Reagan Recaptures Historical Role

Within the first one hundred days, the Reagan Administration took major steps to return the Federal Government to its historically limited role in national energy management. The Department of Energy was established in 1977 as a political symbol suggesting that the Federal Government would accept a large responsibility for solving the Nation's energy crisis. Four years later the Department of Energy had become an equally potent symbol of the popular perception of the ineffectiveness of "big government" in dealing with national problems.[89] For example, speaking to the Edison Electric Institute on April 8, 1981, Secretary Edwards noted that although no sector of the economy suffered more from inflation, high interest rates, and regulation than the utility industry, the Department of Energy would not engineer the needed changes. "It is an article of faith within the Reagan Administration that the reverse must be true," Edwards stated, "that the Federal Government's role in the management of the Nation's business has been too large, for too long; and that it is now time to return to the original source of American greatness: The skills, the talent, the vision, the ingenuity of the Nation's private business and industrial leaders."[90]

The administration's energy policy, Edwards explained, encompassed three traditional concerns: "national security; energy prices; and the environmental impact of energy development." These same concerns had guided the Army Corps of Engineers when it constructed the Bonneville Dam on the Columbia River in the 1930s. For the 1980s, energy conservation remained important, Edwards stressed, but conservation alone could not solve the energy problem. The Federal Government must encourage increased energy production primarily through the administration's economic program.[91] While visiting Alaska to talk with state leaders and to inspect energy resources, Edwards emphasized the need to develop a reliable inventory of national energy resources. Reflecting the commitment of the energy policy plan to develop federally held reserves, Edwards noted that Americans were comparable to someone starving in the kitchen with a cupboard of food and a key in their pocket. "We've got tremendous energy resources in America," he stated, "and all we have to do is go in and unlock them."[92]

Although the direction the Reagan Administration wished to take was unmistakable, the ultimate fate of the Department of Energy remained uncertain through 1982. Initially, Edwards had sought to dismantle and abolish the Department, perhaps creating an Energy Research and Technology Administration (ERTA) within the Department of Commerce. The Department of Energy Organization Act, which had created the agency in 1977, also included a "sunset provision," which required the President to submit to Congress a comprehensive review of the Department and its programs by January 1982. Ironically, the Reagan Administration now used the sunset provision, a hallmark of the Carter Administration's policy of "zero-based budgeting," to assault one of Carter's proudest achievements. The report to Congress, titled *Sunset Review*, reiterated the President's determination to dismantle the Department. The administration review nonetheless gave the Department generally good marks in achieving its past and current objectives. This apparent contradiction was explained by the fact that administration reviewers conceded that, for the most part, the Department's "program activities reflected the intent of enabling legislation," and, indeed, showed some "progress toward achieving objectives." The *Sunset Review* added, however, "whether the objectives and activities of many departmental programs were appropriate, then or now, is another question."[93]

Energy reorganization languished, nonetheless, through summer and fall 1982. The national economy, the federal budget, and the November elections dominated the congressional agenda. Simultaneously, the Nation's energy situation improved markedly. In his 1982 annual report to Congress Secretary Edwards credited the effectiveness of the free market in determining adequate energy production and consumption. Edwards noted that "we have come to recognize that extensive federal