8

An Age of Limits: Jimmy Carter and the Quest for a National Energy Policy

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As Jimmy Carter took the oath of office on January 20, 1977, the nation was gripped by both a record cold wave and the most severe natural gas shortage in its history. Snow fell in Miami, and eight-inch-thick ice on the Mississippi River brought barge traffic to a halt. The concurrent shortage of natural gas forced schools and factories throughout the nation to shut down, leaving hundreds of thousands of workers temporarily unemployed and thousands of students stranded at home. Even in Carter's normally temperate home state of Georgia, more than 80 percent of the state's schools were closed, and all of the state's industrial consumers were without natural gas. Given this context, it was perhaps not surprising that one of Carter's first legislative accomplishments would be the enactment of an emergency natural gas pricing bill. The natural gas legislation, however, would be only the first of many attempts by Carter to deal with growing energy problems in the United States. In fact, energy issues would dominate the president's domestic and international policy-making efforts during the next four years. As Walter A. Rosenbaum would later note, "The Carter administration began with a natural gas crisis and ended with the Iranian hostage crisis. . . . From start to finish, energy issues crowded its agenda." While Carter considered his work on energy matters to be "equal in importance to any other goal" of his administration, he also admitted that his efforts on the issue were "like chewing on a rock that lasted the whole four years" of his presidency.[1]

In many ways Carter's somewhat quixotic quest for a national energy policy defined his presidency. On no other issue did Carter risk so much of his political capital, and on no other issue did Carter experience his greatest triumphs and most humiliating defeats. In energy policy, one could see the strengths of Carter's leadership—his willingness to tackle inherently difficult national problems without regard to the political costs and his conception of the presidency as leadership for the public good. Conversely, energy policy also revealed the weaknesses of the

president's leadership—his difficulty in building political coalitions, his inability to marshal his party, and his failure to inspire confidence in his ability to lead the nation. Despite Carter's unwavering commitment to reorienting the nation's energy policy, energy issues haunted the Carter administration, particularly in his last two years in office, and greatly contributed to his defeat at the polls in 1980.

Two weeks after his inauguration, as the nation continued to suffer from the unusually cold winter and the natural gas shortage, President Carter delivered his first nationally televised policy address to the American public. Attired in an unbuttoned cardigan sweater and casually seated in an armchair in the White House library, the president told the nation that on April 20, 1977, he would present to Congress a "comprehensive long-range energy policy." Calls to action on energy policy such as Carter's televised statement were not novel in the 1970s. Since the 1973 Arab oil embargo and subsequent energy crisis, policy makers had repeatedly attempted to find ways to either increase energy production or curb energy consumption. As Presidents Nixon and Ford had discovered, however, finding consensus on energy matters proved to be an elusive task. Republicans and oil-state Democrats tended to favor policy that relaxed the labyrinth of federal rules and regulations in order to increase domestic production, while most Democrats preferred policy that would encourage conservation, thereby preserving the environment from new resource extraction hazards and protecting consumers from rising energy prices. The most contentious and central debate on energy policy had centered on the issue of energy pricing. Federal regulation of domestic oil and natural gas prices kept energy costs at artificially low levels, encouraging waste and discouraging expensive new exploration and extraction efforts. Any successful energy policy, therefore, would need to find a way to bolster energy prices. Not surprisingly, neither Democrats nor Republicans welcomed the opportunity to raise the costs of energy to American consumers.

