – included the establishment of the "Cost of Living Council" which was tasked with controlling wages and prices on an economy wide basis.[66]

Obviously direct government control of prices and wages did not fit nicely with the vision of a free market. According to the utopic vision the "free market" was supposed to be ruled by impersonal, quasi-natural forces of supply and demand. Indeed, inflation was often seen as being generated by personalized forms of market intervention. As a Cost of Living Council pamphlet, *Inflation: On Prices and Wages and Running Amok*, explained in 1973, inflation was often generated by the assertion of a particular form of "market power":

> In some activities, big corporations and big unions seem able to push prices and wages up even when demand is steady or going down. They are able to do this because competition to provide

[64] Jefferson Cowie, *Staying Alive: The 1970s and the Last Days of the American Working Class* (New York: The New Press, 2010), 223-224.
[65] For example, Michael Jensen, "Inflation Replaces Energy as Nation's Main Concern" *New York Times* 14 July 1974, p. 1 and "Living costs are held top problem in U.S. a Gallup poll reports" *New York Times*, 30 July 1978, p. 36.
[66] See, Allen J. Matusow, *Nixon's Economy: Booms, Busts, Dollars, and Votes* (Lawrence, KS: University of Kansas Press, 1998).

> the goods and services is limited or restricted in some way. Economists call this 'market power.'[67]

Throughout the 1970s, the escalation of inflation was attributed to various forms of market power by large and visible organizational forces whose presence in the economy was seen as unfairly institutionalized. Three forms of political intervention were isolated. First, the Keynesian commitment to full employment, government spending and social services was constructed as inflationary by enlarging the money supply. Second, as with the Bunker family, labor unions were constructed as a primary driver of "cost-push inflation" through the assertion of their own "monopoly power" over the price of labor power. Such power over the market served to push wages higher than they "should" be in a competitive market, and thereby pushing up prices up along with them. Third, as previously mentioned, there was perhaps no more visible intervention than the Cost of Living Council's *direct* wage and price controls in 1971 via the appointments of a separate "Price Commission" and "Pay Board." Direct controls were represented as the exact "other" of a free market economy.

Overall, inflation was itself blamed on *politics* – that is, the assertion of political claims upon what is meant to be an apolitical naturalized realm of the market. As seen in Figure 2, the COLC pamphlet made this clear with the image of protesters in the streets simply asking for, "More money now!" Any politicized attempt in the market was seen as a violation of the abstract rule of value in a properly competitive economy. And, obviously, the image of street protesters most overwhelmingly implicates workers and unions as a primary cause of inflation, whose interventions in the market are *necessarily* politicized. As a commentator in *The National Review* put it, labor-induced inflation could only be solved by depoliticizing the price of labor power – the wage - "We need a method of removing

[67] Cost of Living Council, *Inflation: On Prices and Wages and Running Amok* (Washington DC: Government

Figure 2 – "More Money Now!"

Source: Cost of Living Council, *Inflation: On Prices and Wages and Running Amok* (Washington DC: Government Printing Office, 1973), 14.

wages from politics."[68] One letter to Nixon's energy office stated, "History has proven that only a free market in wages and prices will stop inflation."[69]

Printing Office, 1973),
[68] Mildred Adams, "Profit sharing: A proposal to halt inflation" *National Review*, 23 November 1979, 1298.

Government spending, unions, and price controls were all seen as paradoxical attempts at economic betterment that had the unwanted side-effect of exacerbating inflation, but, after the OPEC embargo of 1973, oil prices increases were elevated to the primary driver of inflation in the public imagination. Like government, unions, and price controls, oil's role in the rising cost of living was seen through the assertion of particular forms of interference with market forces.

The Ubiquitous Commodity and a Crisis Contrived

Naomi Klein argues that the "shock doctrine" is imposed on societies during moments of political and economic crisis, and the notion of an "oil shock" fits within the larger crisis of the 1970s.[70] It was oil's unique centrality to social reproduction as whole which created the imagery of an oil shock, or what Daniel Yergin called at the time, "an oil-induced economic crisis" (14).[71] Oil was constructed as a ubiquitous commodity – not only central to the multiplicity of everyday practices that constitute "life", but also as an input to virtually every stage of economic activity not the least of which was the transportation of commodities which had shifted dramatically toward diesel powered trucking in the postwar period. Petroleum's pervasiveness meant an increase in the price of oil permeated through the prices of all commodities, and thus was seen as a singular force causing inflation, recession, and eroding the capacity to make a living.

