



The Secretary

July 20, 1979

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

It is now two and one-half years since you assigned to me the onerous and miscellaneous responsibilities falling to the lot of the "energy czar." My tenure in that anomalous position has by far exceeded that of any of my predecessors. It has covered the establishment of this Department, the long battle over passage of the National Energy Act of 1978, the severe short-term difficulties posed by the fall of the Shah, the Iranian shutdown and its aftermath -- as well as such lesser matters as the coal strike of 1978 and the natural gas crisis of 1977.

As we discussed prior to the Tokyo Summit, it would be far better for you to have in place one who is less scarred by earlier battles. On August 4 I shall have completed two years in this office. I trust that you will accept the resignation that I have previously offered. I would thus hope to be out of office by October 1 -- the second anniversary of the establishment of this Department. In the interim I shall provide steady and continuing support for the new programs you have initiated and ready assistance to Charles Duncan during this period of transition.

Mr. President, under your leadership, the energy problems, so easy to ignore, have come to be better understood. Conservation, so widely dismissed a few years ago, has now become a simple reality. The thirty year war over natural gas pricing has been ended. The controls on oil prices -- with their crippling effects -- are being phased out. The nuclear option has been preserved -- and the age of renewables has been initiated. We have made a start on a synthetics program which promises within a decade to become massive. Despite all the difficulties, impressive achievements have occurred during these last two years.

Yet, despite all the efforts, Mr. President, I fear that the depth of our national problem has not as yet been accepted by the American people. The severe impacts on our economy -- and potentially on our political and social institutions -- posed by the prospective oil stringencies of the 1980's have not been fully recognized. Even more important, the geopolitical implications of the dependence of the United States and her allies on the most volatile and vulnerable region in the world should cause the deepest apprehensions. The geostrategic risks are stark -- as is the attendant precariousness of supply. The revolution in Iran, as the embargo before it, should have swept away all illusions regarding these geostrategic risks.

The task remaining is therefore, Mr. President, an imposing one. You shall have whatever assistance I can provide -- as well as my best wishes -- as you continue to grapple with these intractable problems.

Sincerely yours,

  
James R. Schlesinger



The Secretary

July 20, 1979

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

It is now two and one-half years since you assigned to me the onerous and miscellaneous responsibilities falling to the lot of the "energy czar." My tenure in that anomalous position has by far exceeded that of any of my predecessors. It has covered the establishment of this Department, the long battle over passage of the National Energy Act of 1978, the severe short-term difficulties posed by the fall of the Shah, the Iranian shutdown and its aftermath -- as well as such lesser matters as the coal strike of 1978 and the natural gas crisis of 1977.

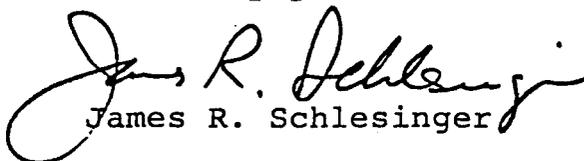
As we discussed prior to the Tokyo Summit, it would be far better for you to have in place one who is less scarred by earlier battles. On August 4 I shall have completed two years in this office. I trust that you will accept the resignation that I have previously offered. I would thus hope to be out of office by October 1 -- the second anniversary of the establishment of this Department. In the interim I shall provide steady and continuing support for the new programs you have initiated and ready assistance to Charles Duncan during this period of transition.

Mr. President, under your leadership, the energy problems, so easy to ignore, have come to be better understood. Conservation, so widely dismissed a few years ago, has now become a simple reality. The thirty year war over natural gas pricing has been ended. The controls on oil prices -- with their crippling effects -- are being phased out. The nuclear option has been preserved -- and the age of renewables has been initiated. We have made a start on a synthetics program which promises within a decade to become massive. Despite all the difficulties, impressive achievements have occurred during these last two years.

Yet, despite all the efforts, Mr. President, I fear that the depth of our national problem has not as yet been accepted by the American people. The severe impacts on our economy -- and potentially on our political and social institutions -- posed by the prospective oil stringencies of the 1980's have not been fully recognized. Even more important, the geopolitical implications of the dependence of the United States and her allies on the most volatile and vulnerable region in the world should cause the deepest apprehensions. The geostrategic risks are stark -- as is the attendant precariousness of supply. The revolution in Iran, as the embargo before it, should have swept away all illusions regarding these geostrategic risks.

The task remaining is therefore, Mr. President, an imposing one. You shall have whatever assistance I can provide -- as well as my best wishes -- as you continue to grapple with these intractable problems.

Sincerely yours,

  
James R. Schlesinger