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Panics and Depressions Seminar

Final Research Paper

### The Oil Crisis of 1973: President Nixon's Actions to Maintain American Prosperity

During Richard Nixon's early time as President of the United States, he earned a reputation as having more interest in foreign affairs than domestic ones. He displayed this through his unprecedented cooperation with countries like China and the Soviet Union, which were traditionally hostile to the United States. In the middle of 1973, Nixon once again became involved in international situations when he authorized American assistance to the Israeli military fighting the Arabs in the Arab-Israeli War. The Arabs met this action with disdain, and partially in return for this—but also to try to improve their power in post-war negotiations—they reacted by placing an oil embargo on the United States, as well as some parts of Europe.<sup>1</sup> When the Arab nations of the Organization of Petroleum Exporting Countries, or OPEC, enacted this embargo against the United States in late 1973, President Nixon and the American government faced significant problems they needed to overcome. This embargo prohibited the exporting of oil to specified nations, including the United States, as well as began cuts in oil production.<sup>2</sup> As a result, oil and gas prices spiked up and resources became scarcer, prompting shock throughout the United States and other parts of the world, and showed that changes regarding the use and production of oil and other forms of energy were necessary. The OPEC embargo proved that

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<sup>1</sup> US Department of State, "Oil Embargo, 1973-1974." *Milestones 1969-1976*.

<sup>2</sup> US Department of State, "Oil Embargo, 1973-1974."

politics played into virtually every aspect of international relations, even when alliances seemed to be in order. However, the United States did not embrace the possibility of retaliating with violence on the Middle East out of fear that important oil refineries in Saudi Arabia and Kuwait could ultimately be destroyed.<sup>3</sup> The American President now had to shift his focus from foreign situations to domestic ones and react to the Oil Crisis that was now present in the United States. With the ultimate goal of achieving American energy independence from other nations, Nixon and his government created several regulations to ensure that the United States would not be too damaged by this crisis. While he was not completely successful in leading the nation to achieve this goal of total self-sufficiency, the regulations he put into effect lessened the effects of the crisis to an extent where life in the United States was not economically harmed as much as the American people had feared.

Even before OPEC hit the United States with the oil embargo in October of 1973, domestic concerns about oil production and consumption were not uncommon in America. These concerns were also mixed with a declining stock market, so they were not welcome when they started becoming prevalent.<sup>4</sup> In 1959, President Dwight D. Eisenhower established the Mandatory Oil Program, which worked to keep several small and independent oil refiners in business while also restricting foreign oil in the United States. However, President Nixon ended this program in April of 1973, before the embargo began, once the global prices of oil reached the same amount as the United States' domestic prices, causing him to consider the country to

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<sup>3</sup> David S. Painter, "Oil and Geopolitics: The Oil Crises of the 1970s and the Cold War." *Historical Social Research*, Vol. 38, No. 4. Leibniz Institute for the Social Sciences (2014). 191.

<sup>4</sup> "1973: Problems for Stocks, Food, Scandals, the Dollar, and Oil." *New York Times*. January 1974.

have achieved the highest oil production possible.<sup>5</sup> The United States was also active in the regular oil trade in the time before the embargo. The nation had been relying more and more on foreign oil throughout the twentieth century, though this system was not stable or reliable in the years leading up to the embargo and the Oil Crisis. As the relationships between the oil-producing nations of OPEC and the oil companies began to deteriorate, the system of pricing petroleum products became destabilized, thus intensifying the embargo's effects on the countries targeted.<sup>6</sup>

In order to try to reduce these effects, President Nixon and his administration passed several new domestic policies in response to the Oil Crisis of 1973. They did this in attempts to help the nation achieve the goal of energy independence, and many of these new policies required the participation of the American public in order to be successful. In November of 1973, about a month after the embargo began, President Nixon addressed the American people with a speech detailing the state of the nation at that point in the crisis, along with explaining the actions he and the government were working on accomplishing. He acknowledged Americans' fears of the potential of an economic collapse and reassured the people that their country was in fact better off than others, like some European countries also affected by the embargo. He claimed that these countries needed many more regulations to remain stable because they were worse off than the United States, and that some of these regulations were much more intrusive than the ones taking place in the United States. In bringing this up to the American people, Nixon attempted to reassure them that they could in fact be in a worse situation, and that because

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<sup>5</sup> Robert D. Lifset, "A New Understanding of the American Energy Crisis of the 1970s." *Historical Social Research*, Vol. 39, No. 4. Leibniz Institute for the Social Sciences (2014). 26-27.