The imaginary of an "oil shock" corresponds nicely to what Michael Watts calls "commodity determinism."[72] Watts uses this concept to critique the so-called "oil curse" wherein oil-endowed nations are automatically beset by state corruption, non-diversified economies, violence and war.[73] Oil shock discourse explained economic crisis as naturalized products of commodity price increases, and

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[69] Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[70] Naomi Klein, *The Shock Doctrine: The Rise of Disaster Capitalism* (New York: Metropolitan, 2007).
[71] Daniel Yergin, "How to Break the Cartel: Calling OPEC's Bluff" *The New Republic* (June 5th and 12th, 1975): 13-16.
[72] Michael Watts, "Resource Curse? Governmentality, Oil and Power in the Niger Delta, Nigeria" *Geopolitics* Vol. 9, no. 1 (2004): 50-80.
[73] The most prominent examples of this discourse include, Terry Lyn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (Berkeley, CA: University of California Press, 1997) and Michael Ross, "Does Oil Hinder Democracy?" *World Politics*, Vol. 53, no. 3 (2001): 325-361.

underemphasize the concurrent power shifts within the broader American political economy. Thus, the focus on the oil shock stood in as an external explanation for the dramatic declines in living standards during the rise of what David Harvey calls neoliberalism as the "restoration of class power."[74] Yet, more important than the vision of an externally induced crisis, was how the "crisis" itself was explained – and, as it turns, it wasn't seen as a real crisis at all.

While many naturalized the oil shock as an inevitable product of geological scarcity, the vast majority saw the oil crisis as not natural, but politically "contrived." As one letter put it, "The 'energy crisis' is phony and a hoax on the people."[75] Like the major explanations of the drivers of inflation, many blamed forces of "market power" whose institutional presence in the economy allowed oil prices to be rigged for the benefit of special interests. As stated above, the most obvious villain – and easy target for xenophobic rage – was OPEC who unabashedly announced their presence in the market as a cartel with political interests. As one OP-ED summarized, "the Arabs play...[a]…special mixture of politics and economics."[76] Like the politics surrounding inflation, it was this *mixture* that offended the logic of a free and fair market. It was their use of a vital commodity to advance political goals that informed the idea of "the oil weapon." The oil weapon – one headline called it "stronger than armies"[77] – was seen as an "extra-economic" form of violence imposed upon ordinary consumers.

Yet, several polls revealed that the majority of Americans did not feel that OPEC was primarily to blame, but the private oil companies.[78] The blame for the oil companies emerged out of a long history of popular disdain for "Big Oil"; rooted at least in the muckraking expose of John D. Rockefeller and

[74] David Harvey, *Spaces of Global Capitalism: Toward a Theory of Uneven Geographical Development* (London: Verso, 2006), 7-68.
[75] Box 15, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[76] Golden, S. "Op-ED: Oil and the Economy: No Great Spur Seen in Arab Action, but Output and Prices are Factors" *New York Times*¸15 March, 1974, p. 43.
[77] William J. Ryan, "'Oil Weapon'" of Arabs Stronger than Armies" *Abilene Reporter News*, November 23, 1973, p. 10.
[78] Richman, 1979, 580. One poll taken throughout the 1970s shows that the public blamed the oil companies over the OPEC countries by 56 to 22 percent in 1974 and 72 to 51 in 1979.

