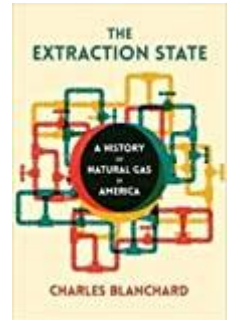


Charles Blanchard. *The Extraction State: A History of Natural Gas in America.*
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Reviewed by Joshua Lappen (Oxford University)

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Commissioned by Daniella McCahey (Texas Tech University)

Charles Blanchard's *The Extraction State* is the first dedicated history of the American natural gas industry in almost two decades. It arrives as the tangible effects of climate change drive both new inquiries into the history of fossil fuels and a sweeping realignment in the political economy of energy systems. *The Extraction State* is part old-fashioned business history and part industrial ha-giography, meaning that Blanchard is concerned primarily with development, decision-making, and market changes within the domestic natural gas sector and its constituent production, pipeline, and distribution industries. By contrast, the book rarely engages with natural gas's social, environmental, and political entanglements, nor with the industrial or residential consumers of natural gas.

Blanchard divides his work into three periods: an early stage of market formation, 1878-1954, in which natural gas transformed in corporate imaginations from a hazardous by-product of oil production into a major extractive resource in its own right; a mid-century stretch, 1954-92, whose climax is the energy crises of the 1970s; and a mod-

ern period defined by the transition of gas pipeline companies from wholesale brokers to contract carriers of natural gas, and the industry-wide transformations wrought by the production pivot toward shale gas.

Despite its title, *The Extraction State* does not aim to comprehensively examine the tangled web of governmental influence and support that has shaped the natural gas industry. In Blanchard's account, state actors are oppositional, often inhibiting but rarely promoting, stimulating, or advancing the industrial extraction of natural gas. This is a book with a clear ideological preference for unregulated private enterprise.

The Extraction State's periodization itself reveals the book's underlying fixation with government regulation as the determinative constraint on natural gas industry growth and market performance throughout the twentieth century. Natural gas history is framed as a transition into and out of robust government market controls: 1954 marks the establishment of federal price controls

on extracted natural gas as a result of the Supreme Court's decision in *Philips Petroleum Co. v. Wisconsin*, while 1992 denotes Federal Energy Regulatory Commission Order 636, which transitioned natural gas pipeline companies out of their merchant role and into pure transmission service. Though Blanchard is right to give these decisions analytical heft, his focus on what he terms "wrong-headed regulation" often obscures vital shifts in corporate philosophies, consumer preferences, and political logics that have done as much as regulation to shape the natural gas industry (p. 224).

Throughout the book, Blanchard is most at home thinking in terms of markets and analyzing decision-making as a function of profits and arbitrage. This interpretive preference yields some of the book's best sections, such as its observations on the connection between the natural gas sector's deregulation and its financialization. At the same time, though, it reinforces the book's tendency to travel between anecdotes at thirty thousand feet. While *The Extraction State* attends fairly diligently to the motives and perspectives of individual entrepreneurs, investors, and corporate executives, other characters rarely rise to the surface. Instead, Blanchard generalizes, investing poorly defined political and institutional constituencies with collective agency.

Some of the book's most compelling moments come when Blanchard examines the natural gas industry in relation to other branches of the energy sector. This comes off especially well in *The Extraction State*'s first section, when coal and electricity appear regularly, alternating between competition and synchrony with the burgeoning natural gas sector. The contest was over not just light and heat but also reliability, temporal availability, and, of course, cost—themes of political and economic contention that Blanchard captures well as he traces the long-running struggle for market share between natural gas and manufactured gas, a coal product that predated commercially avail-

able natural gas in most American cities by several decades.

Natural gas developed into a widely recognized public utility and a major industrial energy source during the same decades as electricity, and Blanchard pays close attention to competition, exchange, and overlap between the two industries during these formative years. These connections are understudied, and *The Extraction State*'s first section does a good job of crossing the traditional barrier between the historiographies of electricity and fossil fuels. Nonetheless, the book's pervasive presentism, and its tendency to collapse motive into profit, causes Blanchard to bypass many of the most compelling avenues of inquiry, such as under what circumstances corporate and legislative figures saw natural gas and electric utilities as comparable.