<sup>6</sup> US Department of State, "Oil Embargo, 1973-1974."

they were not, it was more possible to recover more quickly. The President also emphasized plans to conserve oil in the United States and change energy policies. He revealed that he had appointed an Energy Emergency Action Group, meant to assist him in making decisions regarding more domestic regulations in reaction to the Oil Crisis. Also in this speech, Nixon described the five main aspects of this portion of the efforts.

The first of these new internal regulations was a plan to reduce the American production of gasoline and readjust that production in order to yield more heating oil. Nixon and his administration saw this action to be necessary, as heating oil was more important to daily life than gasoline—they determined a rationing of gasoline and a slight decrease of driving to be less intrusive into the lives of Americans than freezing in their own homes would be. One result of this action was an order for gas stations nation-wide to close their pumps every weekend between Saturday at nine o'clock at night and Sunday at midnight. While this was not yet a law at the time, it was in the process of being approved by Congress. This shortage of gas and restriction of times when Americans could fill their cars with gas led to more crowded pumps during the allotted times, sometimes causing cars to line up for blocks down the surrounding street. Nixon assured the American people that this new regulation would not significantly impede upon their lives, though it would discourage them from driving long distances on weekends, thus conserving more gasoline.<sup>7</sup>

The next aspect of the series of regulations that Nixon shared with the American people was the fact that it would be necessary for all people to change their driving habits throughout the country. The President encouraged all people to reduce the amount of time they spent

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<sup>7</sup> Richard Nixon, "Nixon's Speech on Energy Policy and 'Project Independence.'" *Council on Foreign Relations*. November 25, 1973.

driving, and instead to spend more time at home with their families. In doing this, he brought this nation-wide economic problem to a personal level and made ordinary citizens feel as though their actions truly had an impact on the country. Nixon commended the American citizens for complying with his new regulations thus far, and he claimed that it would have a large effect on the state of the country during this crisis, emphasizing that “It is now essential that we have mandatory and full compliance with this important step.”<sup>8</sup> This step in Nixon’s plan focused on the conservation of gasoline and coincided with the first step in which gas stations were to restrict the times in which they could sell gas. These first two steps were significant in that Nixon was simply asking for the American citizens’ participation to prove that they were in fact important factors in the nation’s recovery, rather than just blatantly creating laws that would have the people’s participation decided for them.

The President then explained the third step in his five step plan for energy conservation. This step enacted a maximum speed limit for all vehicles on the roads throughout the nation. For all regular automobiles, the maximum speed limit became fifty miles per hour. Larger vehicles, like buses and large trucks, operate at a more efficient level when going a bit faster—the maximum speed limit for these vehicles became fifty-five miles per hour.<sup>9</sup> Through this action, Nixon and his administration intended to cut down on the unnecessary overuse of gasoline. At the time of Nixon’s address, a piece of legislation was in Congress which would make this new instruction into a national law instead of voluntary action by the American public. This regulation was one of the most significant responses to the Oil Crisis of 1973 because it proved

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<sup>8</sup> Nixon, “Nixon’s Speech on Energy Policy...”

<sup>9</sup> Nixon, “Nixon’s Speech on Energy Policy...”

to be effective in achieving the goal of automobiles acting in a more energy efficient way, as shown by the fact that it remained in place even after the crisis came to an end, when other regulations that were not as effective were often withdrawn.

Nixon's next aspect of this plan he shared in his speech to the American public strayed from the smaller goals that each individual American could help achieve. This next goal required much more work, as the goal was to reduce the American consumption of jet fuel on a national level. Nixon proposed a gradual decrease of this type of consumption through a series of changes that involved an expansion of the types of regulations that his administration had already been enacting. Now, Nixon planned to have flight schedules analyzed and readjusted in order to allow more passengers aboard each plane, letting fewer planes be necessary to fly the same—or at least a comparable—amount of people.<sup>10</sup> The President explained that stopping air travel altogether would be impossible and unnecessary, and that this plan would not cause much of an inconvenience on the part of the American people. Rather, people and airline companies would simply have to take part in more careful planning of the times and dates of their flights in order to accommodate more passengers and these new regulations. This was an important step to take because it displayed Nixon's ultimate goal through larger and more government-centered regulations, with hopes of further conserving American energy and to ultimately become self-sufficient and able to use energy more wisely.