Efforts to find other ways of increasing domestic energy production and conservation encountered controversy as well. Congressmen with environmentalist-friendly constituents viewed any attempts to increase the use of coal resources or relax environmental rules with great suspicion, regardless of any increased energy production that might result. Expansion of nuclear power, once widely regarded as the cure-all for the nation's energy woes, continued to attract growing opposition. Conservatives, on the other hand, saw government involvement and funding in new energy production efforts as contrary to the free market and a wasteful use of public funds. They also argued that additional layers of government bureaucracy would hinder rather than encourage the development of new energy technologies. Added to these policy disagreements was an array of interest groups ranging from consumer activists to the major oil companies that supported often conflicting policy options. The intensity of interest group lobbying and the inability of Congress to achieve consensus during the Nixon and Ford administrations caused then House majority leader Thomas P. "Tip" O'Neill, Jr., to remark that energy policy was "perhaps . . . the most parochial issue that could have ever hit the floor."[2]

Because of the economic chaos created by fuel shortages and skyrocketing energy prices, the period 1973–76 should have been a propitious moment for the formulation of new energy policy. Virtually all economists, energy experts, politicians, and business leaders agreed that the nation must change its energy consumption habits and reduce its dependence on petroleum. The Arab embargo had demonstrated the economic dislocation and upheaval that could be caused by the nation's production and consumption habits. Even so, as time elapsed after the embargo, consumption levels began to rise again, and the federal government appeared paralyzed and incapable of dealing with the problem. Three years of intense and often rancorous policy debate under Nixon and Ford had resulted in little significant change in federal energy policy. In fact, the energy policies that Carter inherited in 1977 differed little from those that existed in the months before the oil embargo.

Given the unsuccessful efforts of the two previous administrations and the fading public memory of the oil embargo, Carter's decision to make energy the first major policy initiative of his administration surprised both Washington insiders and the American public. The most talked about issues of the 1976 presidential campaign had been the 1975 recession, tax reform, and welfare reform, not energy policy. To be sure, Carter had mentioned energy matters and had harshly criticized President Ford's energy initiatives, but he never hinted that he would pursue such a massive effort to redefine the manner in which the nation used its energy resources. Throughout the campaign Carter spoke only in general terms, calling for measures that would increase conservation, create a Department of Energy, strengthen automobile and appliance efficiency standards, and provide for more uses of coal. His most specific and controversial proposal on energy—to deregulate natural gas prices over a five-year period—illustrated the candidate's apparent lack of intense interest in energy issues. With virtually no discussion or study of the problem, Carter took a stand on the matter late in October 1976, primarily as the result of a letter sent to him by Domestic Policy Adviser Stuart Eizenstat, who advocated deregulation as a means of obtaining political support in gas-producing states. As Eizenstat later recalled, the episode demonstrated the limited extent of Carter's interest in energy policy during the campaign and the degree to which energy was a nonissue.[3]

As president-elect, however, Carter's disinterest in energy issues would prove short-lived. The natural gas crisis of late 1976 and early 1977 forced renewed attention to the nation's heavy dependence on limited fossil fuels. Furthermore, a number of people with whom Carter consulted during the transition period, such as Senator Henry Jackson (chair of the Energy and Natural Resources Committee), S. David Freeman (director of the energy policy project at the Ford Foundation), Omi Walden (director of the Georgia Office of Energy Resources), and Ralph Nader (well-known consumer advocate and political gadfly), urged Carter to make the development of a comprehensive energy policy one of the foremost priorities of his administration. Probably the most persuasive argument affecting Carter's thinking came from his old mentor from the navy, Admiral Hyman Rickover. The admiral, "father" of the nuclear navy and Carter's commanding officer in the early 1950s, had lectured Carter on what he saw as the nation's almost suicidal dependence on fossil fuels. Arguing that the growth of energy consumption soon would exhaust the world's oil fields, Rickover's lecture had an immense effect on the policy decisions the newly elected president soon would make.[4]

Carter also saw the question of energy policy as one having vital implications for both domestic and international policy. On the domestic front, Carter believed that sporadic energy shortages and price increases would wreak havoc on the U.S. economy by creating spiraling inflation and increased unemployment. He expressed even greater fear about the effect that the lack of a new energy policy would have on international policy, particularly in the area of national security. Because of the nation's rapidly increasing dependence on oil imported from politically unstable foreign regions (U.S. oil imports had risen from 35 percent of domestic consumption in 1973 to almost 50 percent by the time he took office in 1977), the president-elect believed that the country risked being brought to its knees by foreign powers. Taken together, these factors led Carter to make the creation of a national energy policy the top priority of his administration.[5]

