

CARTER ENERGY POLICIES, 1978

Both President Carter and Secretary Schlesinger contended that the creation of the Department of Energy did not, by itself, solve the Nation's energy problems. The Department provided the management structure for carrying out the Carter Administration's energy policies embodied in the National Energy Plan. The substance of the energy plan, according to Schlesinger, provided the "minimum" policies required for the administration to cope with the country's energy difficulties. As 1977 ended, however, Congress remained deadlocked on Carter's energy plan. Public opinion had failed to rally strongly behind the program, and, as a result, sophisticated lobbying campaigns by committed special interests proved highly successful. "The basic problem," Schlesinger concluded, "is that there is no constituency for an energy program. There are many constituencies opposed. But the basic constituency for the program is the future."⁵³

Carter remarked at his last press conference of 1977 that the inability to carry out an energy policy was his administration's only major legislative failure during its first year. In his State of the Union message in January 1978, the President lamented that on energy legislation the administration and Congress had "failed the American people." He reminded the Nation's lawmakers that there could be no higher priority than the prompt legislative enactment of the National Energy Plan.⁵⁴

Congress continued to debate the various provisions of the energy plan through spring and summer 1978, finally accepting about half of Carter's program. The President signed the National Energy Act of 1978 on November 9, a year and a half after it was initially proposed. The legislative package, almost nine inches thick, consisted of five major acts:

- The National Energy Conservation Policy Act
- The Powerplant and Industrial Fuel Use Act
- The Public Utilities Regulatory Policy Act
- The Energy Tax Act
- The Natural Gas Policy Act

Enactment of the National Energy Plan was a major political victory for the Carter Administration. "We have declared to ourselves and the world," Carter noted after the bill's final passage, "our intent to control our use of energy and thereby to control our own destiny." The Nation, he added, now had a comprehensive energy policy. Carter, nevertheless, viewed the enacted energy plan, substantially attenuated by Congress, with mixed feelings. Congress had rejected what Carter labeled the centerpiece of his program: the crude oil equalization tax designed to raise the price of American-produced crude oil to world levels, thus stimulating conservation. As an alternative to the decontrol of domestic oil, the proposed tax drew the support of neither the oil industry nor the tax-wary public. The tax, lacking a constituency, would have nonetheless significantly reduced American oil imports. As Carter ruefully noted, his original proposals would have lowered oil imports by an estimated 4.5 million barrels per day by 1985; the National Energy Act would save only 2.5 million barrels per day.⁵⁵

Schlesinger described the National Energy Act as a historic turning point. "The era of cheap and abundant energy is recognized to be over," he observed, "[and] for the first time energy conservation is recognized as an indispensable ingredient in national energy policy." Above all, Schlesinger told Department of Energy employees, the act provided the Department with a charter and with operational guidance for at least the next five years. It tells us, he concluded, "what to do and the means by which we hope to achieve it."⁵⁶

CONSOLIDATING THE DEPARTMENT

Although Congress failed to pass tax measures that the administration believed would reduce oil imports, President Carter and Secretary Schlesinger, nonetheless, hoped that the energy issue would abate in 1979 and allow the Department to consolidate its energy efforts. In his State of the Union address on January 23, Carter referred only briefly to energy issues in the context of fighting inflation, calling on Congress to take action to conserve energy,