The fifth and final aspect of the President's plan brought the focus back to the individual American. He encouraged the people of the United States to reduce their use of unnecessary lighting, which was equivalent to unnecessary energy usage.<sup>11</sup> For example, Nixon deemed

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<sup>10</sup> Nixon, "Nixon's Speech on Energy Policy..."

<sup>11</sup> Nixon, "Nixon's Speech on Energy Policy..."

ornamental outdoor lighting to be excessive at this time and recommended that the American citizens refrain from using it. Christmas was approaching as Nixon gave this address, so he explained that Christmas lights would do more harm than good this year, and that decreasing their use would save an enormous amount of energy—he even revealed that the White House would be taking part in this new restriction, showing that it was vital for every American to take a role in the stabilization of the country in this time of crisis. It is somewhat difficult today to understand how simply not using decorative outdoor Christmas lighting could have such an impact on energy consumption. In 1973, though, these types of lights used a considerably higher amount of energy than they do today, and so Americans largely understood this as a necessary and reasonable action for the President to ask them to take in order to conserve more energy during the crisis.

In this speech, Nixon attempted to reassure the American public that the United States was in far better economic shape than some European countries whose new regulations were much more extreme and intrusive into their daily lives. He emphasized that American citizens' participation in these actions would be crucially important, but that they were not yet required by law to follow them—though he did state that the voluntary nature of these changes would likely not remain, as some were in the process of becoming laws, such as the nationwide maximum speed limit. Towards the end of his speech, the President revealed his long-term goal to be the achievement of what he called Project Independence 1980.<sup>12</sup> The purpose of this initiative was to make the United States able to become self-sufficient in regards to energy by the end of the decade, since independence was and still is a central characteristic of the United States. Through

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<sup>12</sup> Nixon, "Nixon's Speech on Energy Policy..."



the delivery of his speech where he laid out the plans to achieve this goal, President Nixon proved to be very committed to America overcoming the current Oil Crisis. He provided a more optimistic outlook on the current situation than many Americans were able to have on their own, stating that if all people were to work together and follow these new necessary regulations, the United States would overcome the crisis and emerge from it in an even stronger position than before.

While it was important that Americans feel involved in the wellbeing of their country, it was certainly necessary for the government to put in place larger regulations that would be more stable than just asking citizens to partake in lifestyle changes. In addition to the smaller, but still significant, changes to energy consumption policies in the United States that concerned ordinary Americans, the Nixon administration enacted some regulations that were meant to have larger-scale effects. For example, in 1973, just one month before the OPEC embargo began, the government created the Emergency Petroleum Allocation Act, or EPAA. The EPAA had several goals intended to help the United States overcome the eventual Oil Crisis of 1973. These goals included establishing equitable prices for oil, ensuring equitable distribution of resources, and preserving the independent aspects of the oil industry. A main feature of this act was that it allowed for the creation of a two-tiered system for domestic crude oil pricing based on the production properties' high or low production levels. In this system, the government put into place a maximum sale price for "old" oil, or crude oil from properties producing below their yield levels from the previous year. On the other hand, "new" oil—oil from properties producing more than their previous year's yield—was to be sold at market prices. The purpose of this was for the government to have more control over the prices of oil, while differentiating prices of independent oil and branded oil. While the government believed this system would

work at the time, it soon failed and was in need of changes. This was a result of the world price of crude oil increasing at the same time, creating too much of a difference between the “old” and “new” oil prices in the United States. While able to be overlooked, it is significant that the government created the EPAA just before the embargo and crisis began, as this detail shows that the United States was already somewhat unstable and anticipated even further problems.<sup>13</sup>