Standard Oil by Ida Tarbell in the early 20th Century.[79] In the 1970s, books like *The Seven Sisters*, *The Brotherhood of Oil*, and *The Control of Oil* all depicted a story of a world oil market controlled by a handful of multinational oil companies.[80] As one letter to Nixon's energy czar exclaimed, "all appearances lead to the conclusion that this crisis has been foreseen and purposely augmented, if not engineered by the international oil cartels, to make their grip on the economy more secure."[81] The most vocal critics of "Big Oil" were on the political left, like consumer advocate Ralph Nader who described the energy debacle as, "the most phony crisis ever afflicted on a modern society."[82] He charged specifically that, "...the energy crisis was orchestrated for political and economic benefit by the oil industry."[83]

Like the disdain for the "monopolies" known as labor unions, the popular rage against "Big Oil" was also rooted in the accusation that the oil companies were "monopolists" who unfairly rigged the marketplace for their narrow gain. One reporter observed a school bus that ran out of gas with a 14 year old shouting out the window, "You see what happens when a couple of monopolistic oil companies take over?" Bumper stickers were circulated that read, "The oil companies are hoarding oil to raise prices."[84] The fact that high oil prices in the 1970s also generated record oil profits did not dampen suspicion of the oil companies. One citizen wrote to Nixon's energy czar, "It is appalling to me to go to my local service station and discover a 3 cent per gallon jump in one week, and then to read in *Time Magazine* that Exxon showed a net profit increase last year of 80% to $638,000,000." [85]

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[79] Ida Tarbell, *The History of the Standard Oil Company* (New York: McClure, Phillips & Co., 1904).
[80] Anthony Sampson, *The Seven Sisters: The Great Oil Companies and the World They Made* (London : Hodder and Stoughton, 1975), John Blair, *The Control of Oil* (London: Macmillan, 1976) and John Engler, *The Brotherhood of Oil: Energy Policy and the Public Interest* (Chicago, IL: University of Chicago Press, 1977).
[81] Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[82] "Editorial: Cooking with Garbage" *Williamson Daily News*, January 25, 1974, p. 4.
[83] Knight, John S. "Straight Talk on the Energy Crisis" *Lakeland Ledger*, November 13, 1973, p. 6A.
[84] Both quotes from, Robert F. Buckhorn, "America and the Energy Crisis: How did it Happen, Where will it Lead?" *Uklah Daily Journal*, 6 March 1974, p. 6.
[85] Box 9, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

Of course, the logical solution to this was the reassertion of "competition" in the marketplace. Even Ralph Nader conceded as much in his recommendations to energy czar William Simon in Congressional testimony, "[Simon] should be concerned with devising ways to break up the oil monopolies and with bringing some competition into the industry."[86] More everyday reactions concentrated on the idea of "fairness' and the imaginary of an even playing field of the marketplace. One letter suggested, "Give the oil companies a fair margin of profit, but do not allow the monopolistic practices of the major companies to continue."[87] Ordinary consumers believed that the oil companies position in the market was unfair in comparison to themselves, "…where are the incentives for the overburdened middle class?...they [the oil companies] get a 15% price increase while the forgotten consumer is supposed to be satisfied with a 5.5% salary increase that has to cover unlimited price increases on all the necessities of life. Where is the equity in that?"[88] The logic of market fairness centered on the well-worn distinction between "big" and "little" forces in the market. Countless letter writers identified themselves as simply "the little guy" or just an "average citizen" whose fate was stacked against the big forces of oil monopolies and the government that serves them. As one letter-to-the-editor put it, "It appears that the average working class citizen's vote has lost all economic power and the policy of the federal government is now determined by corporate board room decisions."[89]

While "Big Oil" remained a convenient scapegoat for the forces on the political left, the rising power of the political right attempted to put the focus on the machinations of "Big Government." Indeed, Ronald Reagan concretized his position on energy leading up to the 1980 campaign with the catchy slogan, "Our problem isn't a shortage of fuel. It's a surplus of government."[90] And, the oil crisis provided a clear terrain through which to locate the monstrous power of government in the marketplace – price

[86] "Nader Again Charges Energy Crisis 'Phony'" *Observer-Reporter, Washington, PA*, March 22, 1974, p. A-8
[87] Box 17, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[88] Box 6, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[89] "Letter-to-the-editor: Corporate Power" *Daily News-Record*, 3 May 1979, p. 6.

controls. While most of the wage and price controls instituted in 1971 were lifted in 1973, oil price controls for domestic persisted until 1981 and kept domestic oil prices slightly lower than imported oil. While many efforts were made to "decontrol" oil prices throughout the 1970s, it became politically difficult because of the perceived inflationary impact of higher oil prices. A Los Angeles Times editorial warned in 1975, "Instant decontrol will deliver a jolt not just to consumer pocketbooks but also to prospects for national economic recovery."[91]