Though published by a university press, *The Extraction State* is not an academic book: it rarely draws on primary sources, cites its assertions only haphazardly, and works from a limited subset of the most relevant scholarly works. This need not be a failing in itself, but at several points, Blanchard makes substantial uncited claims that do not conform with the historical record. For example, in examining the Natural Gas Act of 1938, long the dominant federal law governing the natural gas industry, the narrative focuses on §7(c). That provision originally required proposed interstate natural gas pipelines in regions of the country that were already served by an existing pipeline to seek approval from the Federal Power Commission. Blanchard asserts without evidence that §7(c) implicitly outlawed all other interstate pipelines, severely restricting natural gas development. Neither the plain language of the law nor the secondary source that Blanchard cites next supports this reading: before it was amended in 1942, §7(c) exempted from federal review all pipeline projects that it did not explicitly cover.^[1] Private bond markets, which perceived interstate pipelining as a risky investment, often failed to

distinguish between pipeline projects that lacked federal approval because they were exempt and those whose applications had been rejected, encouraging many companies to seek approval that the Federal Power Commission did not have jurisdiction to grant. There was, as Blanchard claims, a sort of “de facto ban on entering new markets,” but that ban was the product of private securities investors’ preferences, not of congressional action (p. 77). A substantial portion of the chapter, though, relies on the incorrect interpretation to portray the Natural Gas Act’s authors, and by extension legislators and regulators writ large, as ill-informed and careless and to foreshadow the escalation of regulatory intervention over the coming decades.

Conclusions such as this one reiterate the book’s anti-regulatory ideology, and many, lacking careful support, appear like opinions in search of a suitable historical fact pattern. As in the case of the Natural Gas Act, Blanchard’s preferred explanation for legal or regulatory conflict is government ineptitude, and this attitude makes the book incurious about the often-complicated events it handles. The book repeatedly articulates an unnuanced view of municipal regulation as extortion and of advocates for public control of utilities as anti-business demagogues.

These ideological commitments sometimes lead the book into perplexing territory. Blanchard’s rendition of the California electricity crisis works hard to partially exonerate Enron, the energy trading firm whose duplicitous market manipulation in 2000 and 2001 caused bankruptcies and widespread blackouts in California’s partially deregulated electricity sector (pp. 278-82). At the same time, Blanchard condemns the California Department of Water Resources (DWR), which Governor Gray Davis granted emergency authority to purchase electricity for the state’s investor-owned utilities, as incompetent, calling it “an agency with no experience purchasing electricity” (p. 271). In 2001, DWR, with its vast system of canals and

reservoirs, was actually both California’s largest single consumer of electricity and among its largest generators—and was given emergency purchasing authority precisely because of its experience.[2]

The Extraction State’s inconsistent treatment of historical events comes across as partisan, but it also indicates an overarching absence in Blanchard’s thinking about the past. The book as a whole lacks any methodology for identifying, analyzing, or discussing historical ignorance. The history of natural gas is rife with ignorance: the geological ignorance that led most early wildcatters to go bust drilling dry holes, the geopolitical and economic ignorance that prevented mid-century government regulators from accurately predicting future demand for natural gas, and the policy ignorance produced by the industry’s dogged refusal to tabulate how much natural gas it loses to leakage despite a century of agitation to do so. Blanchard obviously knows how to recognize ignorance, but he is much more interested in using it to propel his narrative by identifying moments of drama or irony than he is in considering how ignorance produces political power, economic advantage, or cultural change.