Yet the story of Carter's postelection decision to embark on his energy crusade cannot be explained completely without noting certain characteristics of his personality and his sense of presidential responsibilities that compelled him to enter the energy frontier. As a moralist, Carter believed that the nation's lack of an energy policy led to the irresponsible waste of precious natural resources. The present generation had an obligation to provide future generations with energy alternatives. In short, he had an unyielding moral conviction that the nation should act with greater prudence as stewards of the earth's resources. Trained as an engineer, Carter also looked on the energy situation as a problem that could be solved through careful, analytical study and deliberate action. Because of his convictions and training, it is not surprising that Carter decided to make energy policy a priority in his administration.[6]

The effort to formulate a national energy policy also meshed well with Carter's conception of his role as president. As political scientist Erwin Hargrove has noted, Carter believed it the duty of the president to overcome the needs and wants of special interest groups and represent the "public good." Only the president, Carter believed, could formulate a policy that would benefit the nation as a whole. In Carter's mind, "good" public policy focused not on politically safe, short-term fixes but on comprehensive, long-range solutions. In the case of energy policy, previous attempts to alter the nation's energy use had failed, partly because various interest groups obstructed any meaningful reform and partly because many politicians typically shied away from any type of reform that could be disruptive to either energy-producer or energy-consumer constituents. Unlike many others in Washington, Carter did not conceptualize energy policy primarily as a matter of market freedom versus government control. Rather, he saw the creation of a new energy policy as a moral responsibility to develop an energy program that would increase conservation, fuel production, and alternative energy development, yet also protect the environment, provide economic equity between producing and consuming regions of the country, and balance the interests of energy producers and consumers. As president, Carter viewed himself as the national trustee, whose moral obligations included stewardship for future generations with no voice or vote in the American policy-making process. Looking at the past attempts at energy reform, Carter undoubtedly saw the supreme test for his beliefs concerning presidential leadership. By the time of his inauguration, he had become convinced that tackling the energy problem head-on with a sweeping comprehensive new policy could lead the nation to a promising new energy future.[7]

To develop the specific details of this new energy future, Carter turned to James R. Schlesinger, a former defense secretary who now served as Carter's adviser for energy matters. Carter insisted that Schlesinger adhere to three basic guidelines in the development of energy policy. First, he placed a ninety-day deadline on the creation of the plan. Carter insisted on this three-month deadline because he believed that the energy problem required immediate resolution, and he wanted Congress to act on the plan before the end of 1977. Apparently subscribing to the belief that presidents lose popularity over time, Carter also thought the ninety-day time frame would allow him to maximize his personal approval ratings. Second, Carter pursued a comprehensive plan rather than a piecemeal approach because he thought it would provide the most rational, effective way to deal with the problem. A comprehensive plan, he believed, also would make it more difficult for interest groups to pick apart the proposal. By making the policy an all-or-nothing proposition, Carter hoped to force Congress to enact the policy even if it contained certain provisions that might be detrimental to certain local and state constituencies. Finally, Carter insisted that the plan be developed in secrecy. Involvement of existing government agencies would be kept to a minimum, and the planners of the policy were to keep a safe distance from the vast array of constituents who had a vested interest in the program. With the exception of members of the energy task force, White House advisers would be excluded from the process in order to maintain its confidentiality. Carter hoped that formulating the plan in this manner would keep press leaks to a minimum and also thwart efforts by interest groups to influence its development. To meet these general guidelines, Schlesinger handpicked a small group of policy specialists to form the energy policy task force and immediately set to work on creating what would later become the National Energy Plan.