From the emerging free market perspective, the price controls provided an easy explanation for shortages. The story tells how bureaucratic efforts to allocate supplies created the very shortages they were charged with solving. It became common dogma among neoliberals that the gasoline lines were not at all attributable to the OPEC embargo, but rather on government price controls.[92] Writing in 1979, neoliberal economist Milton and Rose Friedman laid it out in characteristically simple terms:

> [Gasoline lines were caused by]….one reason and one reason alone: because legislation, administered by a government agency, did not permit the price system to function…The smooth operation of the price mechanism—which for many decades had assured every consumer that he could buy gasoline at any of a large number of service stations at his convenience and with minimal wait—was replaced by bureaucratic improvisation.[93]

The price mechanism stood in as a naturalized force against the *politicized* interventions of government in the market. High prices would both discourage consumption and incentivize more production. As the conservative magazine, *The National Review* put it, "…if prices were allowed to rise, they would

[90] Quoted in, Anthony J. Parisi, "Reagan Wants A Different Energy Policy; What Is It?" *New York Times*, 27 July 1980, p. E3.
[91] "Easing the Jolt at the Pump" *Los Angeles Times*, 15 August 1975.
[92] In his retrospective history of the 1970s, conservative pundit David Frum claims that the oil crisis, "was created by government interference with the marketplace, prolonged by government's attempts to alleviate it, and vanished the very instant government stopped trying to cure it." David Frum, *How We Got Here: The 70's: The Decade That Brought You Modern Life--For Better or Worse* (New York: Basic Books, 2000), 314. See also, David Glasner, *Politics, Prices and Petroleum: The Political Economy of Energy (Pacific Studies in Public Policy)* (Cambridge, MA: Ballinger, 1985).
[93] As we discussed above, Friedman fails to mention that the decades prior to the 1970s were marked by substantial bureaucratic state-level price controls (albeit indirect) through agencies like the Texas Railroad Commission. Such

encourage new supplies and discourage waste. Rationing simply replaces these smooth adjustments with arbitrary political decisions."[94] Conservative thinker William Buckley reasoned, "You are much better of reducing the amount of gas spent by raising the price of gasoline than by setting up a giant bureaucracy engaged with the impossible job of adjudicating everyone's claim to gasoline." [95] Government involvement in energy amounted to the politicization of what should be abstract, apolitical market forces. One letter to Nixon's energy czar put it plainly, "No man or group of men in government is able to allocate resources as wisely as the entire market adjusting to meet altered demands."[96]

Certainly this free market critique of big government resonated with some "average" Americans. One letter put it plainly, "The obvious solution to the energy crisis is to let the free market work it out on a supply and demand basis."[97] Again, the problem was rooted in the personalized intervention into a free and fair market. Yet, the more common sentiment simply did not distinguish much between "Big Government" and "Big Business"- both were commonly seen as symbiotic forces stacked against "fair competition" for average workers. The basis for this was based on a perception that both the government and big industry had obtained unearned privilege within the market while the average workers struggled to get by on the basis of their own hard work and tenacity. "We're sick of government officials kowtowing to all the big interests in this country while the individual is struggling to make ends meet and getting nowhere fast."[98] Indeed, according to the logic of entrepreneurial life, the individual's capacity to make a life for him/herself was thwarted by these larger forces over an even playing field. "Please make the corporations and government officials aware of how badly they are treating the common man, because

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"conservation" commissions served to stabilize prices against ruinous forces of competition, price volatility, and overproduction that proved anything but smooth.

[94] "What's Ahead: Hot War and Cold Hoses" *National Review Bulletin*, 2 November 1973, p. B165.

[95] Buckley, William F. "Gas Rationing?" *The Big Spring Herald* 15 November 1973, p. 2-B.

[96] Box 17, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

[97] Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

[98] Box 6, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

of their greed for power and money or both."[99] The basis for this dual disdain for big government and industry was based on a perception of greed and unearned privilege within the market while the average workers struggled to get by on the basis of their own hard work and tenacity.

