

# Survey of Current Business

## The 1970s

### RESPONDING TO FOSSIL FUEL CHALLENGES

#### OIL PRICES

The 1973-74 Arab oil embargo quadruples imported crude oil prices, causing "one of the most severe shocks to the world economy." In 1979, Iran's oil production is disrupted and OPEC continues raising prices—16 percent in July alone.

**OPEC Transactions in the U.S. International Accounts, 1972-77**

**Table B-10. OPEC Transactions with Official Accounts**

Year	Imports	Exports	Net
1972	1,000	1,000	0
1973	1,000	1,000	0
1974	1,000	1,000	0
1975	1,000	1,000	0
1976	1,000	1,000	0
1977	1,000	1,000	0

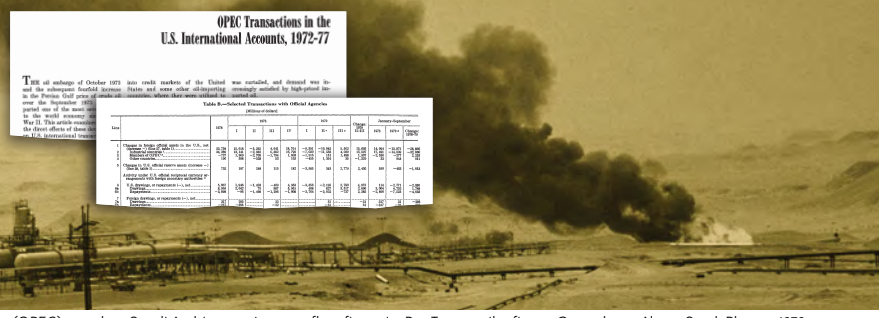
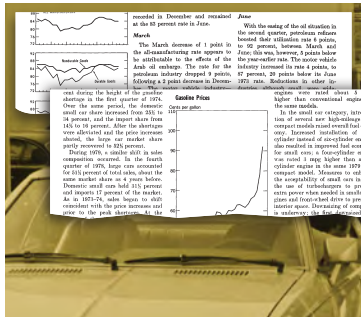


Photo. An Organization of Petroleum Exporting Countries (OPEC) member, Saudi Arabia experiences a flare fire at its Ras Tanura oil refinery. Geogphoto, Alamy Stock Photos, 1979.



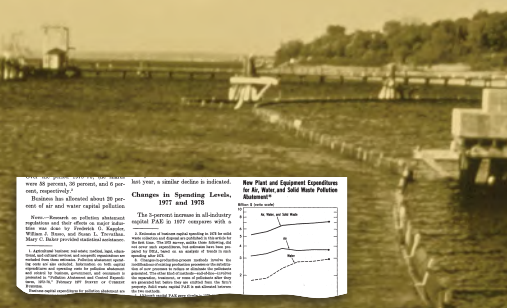
#### COMPACT CARS

Gasoline shortages and rising costs spur vehicle manufacturers to produce smaller, lighter cars with better fuel economy. In 1975, new models must meet Corporate Average Fuel Economy standards.

Photo. A long line of cars at a gas station. Warren K. Leffler, U.S. News and World Report Magazine Photograph Collection, Library of Congress, June 15, 1979.

#### POLLUTION

Of 22 industries, petroleum has the largest average annual increase in pollution abatement spending—17 percent—from 1973 to 1978. In 1979, petroleum comprises \$1.4 billion of the \$7.3 billion industries plan to spend to reduce pollutants.



**Capital Expenditures by Business for Air and Water Pollution Abatement, 1973 and Planned 1974**

By 1975, industry business spent \$1.4 billion for air and water pollution abatement. This compares with \$1.1 billion in 1973. The 1974 plan to spend \$1.4 billion in 1974 represents a 17 percent increase over 1973. Expenditures for air and water pollution abatement are expected to rise to \$1.4 billion in 1974, up from \$1.1 billion in 1973. The 1974 plan to spend \$1.4 billion in 1974 represents a 17 percent increase over 1973. Expenditures for air and water pollution abatement are expected to rise to \$1.4 billion in 1974, up from \$1.1 billion in 1973.

Photo. A boom system barrier at the Tiverton, RI, petroleum tanker terminal. Hum Historical, Alamy Stock Photo, May 1973.

#### Work-Force Migration Patterns, 1970-76

**Nonfarm Income**

From the fourth quarter of 1973 to the fourth quarter of 1976, nonfarm income rose 18 percent. The increase was due to a rise in the number of workers and an increase in the average wage rate. The number of workers rose 18 percent, and the average wage rate rose 10 percent. The total nonfarm income rose 18 percent, or 1.4 percent per quarter.

Year	Nonfarm Income
1970	1,000
1971	1,000
1972	1,000
1973	1,000
1974	1,000
1975	1,000
1976	1,000



#### JOB MIGRATION

Petroleum refiners and gas utilities invest in developing new oil and gas sources. From 1973 to 1976, 81,900 people migrate to Texas, many for oil and natural gas production jobs, and 14,200 migrate to Alaska to construct the Trans-Alaska Pipeline.

Photo. Workers at the Prudhoe Bay oil field, AK. Trinity Mirror/Mirrorpix, Alamy Stock Photo, April 1977.

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