Together Carter and Schlesinger agreed on the general principles that would undergird the energy plan. The central rationale for the proposed plan was to provide an orderly transition from energy policy predicated on "cheap and abundant energy used wastefully and without regard to international and environmental imperatives to an era of more expensive energy with concomitant regard for efficiency, conservation, international and environmental concerns." The plan would redirect current policies in order to facilitate this transition and reduce the possibility of future economic and political crises caused by sharp price increases, shortages, and supply disruptions. To achieve this goal, Carter and Schlesinger identified four general components the plan would embody. Conservation and the more efficient use of energy resources would be the cornerstone of the policy. Reduction of oil imports also would receive priority in the Carter energy program, although the Ford and Nixon goals for total energy independence from imported oil were discarded as unfeasible. Reflecting Carter's interest in environmental issues, Schlesinger and the president agreed that energy needs would be balanced with environmental stewardship, even if this added to energy costs or limited the program's options. The final component of the plan, and potentially the most controversial, embraced the proposition that "society must begin to value energy now at its true value"; in other words, the energy program must find a way to raise the prices of nonrenewable resources (Schlesinger and Carter understood "true value" to be the world price of oil).[8]

Within three months of the inauguration, Schlesinger and his task force had taken these general guidelines and transformed them into the National Energy Plan (NEP), a comprehensive energy plan, massive in both its breadth and its complexity. Whereas previous energy proposals under Nixon and Ford had favored increased exploitation of existing energy sources, the NEP stressed conservation through the centralization of federal energy planning, higher prices for oil and natural gas, incentives for energy conservation, major expansion of federal regulatory authority over energy producers, suppliers, and consumers, and an increase in federal expenditures for alternative energy research and development. Policy proposals ranged from a "gas guzzler" tax, levied on the purchase price of low-gas-mileage cars to encourage the purchase of more fuel-efficient vehicles, to tax credits for home insulation and the use of solar energy. A host of new federal regulations would be implemented to strengthen the energy efficiency standard for new buildings, automobiles, and even kitchen appliances. New federal taxe would be placed on utilities and industries that burned oil or natural gas rathe than coal.

The two most important components of the plan—and potentially the mos politically explosive—centered on the issue of oil and natural gas pricing. Rathe than embracing outright deregulation as a means of raising natural gas prices (an thereby increasing production and discouraging consumption), the Schlesinge proposal created a complex formula that continued the labyrinth of interstate pric controls on existing gas wells. New natural gas well prices would be subject to federal control on both interstate and intrastate sales, but prices would be allowed to rise to the energy equivalent cost of oil. Although the decision to continue natural gas pricing regulation would satisfy many congressional Democrats, it clearly violated Carter's campaign promise to deregulate natural gas prices and would not satisfy the demands of those close to the industry who expected the plan to embrace deregulation.[9]

Schlesinger proposed an even more intricate procedure for raising oil prices. The government would adopt a new three-tiered pricing system for domestically produced oil. A price ceiling reflecting current prices for wells in production before 1975 (first-tier oil) would continue indefinitely. Oil from "new" or "second-tier" wells (wells in production after 1975) would have a price ceiling of approximately twice that of old oil, and oil from "stripper" wells (wells producing ten barrels or less per day) would be allowed to sell at the world price. As with natural gas pricing, the price ceilings of oil would be adjusted to rise at the rate of inflation. Taking the final step to bring domestic prices up to world oil prices, Schlesinger proposed a crude oil equalization tax on oil sales to be applied in three stages beginning in 1978. All proceeds from this tax would be passed back to the public in the form of tax credits.