Thus, regardless of one's political perspective, the common sense sentiment was that the energy crisis was contrived by a set of *political* forces intervening in the marketplace – OPEC, oil monopolies, and, perhaps the most important concretization of "the political" in capitalist society, government bureaucrats. These forces belied the ideology of an "even playing field" that structured the vision of a competitive market composed of individual entrepreneurs. The "other" of this politicized market was of course an *apolitical economy*; a market imaginary wherein power is *decentralized* and prices fluctuate not as the result of "Big" forms of "market power", but rather millions of "little" individual choices. Over the course of the 1970s, this imaginary of the decentralized apolitical economy mirrored the suburban geography of oil-powered privatism.

Suburbanization and the Silent Majority of the Market

> To split or decentralize power is necessarily to reduce the absolute amount of power, and the competitive system is the only system designed to minimize by decentralization the power exercised by man over man. – Friedrich Hayek[100]

The utopic imaginary of a competitive market is based upon a geographical imaginary of a decentralized price mechanism. In the ideal perfectly competitive market, the movement of prices is determined by millions of diffuse choices whose aggregate force constitutes what Hayek called, "the impersonal and anonymous mechanism of the market."[101] This vision of the impersonal market stands in contrast to the villain of neoliberal thought – "collective and 'conscious' direction of all social forces to deliberately chosen goals."[102]

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[99] Box 7, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[100] Freidrich Hayek, *The Road to Serfdom* (Chicago: University of Chicago Press, 1944), 145.
[101] Ibid, 21.
[102] Ibid.

During the 1970s in the United States, political power shifted rightward through a popular critique of all forms of "collective and conscious" interventions into the marketplace.[103] This critique rests upon the expurgation of politics from the realm of the economic, or the construction of an apolitical economy wherein any visible form of power over the market was construed as an unfair "political" attempt to capture wealth through privilege and not individual tenacity or "hard work." Taxes, welfare systems, affirmative action, busing, all were seen as skewing the competitive playing field.[104]

This critique of public intervention in the market found popular purchase through a middle-upper income stratum of white homeowners concentrated in the suburbs; most importantly, rapidly suburbanizing Sunbelt mega-metropolitan areas like Atlanta, Charlotte, Dallas, Houston, and Phoenix.[105] At the end of the volatile politics of the 1960s, Richard Nixon coined the term the "Silent Majority" which appealed to this mass of suburbanites who felt distanced and alienated from the highly visible political struggles for civil rights, women's rights, and environmental protection. The "Silent Majority" is often linked to Nixon's "southern strategy" of harnessing the overt racism of the formerly democratic south hostile to the civil rights agenda. But, as historian Matthew Lassitter argues, the "southern strategy" was not as much based upon backward, rural George Wallace-style racism, but was more properly a *suburban strategy* whose population espoused, "…a middle-class outlook expressed through the color-blind language of consumer rights and meritocratic individualism."[106] While overt-racism was pervasive – indeed I had to read far too many letters that championed the energy-saving solution of ending school busing[107] – the competitive imaginary of "the even playing field" tended to downplay

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[103] See, Bruce Schulman and Julian Zelizer (eds.) *Rightward Bound: Making America Conservative in the 1970s* (Cambridge, MA: Harvard University Press, 2009).
[104] Thomas Edsall and Mary Edsall, *Chain Reaction: The Impact of Race, Rights, and Taxes on American Politics* (New York: W.W. Norton and Co., 1991).
[105] See, Mike Davis, *Prisoners of the American Dream: Politics and Economics in the History of the U.S Working Class* (London: Verson, 1986), Lisa McGirr, *Suburban Warriors: The Origins of the New American Right* (Princeton, NJ: Princeton University Press), Matthew Lassiter, *The Silent Majority: Suburban Politics in the Sunbelt South* (Princeton, NJ: Princeton University Press, 2006).
[106] Lassiter, 2006, 3.
[107] One example, "Of immediate, pressing urgency in the management of the energy crisis: stop the bussing of children for 'racial balance,' thus saving <u>millions</u> of gallons of gasoline and oil… Children should go to the nearest

structural disadvantages based on race or geography. Thus, key to this "middle class outlook" is what Edsall and Edsall term "conservative egalitarianism" which was "based on an idealized concept of 'equal opportunity' and reinforced by free-market economic theory."[108] It is this vision of a free and fair competitive market which "provided the intellectual justification for the abandonment of the interventionist and redistributive policies that had characterized the New Deal order."[109]

