

Crude Politics: The California Oil Market, 1900–1940. By *Paul Sabin*. Berkeley: University of California Press, 2005. xxii + 307 pp. Index, notes, bibliography, figures, maps, photographs. Cloth, \$39.95. ISBN: 0-520-24198-3.

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In *Crude Politics*, Paul Sabin examines the political choices that facilitated California's rapid transformation into an automobile-centered society. This transformation, Sabin argues, was not simply the result of producers and consumers operating in a free market. The rules governing that market first had to be constructed, and Sabin's goal is to examine the construction of those rules, including those associated with the ownership of oil, the regulation of oil production, and the funding of the state highway system. By the 1940s, Sabin concludes, California had constructed a system of ownership rights, regulation, taxation, and highway funding that all but guaranteed the success of the automobile over other forms of transportation.

Sabin organizes *Crude Politics* around four topics: federal property, state property, regulation, and consumption. Each is addressed independently of the others. For example, the "federal property" component of the story examines a failed attempt by the federal government to exert greater control over public lands containing significant oil resources. That effort began when the Taft administration ordered the withdrawal of valuable oil lands from private development, which represented a significant departure from nineteenth-century mining law. However, both the fluid nature of oil and well-funded political maneuvering resulted in individuals still being able to gain access to the deposits. Eventually, the aborted effort resulted in the Mineral Leasing Act of 1920 and laid the foundation for the Teapot Dome Scandal, which gave rise to several high profile trials in the 1920s. Sabin provocatively suggests that the Mineral Leasing Act was actually the greater scandal of the two.

With the federal Mineral Leasing Act in place, Sabin then focuses specifically on California politics. In the 1920s, oil deposits located along California's attractive coast led to antagonism between proponents of oil development and those who desired to preserve the state's beaches for recreation. New technology in the form of slanted

drilling soon added another layer of complexity to the conflict: producers could now extract coastal oil from wells drilled some distance inland. The main complication was that these producers did not legally own any of the oil they extracted, forcing another debate about ownership and access. Proponents of oil development eventually gained favor with the beach lobby by supporting a bill to have state oil royalties fund the construction and maintenance of beaches. In the end, oil continued to flow freely, and the new beaches represented destinations for the motoring public, one of the main markets for that oil.

Putting the third part of the book aside for the moment and skipping to the fourth, we turn to what might be the most important component of the story: the funding of California's highway system in the 1920s and 1930s with dedicated state-level gasoline taxes. Proponents of this method of highway funding often argue that it allows consumers to choose the form of transportation they prefer. By driving, people supposedly are choosing to finance highways instead of mass transportation. Sabin, however, shows the problem with this sort of logic: different forms of transportation operated under different rules. Streetcar companies, for example, were not allowed to collect a fee that provided for the expansion of that system. Indeed, they were pressured to keep fares low and sometimes were even required to pave their rights-of-way so that automobiles could use them. For these and other reasons, Sabin concludes that policies shaped by sometimes questionable political maneuvering, not market choices, determined the transportation option that would eventually dominate in California.

Returning to the third part of *Crude Politics*, we encounter a topic that does not fit easily into the general flow of the book, due more to the complexity of history than to any weakness in editing. Here, Sabin examines the transition from the unregulated rule of capture, which encouraged oil producers to extract oil as fast as possible, to a regulated system, in which oil fields are managed as a unit. To be sure, this transition is relevant to any discussion of oil markets. If producers cooperatively drain an oil field, they can extract far more oil and do so with much less waste than otherwise, but they can also easily hold back production to maintain prices. So Sabin rightly includes two chapters describing this transition in California as an example of how a pre-OPEC system for stabilizing the price of crude oil was constructed. At the same time, it is more difficult to

frame this transition as an example of effective political maneuvering by oil interests; with the exception of efficiency-minded petroleum engineers, all facets of the industry initially opposed state and federal proposals to regulate production. Still, like the first two sections of the book, this one breaks new ground by allocating a spot on center stage to the history of the petroleum industry in California—a subject that is often given short shrift in such histories.

Crude Politics is a solid piece of research that effectively hammers home the point that there is no such thing as a “free” market. Sabin is not arguing that cars were forced down the throat of an unwilling public in California; he is saying, though, that the rise of the automobile was not simply the result of market choices. Instead, he emphasizes that the rules governing all markets—and, hence, market choices—are structured through policies and laws that define ownership, establish taxes, allocate funds, and regulate production. He suggests that to oppose a current policy choice, such as one related to energy or transportation, on the grounds that people should let the market decide is evidence of historical ignorance, ideological blindness, or some combination of both.

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