PART IV
THE CARTER ADMINISTRATION, 1977-1981

CARTER, SCHLESINGER, AND THE NATIONAL ENERGY PLAN

The day following his inauguration, President Carter announced that James R. Schlesinger, assistant to the President, would be his personal representative working with Congress to ease the natural gas shortage. Schlesinger, who had served as chairman of the Atomic Energy Commission, Secretary of Defense, and director of the Central Intelligence Agency, was soon recognized as Carter's new "energy czar." Housed in the Old Executive Office Building, Schlesinger assembled a team to hammer out the President's energy policy and reorganization plans, which included a new cabinet-level department of energy promised by Carter during the campaign. On February 2, Carter proclaimed a national emergency as defined in the Emergency Natural Gas Act of 1977, which he had just signed. That same evening, in a televised "fireside chat" with the American people, the President stressed the need for national sacrifice, conservation, and patience and promised to present a comprehensive energy plan to Congress by mid-April. Five days later he named John F. O'Leary to head the Federal Energy Administration.[43]

In the first ninety days of Carter's presidency, Schlesinger developed the administration's basic energy reorganization plans and energy policy strategies. On March 1, 1977, Carter presented Congress with his proposed energy reorganization legislation, which created the Department of Energy. In April Carter sent his national energy plan to Capitol Hill. In a somber note to the American people, the President said that the energy challenge would test not only American character but also the very ability of the President and Congress to govern. Indeed, except for preventing war, the President described the energy crisis as the Nation's greatest challenge. Borrowing from the philosopher William James, Carter described America's testing as the "moral equivalent to war." Carter's rhetoric was significant because only during actual wartime had the Federal Government imposed energy management similar to that now advocated by the President.[44]

Carter's National Energy Plan consisted of approximately 100 proposals ranging from administrative actions to new laws and regulations. The plan placed heavy emphasis on reducing energy consumption, implementing conservation, and developing alternative energy technologies. Although Carter abandoned hope of achieving energy "independence," he anticipated that by 1985 the United States could reduce growth in energy demand, reduce oil imports and gasoline consumption, increase coal production, and install insulation and solar energy in millions of homes and businesses. To accomplish his energy goals, the President requested speedy establishment of an energy department. "Continued fragmentation of government authority and responsibility of our energy program for this Nation," he warned, "is both dangerous and unnecessary."[45]

None of the key elements of Carter's Nation Energy Plan were original. They had been discussed in previous energy debates. Some were similar to proposals made by Ford; others drew from Democratic counterproposals. The difference was that Carter combined these elements into a unified policy framework and placed much greater emphasis on conservation. Nixon and Ford had focused primarily on increasing domestic energy supplies. Carter, through an exceedingly complex package of regulatory and tax measures, concentrated on making scarce resources go further by using less.[46]