The complex pricing schemes of the NEP reflected an attempt by Schlesinger and Carter to raise energy prices and yet avoid the politically explosive issue of price decontrol. In doing so, however, these provisions aroused opposition from both Carter's top advisers and congressional leaders. Shortly before the plan was unveiled, Eizenstat, Secretary of the Treasury Michael Blumenthal, and Vice President Walter Mondale had expressed serious reservations about the political and practical wisdom of these proposals. Eizenstat, whom Carter unofficially designated as the keeper of campaign promises, expressed amazement that Schlesinger had discarded Carter's campaign pledge to decontrol natural gas prices and suggested that Schlesinger's multitiered system of oil and gas prices "might pose severe administrative problems." Blumenthal worried that the Rube Goldberg machinery of Schlesinger's price control system unnecessarily delayed getting U.S. prices to world levels. Mondale feared that the higher fuel prices embraced by the plan would invite the enmity of organized labor, an essential constituency for the administration. As a group, the president's senior economic and domestic policy advisers took a wary view of a plan that they believed not only continued regulation but increased the cumbersome administrative rules governing energy resources and use. They also cited the plan's lack of substantive economic analysis and expressed reservations about its cumulative inflationary impact. All urged Carter to delay the plan's announcement to allow further consideration of the pricing apparatus, even suggesting that the failure to do so would doom the policy's chances of enactment. Carter, eager to move forward on energy matters, ignored

this advice. Ninety-one days after his inauguration, he appeared before a joint session of Congress to unveil the NEP. Calling on the nation and its legislators "to act now—together—to devise and to implement a comprehensive national energy plan to cope with a crisis that could otherwise overwhelm us," Carter outlined the most sweeping energy policy proposal in U.S. history. In all, the NEP featured 113 proposals to alter American's energy consumption habits. Although the NEP would result in higher energy costs in the short term, Carter conceded, its implementation would reduce sharply the domestic energy growth rate, drastically curtail oil imports, and achieve a 10 percent reduction in gasoline consumption by 1985. Unlike past attempts at energy policy reform that emphasized increased domestic fuel supplies through market deregulation, the Carter program promoted conservation as the primary vehicle for energy stability. His plan would create the higher prices sought by Nixon and Ford but would make the increases more politically palatable by diverting a portion of the new revenue away from oil companies and back to the consumer via the federal Treasury. The pricing schemes, though complex, eased the burden of price increases on consumers but also allowed producers additional revenues. Like the president who advocated it, the plan sought a rational means to increase conservation through higher costs but also to ensure equity by distributing the costs broadly to consumers and producers alike. As Carter had noted in his Oval Office address two nights earlier, the quest for a new national energy policy would be "the moral equivalent of war," and the sacrifices required by the plan would "be fair." "No one will gain an unfair advantage through this plan," he pledged. "No one will be asked to bear an unfair burden."[10]

Reaction to the NEP was decidedly mixed. Many Republicans charged tha Carter's program represented yet another ill-fated attempt to use big governmen to solve problems best left to private industry. Oil interests fumed, claiming tha the NEP would "aggravate rather than alleviate domestic petroleum shortages.' Texas Governor Dolph Briscoe charged that the NEP "is like a cocked gun" aime at energy-producing states, while General Motors chairman Thomas Murphy con cluded that the policy was "rash, ill-conceived and ill-prepared." The GM bos also added that the gas guzzler tax was "the most simplistic, irresponsible pro posal ever made" (a comment to which Carter's energy adviser James Schlesinge responded: "I guess what's good for General Motors is still not necessarily goo for the United States"). Even labor unions, traditional supporters of Democrati party policies, expressed dismay over the plan. Construction union leader Robe Georgine, for instance, claimed the plan contained "serious shortcomings" an would lead to the loss of thousands of jobs.[11]

Others, however, responded positively to Carter's proposal. Governor Jame Thompson of Illinois, a Republican, praised Carter's courage in addressing th energy issue, while even an automobile executive, American Motors corpora chairman Roy Chapin, declared the program "a sensible approach" to the energ problem (not coincidentally, Chapin's company specialized in the manufactu of compact, fuel-efficient cars). Environmental and consumer groups also expressed their support for the plan. Perhaps most encouraging to the president, an ABC News/Louis Harris poll taken after his address revealed that Carter's approval rating had increased three points rather than dropping, as the president and his advisers had feared. Read carefully, however, the poll raised serious concerns about some of the more crucial aspects of the program. In particular, a majority of those polled expressed opposition to the standby gasoline tax—a central provision of the bill—and 62 percent felt that the plan did not provide for "equality of sacrifice."[12]