Of course, at the core of "meritocratic individualism" is the wider logic of entrepreneurial life to exercise what Hayek called the power, "to shape their own life…[and]…the opportunity to choose between different forms of life."[110] According to the suburban silent majority, their entrepreneurial life projects were individual and privatized affairs that were only threatened by the various forms of public intervention in the marketplace. As one letter to Nixon from a white suburban father in Charlotte, NC put it succinctly, "I have never asked what anyone in government or this country could do for me; but rather kept my mouth shut, paid my taxes and basically asked to be left alone."[111] Thus, the *silence* of the silent majority is key to the construction of life as a privatized affair that stood in contrast to the vociferous world of *politics* whose very goal is to capture resources not through the normal circuits of meritocratic individualism, but through institutionalized channels of public privilege. The suburban silent majority, and its "ideology of hostile privatism"[112], was not only hostile toward government welfare programs, but *all forms* politicized privilege in the market including the monopolistic power of "Big Oil." Of course, Big Oil's power was only secured through their coalition with "Big Government."

Hostility to government, taxes, and the critique of Big Oil is only a product of a deeper process of the everyday production and reproduction of life in the suburban geographies of the United States. It is important to understand that oil itself – and the multiplicity of petroleum products oil affords – powered

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school in town – the one they can walk to." Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

[108] Edsall and Edsall, 1991, 147.

[109] Ibid, 146.

[110] Hayek, 1944, 17.

[111] Quoted in, Lassiter, 2006, 1.

and provisioned a particular material geography of everyday life. Cheap gasoline in particular represents one of the key bases to an entire geography of privatized automobility and low-density suburban residential settlement. Only with the fuel to power the dispersal of individuals across the dispersed sites of social reproduction was such "sprawl" possible. Therefore, there is a material ecology underpinning the *decentralized geography of suburban life*; and this decentralization mirrored the vision of the impersonal and decentralized market. In contrast to the *centralized* site of the city – with its public spaces and volatile political eruptions – the suburban decentralization of the population allowed for the idealization of an *apolitical* economy based upon the decentralized forces of the price mechanism. From the perspective of dispersed homeowners, the power of market actors should be as modest as their own, and wealth, epitomized by the home and the car, needed to be seen as a product of competitive, entrepreneurial efforts, not institutionalized privileges. Again, key to this idealization is *silence* or the removal of politics from what is supposed to be an "impersonal and anonymous market mechanism." The silence of the silent majority is only silence in the public realm of politics – freedom, choice, and life itself is all located in the *privatized* spaces of home, leisure sites, and the automobile that connects them. The materiality of oil-based privatism made it appear that this life was purely the product of the individual – and that life itself could be "left alone" from the machinations of the public.

Of course, the decentralized geography underpinning the silent majority of the market was precisely what was seen as under threat during the 1970s. If freedom was materialized through privatized command over space, the energy crisis ushered many forms of control and coercion limiting that freedom. One letter to the editor mocked the 1970s sentiment that Americans must live with "less" – "Yes, we must live with less – less of the bureaucrats and less of the giant multi-nationals controlling our lives, our assets and our future generation's lives and assets."[113] One editorial by Butler Schafer in the *Orange County*

[112] Evan McKenzie, *Privatopia: Homeowner Associations and the Rise of Residential Private Government* (New Haven: Yale University Press, 1994), 17.
[113] "Letter – Taken for a Ride" *The Daily Herald*, 4 July 1979, p. 10 (sec 1).

Register theorized that the political construction of “threats” is key to the legitimation of government domination.

