PART I
UNITED STATES "ENERGY" POLICY TO 1973: THE FIRST TRADITION

THE FEDERAL GOVERNMENT'S LIMITED ROLE

The Federal Government played a limited role in formulating national energy policy in the era of relatively cheap and abundant energy before the 1973 energy crisis. A reluctant manager and guardian of America's energy resources, the Federal Government moved cautiously in energy policy and acted more as a broker among diversified interests than as a master planner, leaving the task of long-range planning and energy utilization to private industry or state, local, and regional authorities.[1] Although always mindful of the significance of energy for national security, the Federal Government generally avoided massive intervention in the energy marketplace except in response to national emergencies. When the government imposed strict regulations and controls, including rationing, during World Wars I and II, Americans regarded such actions as emergency measures. More typically during peacetime, the Federal Government confined its role to monitoring energy data and coordinating research, development, application, and regulation of energy systems with public, private, local, state, regional, national, and international constituencies and institutions.[2]

The Nation relied on the private sector to fulfill most of its energy needs. Historically, Americans expected private industry to establish production, distribution, marketing, and pricing policies except where "natural monopolies" could not guarantee fair prices, as in the interstate transmission of gas and electricity. When free market conditions were absent, federal regulations were established to control energy pricing. On occasion, the Federal Government undertook major energy research and development projects, particularly in nuclear and hydroelectric power, when the public interest required national action. Federal programs like dam building, power marketing, and rural electrification sought to promote growth in energy industries to ensure consumers plentiful and inexpensive energy. Yet even when the government's involvement was extensive and vigorous, as in the hydroelectric development of the Tennessee and Columbia River valleys, federal energy management was regional in nature and restricted to specific energy technologies.

Through the early 1970s, energy programs scattered throughout the federal departments and agencies reflected the government's benign approach to energy management as a whole. Indeed, government officials generally thought in terms of particular fuels, technologies, and resources rather than "energy." Each fuel presented special characteristics and problems. The Departments of State and Defense, for example, sought to secure reliable sources of both foreign and domestic oil to increase national security. In some agencies, energy or fuel technologies were handled almost independently from one another, as in the Office of Oil and Gas and the Office of Coal Research within the Department of the Interior. The Bureau of Mines relationship to the highly decentralized and labor-intensive coal industry contrasted sharply with the Atomic Energy Commission's monopoly of nuclear technology before 1954. The Federal Power Commission sought to establish "fair prices" for the transmission of gas and electricity in interstate commerce, while the Department of Justice and the Federal Trade Commission attempted to promote competition within energy technologies. Energy research, primarily under the auspices of the Department of the Interior and, after 1946, the Atomic Energy Commission, was conducted at diverse energy research centers, stations, and laboratories throughout the country.[3]