These thornier considerations are especially vital when writing the history of the fossil fuel industry, which has been defined by asymmetrical ignorance, both manufactured and unintended. Most infamously, the oil majors, several of which feature as recurring players in *The Extraction State*, suppressed and distorted scientific discoveries about anthropogenic climate change for over half a century as part of a strategy to preserve their business model. The study of this sort of ignorance, termed “agnotology” by Robert N. Proctor and Londa Schiebinger, has become a mainstay of fossil fuel histories in the decade since Naomi Oreskes and Eric M. Conway published *Merchants of Doubt* (2010).[3] The fossil fuel industry, however, is entangled in many more forms of ignorance and asymmetrical knowledge. The in-

dustry has founded multiple academic disciplines and funded the development of new fields of basic and applied research from atmospheric chemistry to pipeline engineering. Political interest in control of fossil fuel deposits helped to shape the informational infrastructure of the federal government in the early twentieth century, drove the mapping of swaths of the American West, and has long bankrolled deep-sea exploration. Fossil fuel corporations conduct vast proprietary surveys, which often give them an informational advantage over both local communities and their state regulators. Given all this context, historians of fossil fuels must have a way of thinking systemically about the production, dissemination, distortion, obfuscation, and restriction of knowledge—or risk being swamped by the weight of what others did not know.

Lacking a consistent framework for understanding what knowledge was worth, Blanchard confronts ignorance on a case-by-case basis, too often interpreting it as best suits his narrative and his preconceptions. *The Extraction State* reliably gives corporate actors credit for making mistakes that were “only natural” given their context, while castigating government actors as thoughtless, obtuse, or sometimes malicious (p. 181). The book’s proleptic style allows it to move smoothly past critical gaps in period knowledge—and in so doing, to ignore major questions that call its narrative into doubt.

In aiming for a history of natural gas in the United States, *The Extraction State* has framed a topic that deserves dramatically more scholarly attention in the present moment than it is receiving. Even excellent fossil fuel histories like Christopher Jones’s *Routes of Power: Energy and Modern America* (2014) have tended to give natural gas short shrift. As Blanchard recognizes, this gap has persisted in part due to natural gas’s own long-time status as the least iconic, and least politicized, of the fossil fuels. Only with the advent of widespread hydraulic fracturing has that status fully

dissolved, giving natural gas an independent trajectory as an energy commodity and a distinct set of political controversies as a greenhouse gas.

The Extraction State confronts a compelling and timely topic, and it periodically draws vital, underrecognized connections between the natural gas industry, its once-and-future competitors in the electric industry, and broader commodity markets. Nonetheless, the book too often declines to examine the historical tropes and ideological assumptions it encounters. Rather, it reproduces them. This does little justice to natural gas, which has wound its way sinuously across categorical boundaries over its history as an extractive resource. In *The Extraction State*, technological determinism and free-market fundamentalism provide a simpler narrative of industrial growth, entrepreneurial profit, and regulatory blunders. In pursuit of this narrative, Blanchard is often a more dedicated cheerleader for the natural gas industry’s growth, technical development, and expanding domain than its historical actors have been.

Notes

[1]. Natural Gas Act of 1938, Pub. L. No. 688, 56 Stat. 566 §7 (1938); and M. Elizabeth Sanders, *The Regulation of Natural Gas: Policy and Politics, 1938-1978* (Philadelphia: Temple University Press, 1981), 49-50. For explicit clarification that §7(c) did not itself impose any restriction on non-covered pipelines, see US Congress, House of Representatives, Committee on Interstate and Foreign Commerce, *Natural Gas Act Amendments: Hearings before the Committee on Interstate and Foreign Commerce*, 77th Cong., 1st sess., 1941, esp. 3-5, 11-12.

[2]. “Power,” California Department of Water Resources, accessed April 8, 2021, <https://water.ca.gov/What-We-Do/Power>.

[3]. Robert N. Proctor and Londa Schiebinger, eds., *Agnology: The Making and Unmaking of Ignorance* (Stanford, CA: Stanford University Press, 2008); and Naomi Oreskes and Eric M. Conway,

Merchants of Doubt: How a Handful of Scientists Obscured the Truth on Issues from Tobacco Smoke to Global Warming (New York: Bloomsbury, 2010).

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