> Without it, people may become accustomed to living their own lives and making their own decisions without the divine intervention of the state. Such a ‘threat’, I suggest, is being promoted as ‘the energy crisis’ a ‘threat’ we are told, that can be overcome only though increased political control over our lives.[114]

This threat of control was expressed as a threat over geographical patterns of life. A 1979 advertisement by automobile interests (Figure 3) depicts a wholesome image of leisure – a family fishing. “Try getting there without a car or truck.” By depicting the government regulations as an imminent threat to the geography of leisure, the ad enrolls the consumer to, “help us protect your freedom to drive.” Ironically, several letters expressed the opinion that they *favored* gasoline rationing because it would allow consumers themselves to *choose* how to use their own gasoline as opposed to politicized determinations of “essential” versus “nonessential driving.” “I am opposed to any form of gasoline allocation that predetermines my selection of its use. The restriction of gasoline use for recreational pursuits is an infringement on my basic right of freedom to choose.”[115]

More viscerally, the energy crisis was seen as a threat to individual’s life projects whose years of hard work and tenacity were based upon the assumption of plentiful cheap fuel. One letter speaks of her saving plans to “make a lifetime dream come true. I bought my camper in July in order to see my country up close.” Again, the threat to this life project was pinpointed upon political interventions, “I will not be restricted as long as my taxes support parks and highways. I bought a camper to go places, and will not let an irresponsible government direct its use or hamper my plans.”[116]

[114] Butler D. Shaffer, “‘Energy crisis’: The Highway to Government Omnipotence” *The Register*, 14 April 1977, D8.
[115] Box 7, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.
[116] Box 8, White House Central Files, Staff Member Office Files, Energy Policy Office, John A. Love, Richard Nixon Presidential Library, Yorba Linda, CA.

Figure 3 – “Try Getting There Without a Car or Truck”

Overall, the crisis of the 1970s focused upon an escalating set of political controls over everyday forms of freedom and choice. The "ideology of hostile privatism" that emerged from the geography of suburban life focused on the elimination of all forms of political control. In the face of increased control and unfair forms of organizational privilege, the only logical response was the elimination of market controls (deregulation) and the freeing of the forces of competition. By the end of the 1970s, Ronald Reagan rose to political power through the idealization of the market against all forms of political control in energy policy, "The greatest problems in the energy field came about with government's involvement in the marketplace, regulation, price-fixing and so forth, and I think that today the answer lies in the marketplace."[117] It is important to recognize that the freeing of competition in the marketplace resonated with the popular interpretation of the energy crisis as contrived by uncompetitive forces. Just as the decentralized geography of homeowners wanted to be "left alone" from the invasive tentacles of big government, it was "common sense" that private industry should be afforded to same freedom.*Aftermath: Oil and Power in Reagan's America*

> "[there was a]…just irritation with those that used liberal phraseology in defense of anti-social privilege..." Freidrich Hayek[118]

The language of fair competition and free markets resonated with large cross section of American society, but in reality neoliberal hegemony was exercised more as the deployment of state power on behalf of private capital. The myth of neoliberalism is, of course, a vanquished state, but, as Foucault suggests, neoliberalism means that, "Government must accompany the market economy from start to finish."[119] After the election of Ronald Reagan in 1981, this became particularly clear in relation to the oil and energy sector. He appointed James Watt Secretary of Interior who demonstrated hostility toward environmental policy and restrictions of private extractive capital on public lands. Harnessing the decentralized imaginary of neoliberal freedom, Watt once claimed that environmental regulation "is

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[117] Box 47, "Ronald Reagan Statements on Energy, Environment, Resources, Preliminary Draft", Ronald Reagan 1980 Presidential Campaign Papers, 1964-1980, Ronald Reagan Presidential Library, Simi Valley, CA.
[118] Hayek, 1944, 19.

centralized planning and control of society" akin to Nazi or Communist planned societies.[120] Overall, Reagan instituted the classic neoliberal strategy of deregulation by fiscal evisceration – that is, imposing massive cuts upon the agencies charged with regulation such as the Environmental Protection Agency. As Watt himself claimed, "We will use the budget system as an excuse to make major policy decisions."[121] Vice President George Bush chaired "The Presidential Task Force on Regulatory Relief" which Daniel Faber explains, "quickly compiled a hit list of 'burdensome' regulations that it had solicited from business, trade associations, state and local governments, and other local organizations."[122] Faber claims the largest requests came in reference to environmental regulations, and the petroleum complex of industries surrounding refineries, chemical plants, and oil transportation companies were obviously some of the most vocal. Moreover, as many commentators have noted, the shift to financialization after 1980 has been the hallmark of neoliberal capitalism based upon more predatory forms of speculative accumulation.[123] In 1983, as part of a larger deregulation of finance under Reagan, the New York Mercantile Exchange began to allow the trading of crude oil futures, which quickly catapulted financial traders as primary drivers of the price of crude oil.[124] While futures markets are often justified as a means for players to hedge risks and provide stable price information, after 1983 the price of crude oil became subject to intense bouts of volatility not seen since the 1930s. This volatility became the basis of huge windfalls for those financial speculators who bet on the "right" price movements.

