

increase production, and hasten the development of solar power. Two days later in a more detailed message to Congress, he stressed that the administration would build upon the framework of the National Energy Act. Certainly, Carter's "energy team" was thinly stretched between the requirements of developing the energy plan and the task of establishing a cabinet department. Reviewing the Department's fiscal year 1980 budget, the first the Department had put together as a comprehensive document and not as a combination of requests of predecessor agencies, Schlesinger noted that the Department's activities "were a logical extension of the efforts which the administration and the Congress have successfully initiated in the past two years."⁵⁷

The Department's 1980 budget request of \$8.4 billion was an 8 percent increase over that approved for fiscal year 1979. Total funding for energy technology development fell from \$3.85 billion to \$3.81 billion because of reductions in nuclear fission (from \$1.20 billion to \$1.04 billion) and geothermal energy (from \$136 million to \$111 million). Fossil energy funding remained essentially level at \$796 million as did magnetic fusion at \$364 million. Solar energy, an administration priority, was the big winner in the energy technology field with an increase of 13 percent to \$597 million. Funding in conservation, another administration priority, actually dropped from \$671 million to \$555 million, but this was primarily related to the delayed passage of the energy plan resulting in a large carry-over funding from the previous fiscal year. Resources for energy regulation and information activities increased from \$276 million to \$323 million, with much of this earmarked for implementation of the National Energy Act. Funding for the Department's defense activities increased substantially from \$2.69 billion to \$3.02 billion.⁵⁸

Managing this vast and diverse multi-billion-dollar organization was not an easy task. Over a year after its founding, the Department was still settling into established patterns of operation. Critics accused the Department of being "the most screwed-up bureaucracy in

Washington." But Schlesinger defended the Department, noting that it was the first department established in the midst of an ongoing crisis. "In relation to the establishment of other large departments since World War II," he added, "we look pretty good."⁵⁹

ENERGY SHORTAGES AND RISING PRICES, 1979

The Department could have used to good advantage a quiet year on the energy front, but in 1979 the country was again assaulted by energy shocks. Increasing trouble in Iran, including cessation of oil exports and the flight of the Shah on January 16, created a worldwide shortage of oil. Although the oil-consuming nations were using two million barrels of oil a day more than were being produced, President Carter and Secretary Schlesinger were at first cautiously optimistic that a crisis could be avoided. Iran had supplied the United States with only 5 percent of its oil, and the President, following the Shah's departure, declared that through voluntary conservation the country could cut back oil consumption by that same percentage without seriously damaging its economy. Schlesinger reiterated the call for a voluntary conservation of oil by all Americans. As oil prices soared and it became apparent that there would be no ready restoration of Iranian production, however, energy officials became increasingly concerned. In early February Schlesinger warned the Senate Energy and Natural Resources Committee that the Iranian crisis might lead to greater oil shortages than those created by the Arab oil embargo of 1973-1974. Carter noted in a February 12 press conference that the "situation is not crucial now; it's not a crisis." But, he continued, "it certainly could get worse."⁶⁰

The Department developed standby mandatory energy conservation measures in response to the oil shortage. On March 1, Carter transmitted to Congress for its approval three conservation plans and a gasoline rationing plan. The conservation measures prohibited the sale of gasoline on certain weekend hours, restricted building thermostat settings to no