When it was evident that the original aspects of the EPAA were failing because they were flawed, the United States government began to make changes to it by implementing three new regulations to be a part of it. The first of these new regulations was the Supplier-Purchaser Rule, which halted buyer-seller relationships as of 1972 regarding domestic petroleum producers, refiners, and sellers. The main purpose of this new aspect of the EPAA was to prevent oil refiners from participating in transactions allowing them to gain more of the “old” oil with the controlled price. The next addition to the EPAA was known as the Buy-Sell Program. This set controlled prices at which oil refiners who had access to lots of cheaper crude oil were required to sell to other refiners. While it began as applying to all oil refiners, it eventually evolved to only require the fifteen largest refiners in the United States to sell to the smaller refiners. The third new regulation added to the EPAA was the Crude Oil Entitlements Program, which equalized the cost of the crude oil of domestic refiners. There was one exception to this program—the “small refinery bias”—which encouraged smaller oil refineries by compensating them for high operating costs through allowing them to have access to crude oil at a lower price. These updates to the EPAA were necessary because the government realized that the initial

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<sup>13</sup> “Emergency Petroleum Allocation Act of 1973.” *Petroleum Chronology of Events 1970-2006*.

provisions would not be successful in helping the United States to recover from its energy problems and worked to make this recovery more likely.<sup>14</sup>

The Federal Government's control of domestic pricing of crude oil contributed to several Americans beginning the search for alternative sources of energy. As this was occurring, the government came to recognize that no one set of policies was possible to maintain, and so it began constantly working to change them. Challenges from various organizations and groups with different interests made it very difficult for any one law or set of regulations to work and have the support of everyone in the United States, especially "oil independents and majors; coal operators and miners; nuclear power interests; transport; consumers; environmentalists; military and political lobbies; and so on."<sup>15</sup> President Nixon and the United States government's many different attempts at creating improved policies to help the nation recover from the Oil Crisis show that they were adamant about this goal, as well as about helping the United States to become more economically independent from other nations on which it had previously relied, with a new focus on domestic strength.

President Nixon shifted his attention from international affairs to more domestic ones with the help of his Secretary of State, Henry Kissinger. Kissinger allowed Nixon focus mainly on the domestic responses repercussions of the Oil Crisis by dealing with the foreign side of the situation himself. In a meeting with a few other world leaders, including Leonid Brezhnev of the Soviet Union, Kissinger explained why the Middle East was such a crucial area to the United States and the world, and why the turmoil might be occurring with such disastrous effects. In his

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<sup>14</sup> "Emergency Petroleum Allocation Act..."

<sup>15</sup> Charles Issawi. "The 1973 Oil Crisis and After." *Journal of Post Keynesian Economics*. Vol. 1, No. 2. (Winter, 1978-1979). 16.

discussion, Kissinger explained the United States' position in the Middle East in the midst of hostilities with some Arab nations in the early 1970s, stating, "Especially in the Middle East [...] whatever has been done in the past it is no basis for the future. We recognize the Soviet Union has major interests in the Middle East and we have no intention of achieving a unilateral advantage. And we recognize also that no major decisions can be taken in the Middle East to the detriment of the other without serious consequences for the stability of the area."<sup>16</sup> Nixon knew the importance of cooperation with other nations in recovering from the embargo and the crisis, so his sending Kissinger to this meeting proved his desire to act and do what he saw necessary in order to achieve this goal. In addition to this, it was also necessary to maintain good relationships with these nations while trying to become more energy independent so as not to sever other economic ties.

The United States, along with some of its allies in Europe, had been stock-piling oil supplies in the months before the embargo as relations with oil producing countries in the Middle East were beginning to become less stable. This provided a short term cushion to a possible oil shortage, but failed to prepare for any possible long term effects. As other countries in this alliance with the United States began desiring to rely less on the United States for their oil and energy needs in their own quests for self-sufficiency, the United States started to rely on foreign oil imports more than before, as its supplies were dwindling and consumption was increasing.<sup>17</sup> This prompted further panic and fear of potentially horrific economic repercussions in America, at a time when the value United States dollar in the early 1970s was also decreasing and causing

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<sup>16</sup> The National Security Archive, "Memorandum of Conversation." **Military Aide's Office, East Wing, White House. (March 30, 1973 12:00-12:40 p.m.). 11.**

<sup>17</sup> US Department of State, "Oil Embargo, 1973-1974."

fear. Much of the historiography written by scholars on the Oil Crisis of 1973 deal with this aspect of the event. Historians more frequently analyze the financial and economic effects of the crisis on the United States, as well as the same types of effects the crisis caused throughout the world. Very few have begun to explore the motives and actions that President Nixon took in his domestic attempts to ensure that the OPEC embargo and the Oil Crisis would not hurt the United States and the ways of life of millions of Americans.