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[119] Foucault, 2008, 121.
[120] Phillp Shabecoff, "A queit and behind the scenes drive" *The Times-News*, 29 January 1983, p. 4.
[121] Quoted in Daniel Faber, *Capitalizing on Environmental Injustice: The Polluter-Industrial Complex in the Age of Globalization* (Lanham, MD: Rowman and Littlefield, 2008), 128.
[122] Ibid.
[123] See, Peter Gowan, *The Global Gamble: Washington's Faustian Bid for Global Dominance* (London: Verso, 1999), David Harvey, *A Brief History of Neoliberalism* (New York: Oxford University Press, 2005), Robert Wade "The First-World Debt Crisis of 2007-2010 in Global Perspective" *Challenge*,Vol. 51, no. 4 (2008): 23-54, and David McNally, *Global Slump: The Economics and Politics of Crisis and Resistance* (Oakland, CA: PM Press, 2011).
[124] For "insider" expertise on the financialization of the oil market see the work of Phillp Verleger at < http://www.pkverlegerllc.com/> last accessed 30 August 2011. Also see, Daniel Yergin, 1991, Chapter 35, 697-725, and Antonia Juhasz, *The Tyranny of Oil: The World's Most Powerful Industry – and What We Must Do to Stop It* (New York: Harper, 2008), 126-168.

In the wake of the 1970s, the shift of American politics toward free market ideology and deregulation of industry should come as no surprise. The decade was marked not only by the rise of highly organized think tanks, like the Heritage Foundation, spouting neoliberal logics, but also Political Action Committees (PACs) whose goal was to lobby government officials for pro-business policies.[125] The role of the oil industry in shaping the growth and success of the Republican Party through contributions to the Republican National Committee is well documented.[126] In the popular imagination this has cemented "Big Oil" and "Big Government" in an unholy alliance, but, perhaps more important, was the role of the millions of independent oil producers and royalty owners who became formidable sources of financing and votes for GOP congressional candidates across the Sunbelt in Texas, Louisiana, and Oklahoma.[127] After all, recent statistics suggest that 67% of the domestic oil industry has 4 employees or less, 46% of domestic production is done by independents, and there are a staggering 4.5 million landowners who received royalties from the oil and gas industry.[128] This represents a far more decentralized source of financial and electoral power for the GOP. As Raymond Vernon put it, "the strength of the independents, then as now, rested in part on the fact that they were well distributed over the face of the United States and could rally formidable Congressional support for any position they took" (65).[129] Thus, the rightward shift of American politics could not happen with the financial and organizational power of "Big Oil" alone. It not only required the decentralized popular energy of the suburban silent majority, but also the dispersed coalition of independent oil producers and royalty owners who delivered both money and millions of votes. What connected "little oil" producers to the "little

[125] Harvey, 2005, 39-63.
[126] See Edsall and Edsall, 1991, 167-168, Juhasz 2008, and John C. McElroy, *For The Love of Oil: The Fleecing of the American Consumer by Big Oil Companies, Politicians, and Wallstreet Commodity Traders* (Bloomington, IN: Authorhouse).
[127] Edsall and Edsall, 1991, 167-168.
[128] Ian Rutledge, "Profitability and Supply Price in the US Domestic Oil Industry: Implications for the Political Economy of Oil in the Twenty-First Century," *Cambridge Journal of Economics* 27 (2003): 1-23; statistics on pp. 4-5.
[129] Raymond Vernon, Vernon, R. 1976. "The Influence of the U.S. Government upon Multinational Enterprises: The Case of Oil. In *The New Petroleum Order: From the Transnational Company to Relations Between Governments*, ed. A. Ayoub (Quebec: Presses de l'Université Laval, 1975), 44-79.

guys” owning suburban homes was a vision of a “free” society comprised of individual enterprises who only asked for the fair opportunity to compete on an even playing field with everyone else.