

REAGAN'S FIRST-TERM ACCOMPLISHMENTS

Although not complacent about America's energy future, Secretary Hodel confidently announced in June 1984 that the Nation was much better off than in 1980. Not only had the general economic situation improved, but also oil consumption was down by 10 percent and oil imports had decreased by 33 percent. Meanwhile, energy suppliers had diversified, and only about 3 percent of America's imports were coming from the Persian Gulf. In addition, more than 400 million barrels of oil had been placed in the Strategic Petroleum Reserve.

"Compared to other Administrations," Hodel noted, "both Republican and Democrat, our energy policy is about the same." How Reagan had differed, Hodel stated, was with strategies to achieve that goal. Before Reagan, the Federal Government had increased control over energy markets. Reagan's strategy to minimize federal intervention, the Secretary contended, appeared more successful in achieving adequate energy supplies at acceptable prices.¹⁰⁸

FEDERAL GOVERNMENT SUPPORT FOR ENERGY RESEARCH AND DEVELOPMENT

What role should the Federal Government play in supporting and managing science and technology? This question, Secretary Hodel observed, was one of the most hotly debated public issues. In keeping with Reagan's principles, Hodel believed that the Federal Government should play a minimal role in energy research and development and should foster private sponsorship of science and technology when possible. On the other hand, Hodel conceded, the Federal Government's support of certain basic research was vital not only to assure America's preeminence in science but also to maintain her national defense and industrial leadership. Supercomputers, superconductivity, high energy physics, basic materials properties, and biotechnology represented areas of major

commitment from the Federal Government. Research that was too expensive for the private sector but might yield large future returns was also appropriate for federal support. Magnetic fusion, breeder reactors, and advanced solar systems were among research areas Hodel believed should be funded by the Federal Government to explore whether they might become marketable energy resources.

The Department of Energy's chief tasks, according to Hodel, lay in exploring the uncertain and expensive frontiers of energy science and technology. He compared the government's responsibility in exploring the energy frontier with its role in opening the American West. Explorers such as Lewis and Clark, Fremont, and Bonneville had all been supported by the United States government. In turn, settlers were offered free land under the Homestead Act (1862), and transcontinental railroads were built west under government incentives, such as the "checkerboard" land grants, that attracted investors. Some prospered; others failed. But, concluded the Secretary, the West was settled without creating federal farms and communes or government railroad corporations.

Analogously, Hodel believed the Federal Government should expand and explore the energy frontier through research and development but should not build institutions to commercialize the opportunities that were discovered. Private citizens should be excited and encouraged to "homestead" the energy frontier, where some would fail but many more would succeed. Just as land transfer was a major task of the government in the nineteenth century, so technology transfer from the government to the private sector would be a significant agenda for the Department of Energy in the twentieth century.¹⁰⁹

HERRINGTON APPOINTED SECRETARY OF ENERGY

President Reagan announced on January 10, 1985, the appointment of John S. Herrington as the fifth secretary of energy. Hodel stayed