While Nixon made attempts that he believed would help lessen the economic blow to the United States and help it to become self-sufficient, they did not prevent the Oil Crisis from affecting certain industries. In particular, it had quite a large effect on the automobile industry in general. The government encouraged Americans to conserve gasoline and not drive as much as they had previously been able to do before the oil embargo and crisis. As a result of this, fewer people were buying cars as well, since there would be no point to at this time because they would not be able to drive them. Nixon's new policies discouraged long distance driving, and this was not as much of a problem for American citizens as it was for the automobile companies. In November of 1973, the General Motors Company announced plans to decrease automobile production by about 79,000 vehicles because they were not selling like they previously had been. Car dealerships felt the pain of the current situation when people suddenly stopped shopping for cars—many even tried to return the big cars they had previously bought because they now had little or no use for it and were now also less able to buy gas for it. The automobile industry was only one of many portions of American business that suffered because of the OPEC embargo and the Oil Crisis of 1973.<sup>18</sup> The crisis and its results did lead to some new automotive innovations,

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<sup>18</sup> 1973 News Broadcast: The Oil Crisis in America

however. The present situation showed that a change in the main styles of automobiles was necessary, and car manufacturers began to try to decrease the size and weight of their cars in order for them to be more fuel efficient and meet new fuel economy standards that the government would soon put in place.

Perhaps one of the most significant results of Oil Crisis of 1973 was the United States creating the Strategic Petroleum Reserve in 1975. This was not an action taken directly by President Nixon or his administration, but was still necessary two years later, and is worth noting because it was heavily influenced by the Oil Crisis and the government reactions to it in 1973. The crisis proved that some sort of mass reserve of domestic oil was necessary in the United States in order to promote and preserve the economic security of the nation.<sup>19</sup> No other economic downturn before the Oil Crisis displayed that the United States was in need of such a system—the economic shock resulting from the embargo and crisis emphasized the importance of this type of national security in the prevention of repeating this moment in American history. In 1975, about a year after the end of the crisis, the government created the Energy Policy and Conservation Act, or EPCA, which authorized the creation of the Strategic Petroleum Reserve. This reserve was able to hold about 713 million barrels of oil and was meant to stockpile resources to maintain preparedness for a potential Presidential order of emergency use, even still in the present day.<sup>20</sup>

The creation of different domestic policies, regulations, and organizations and the many attempts to restore the United States to economic strength displayed Nixon's commitment to

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<sup>19</sup> "Statutory Authority for an SPR Drawdown." *Office of Fossil Energy*.

<sup>20</sup> "Strategic Petroleum Reserve: Program Priorities." *Office of Fossil Energy*.

doing all that he could to help stabilize the country and give it economic independence. However, there were some Americans who did not approve of the actions that he and the government took. While many showed appreciation for his dedication to American recovery and ultimately his plan for American energy independence, some citizens did not approve of how he went about working towards this. A somewhat common argument was that through the new regulations taking place, the government and Nixon were interfering in the lives of Americans to an excessive extent, as well as not allowing the economy to have the chance to stabilize itself. Because of the interference of the government, there was a common belief in the United States that the government seemingly had control over nearly everything, including “whether and how fast known petroleum reserves could be developed, produced, and refined.”<sup>21</sup> Some Americans also feared that this type of interference could also lead to a decrease in democracy and an increase in Communist-like feelings.

Throughout his political career President Nixon had always shown that he was a strict anti-Communist leader. However, many American citizens felt an uneasiness and fear when Nixon paid an official visit to China the previous year in 1972. This event marked unprecedented American cooperation with a Communist nation and an ease in Nixon’s firm anti-Communist notions. Specifically, Nixon’s meetings with the Chinese Communist leader Mao Zedong did not please many Americans, as Mao was responsible for the deaths of millions of his own people. On the other hand, the resulting Shanghai Communique in which President Nixon promised a move towards more normal relations with China gave several Americans hope for a

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<sup>21</sup> Dean Goodermonte and Richard B. Mancke, “Nationalizing Oil in the 1970s.” *The Energy Journal*, Vol. 4, No. 4. (October 1983). International Association for Energy Economics. 68.

better position in the world.<sup>22</sup> Still other American citizens worried about the new regulations Nixon introduced because of these circumstances, feeling that the government was overreaching and becoming too powerful, providing a slight association to Communism and causing several uneasy feelings in the United States.

Other less extreme accusations did not call into question the democratic beliefs of the President, but instead questioned the severity of the Oil Crisis of 1973, specifically whether or not Americans should even consider it a crisis at all. Americans sometimes accused President Nixon and his administration of overreacting to OPEC's oil embargo and passing regulations that were unnecessary and intrusive into the day to day lives of American citizens. For example, one *New York Times* article in 1973 expressed the writer's opinions and disapproval with President Nixon's handling of the situation. At the very least, the author expressed his disdain with the use of the word "crisis," which he claimed that Americans and American leaders alike were using too commonly.<sup>23</sup> The writer went on to express his strong disapproval of the President's reactions to the so-called crisis, particularly with his inadequate attention to efforts in finding alternate sources of energy, as he said that further research was necessary. The writer explicitly did this by criticizing a statement President Nixon made to the American public, stating, "Instead of culminating a process of Federal Government deliberation, as the long-heralded message was supposed to do, it presents little more than an interim report of cautious Government thinking on crucial choices yet to be made."<sup>24</sup> This writer displayed his evident disdain with Nixon's

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<sup>22</sup> "Joint Statement Following Discussions with Leaders of the People's Republic of China." Office of the Historian. February 27, 1972.

<sup>23</sup> "Challenge and Crisis." *New York Times*. May 1973. 42.

<sup>24</sup> "Challenge and Crisis."



reactions to the current situation, believing that he was not acting in what he felt was the proper way to move on from this event.

President Nixon was aware of some of the criticisms targeted at him during the Oil Crisis of 1973 and attempted to address them, likely in order to gain public support and participation in the newly created national regulations. He addressed the worries of some Americans, particularly those who were part of different organizations who felt that he and his administration were overlooking important aspects deserving of more attention. One example of this was the National Coal Association expressing their disappointment at President Nixon's lack of commitment to more coal research.<sup>25</sup> Many other organizations and associations similar to the National Coal Association were unhappy with the failure of the government to further explore their respective fields. However, there were some fears and uneasiness present about disregarding oil and searching for entirely new forms of energy to use since this event was so unprecedented. President Nixon tried to ease these fears and reassure the American public by attempting to appeal to both sides of this debate. He placed a small focus on environmentalism, once stating, "New techniques, new regulations and standards and new surveillance capabilities enable us to reduce and control environmental dangers substantially."<sup>26</sup> In making this statement, President worked to reassure the public that there were safe ways to explore the earth for new and alternative sources of energy. However, he also did not promise to promote this type of exploration just yet, showing his attempts to appeal to as many people as possible while still keeping his own plans and goals in mind. Mixed public emotions in this situation were

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<sup>25</sup> "President Offers Policy to Advert an Energy Crisis." *New York Times*. April 1973.

<sup>26</sup> "President Offers Policy to Advert an Energy Crisis."

expected, since the Oil Crisis of 1973 was such a significant event in the lives of Americans. However, Nixon and his administration made the American people know that their roles in the recovery of the country's stability were very important, as well as the fact that the cooperation of all people was necessary in order for the United States to remain strong and successful in this time of disorder and uncertainty.

The President worked to reassure not only the American people, but also the government with whom he was collaborating to overcome the Oil Crisis. He was confident that their new plans and regulations would be successful in achieving his ultimate long-term goal of energy self-sufficiency, and he encouraged the government to continue to work to stabilize the United States. In his State of the Union Address in early 1974, President Nixon displayed his firm belief that the United States would emerge from the crisis with no long-term harm by stating, "There will be no recession in the United States of America. Primarily due to our energy crisis, our economy is passing through a difficult period. But I pledge to you tonight that the full powers of this Government will be used to keep America's economy producing and to protect the jobs of America's workers."<sup>27</sup> Nixon called upon Congress to continue to work for the recovery of the United States to ensure that more of an economic recession would not occur and the damage the crisis caused would be kept to a minimum. Even before the crisis began, the United States' stock market had been declining, prompting some initial worry. As the embargo and crisis began, the deterioration continued and the year 1973 ended on a much lower point economically than it had begun.<sup>28</sup>

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<sup>27</sup> Richard Nixon, "Address on the State of the Union Delivered Before a Joint Session of the Congress." *The American Presidency Project*. University of California, Santa Barbara. (January 30, 1974).

<sup>28</sup> "1973: Problems for Stocks, Food..." *New York Times*.

While President Nixon was constantly conveying a generally optimistic tone to the American people in his addresses about progress being made, the news media at the time was attempting to discuss both the optimistic and the negative aspects of the event. An NBC News broadcast from October 17, 1973 focused on the uncertainty of what lay ahead in the immediate aftermath of the OPEC embargo. Anchor John Chancellor explained that American oil refineries were already operating at one hundred percent capacity and that there was little room in that area to combat the effects of the crisis. While this was mainly negative, the broadcast went on to discuss President Nixon and Secretary of State Kissinger's meetings at the White House with Arab leaders, showing that the American government was already working to try to improve the situation at hand and fix relations with the Middle East. Reporter Tom Brokaw emphasized the point that through these meetings, the government was partially attempting to show the American public that the United States was dealing with both the Arab and Israeli sides of the issue that caused the embargo. This was important in the efforts to return the United States to stability.<sup>29</sup> In viewing broadcasts such as this one, Americans were able to get a better sense of both the good and the bad sides of what was occurring at this time and judge for themselves whether the responses and actions of the President and government were adequate, rather than just always accepting reassurance.

The Oil Crisis of 1973 required that President Nixon and his administration take action to ensure that the country's economic harm would be as small and insignificant as possible. The reactions to the crisis had lasting results and influence for the United States. Economic instability continued to be present in the United States throughout the 1970s, and the need for

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<sup>29</sup> ["NBC Nightly News: Wednesday October 17, 1973." News Broadcast.](#)

more regulations was evident. Notably, the creation of the Strategic Petroleum Reserve and the establishment of a national fifty-five mile per hour speed limit on American highways remained present even after the crisis ended, showing that while not all of the new policies and regulations were able to last in the long-term future, the government did create some that were beneficial to keep due to their effectiveness in helping the United States to conserve and store energy. Nixon and the American government made many efforts to allow the United States to overcome the Oil Crisis of 1973, and even though some new regulations were ineffective and were eventually overturned, those that remained played significant roles in furthering the efforts to reach President Nixon's main goal of independence regarding energy needs, though the nation only became a bit less dependent.

Even after the embargo and the Oil Crisis came to an end, the United States continued to make changes to its energy policies in order to try to accomplish President Nixon's original goal of the United States becoming more independent from other nations.<sup>30</sup> Later, President Gerald Ford's administration continued to make domestic changes to energy policy in the United States, especially through the implementation of new fuel economy standards for automobiles.<sup>31</sup> President Jimmy Carter also later placed a focus on the importance of conserving oil and searching for new energy sources, saying in a 1979 speech that the American people would again need to work together to overcome energy crises like they did in 1973. He, like Nixon, laid out a plan to do this, which included the United States using less foreign oil, setting import quotas, and a focus on the search for alternate sources of energy.<sup>32</sup> President Nixon's actions in response to

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<sup>30</sup> Jimmy Carter, "Crisis of Confidence." *PBS*. Speech. July 15, 1979.

<sup>31</sup> US Department of State, "Oil Embargo 1973-1974."

<sup>32</sup> Carter, "Crisis of Confidence."

the OPEC embargo and the subsequent Oil Crisis of 1973 were extremely significant in that they influenced the remainder of the decade, in which energy policy and problems continued to be very present. One of Nixon's main goals during and after the Oil Crisis was to make the United States completely dependent on only itself for sources of energy, and although this was not completely achieved, the goal itself and actions taken in attempts to achieve it led to the conservation of oil, as well as the eventual new discovery and use of alternate forms of energy in the United States.

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