As Carter's advisers predicted, the pricing mechanisms for oil and natural gas aroused the most opposition in Congress and would eventually create the most obstacles to the enactment of the NEP. Structural changes in Congress and the scope of the NEP arguably posed more serious threats to the legislation's enactment. As Carter recognized, the NEP was one of the most complicated legislative packages ever presented to the Congress. The plan's reliance on higher energy prices through continued regulation was likely to arouse opposition from three groups: conservatives in both parties opposed to any form of government regulation, Democrats from oil- and gas-producing states whose constituencies favored deregulation, and liberal Democrats from consuming regions who abhorred the prospect of supporting higher energy prices. Giving opponents to the plan additional strength, organizational reforms in Congress in the early and mid-1970s had weakened the power of senior committee chairs, decentralized the decision-making process, and given new power and authority to subcommittee chairs. As a result of the reforms, subcommittees with overlapping jurisdictions proliferated—a situation that inevitably slowed the progress of legislation through both the House and the Senate. Because of these reforms and the breadth of the NEP, the bill faced the prospect of hearings in as many as seventeen committees and subcommittees in the House alone—a ripe feeding ground for interest groups seeking to alter specific portions of the plan. Speaker Tip O'Neill eliminated many of these obstacles in the House of Representatives by creating a special ad hoc committee on energy issues to consider the plan as a single legislative package. Largely as a result of this decision, almost all of the provisions of the NEP would be approved by the House before the summer recess.[13]

In the Senate, however, majority leader Robert Byrd refused to alter the traditional committee system and advised Carter to "let the Senate work its will." Unlike O'Neill, Byrd refused to create a single "super committee" to coordinate the legislation and instead broke the NEP down into six individual bills that would be reported separately to the Senate floor following committee action. Further complicating the chances of passage in the Senate, the energy committee lacked a pro-consumer majority, and the finance committee was widely regarded as a bastion of oil industry supporters. As congressional analyst Charles O. Jones later noted, "It did not take lobbyists long to identify the merits of this more disjointed method of acting on the President's energy package." The decentralized committee structure of the Senate allowed for more intense lobbying against various components of the plan and made swift consideration of the plan all but impossible. Not until the end of October 1977, after a total of 73 roll-call votes on five different bills (not including the 109 votes that occurred during a filibuster on natural gas pricing), did the Senate finally approve a program—one that resembled Carter's original proposal in name only. The Senate voted down the natural gas pricing provisions of the NEP, opting instead for decontrol of prices. Both the crude oil equalization tax and the gas-guzzler tax were soundly rejected. Reflecting on the Senate's action, Senator Abraham Ribicoff (D-Conn.) suggested, "I'm just wondering . . . if the President shouldn't admit that his energy program is a shambles."[14]

Carter, however, continued to push the NEP. Despite the intense lobbying efforts of the administration, reconciling the House and Senate versions of the bill would prove exceedingly difficult, particularly over the issue of natural gas pricing decontrol. Not until October 1978 would the House and Senate finally reach an agreement on the NEP. Following an eighteen-month battle, Carter finally achieved a partial victory in his quest for a national energy plan. The issue of natural gas pricing—the subject of heated debate for the previous thirty years—had achieved resolution as both the House and Senate approved the deregulation of prices. Although many of Carter's less controversial conservation programs remained intact (tax credits for energy conservation measure, appliance efficiency standards), the victory was far from complete. The Senate's unwillingness to approve taxes to discourage consumption deprived the NEP of its most significant mechanism for increasing conservation. The plan as enacted eliminated the proposed gasoline tax, reduced the gas-guzzler tax, and rejected Carter's proposal to tax industrial users of oil and natural gas. The centerpiece of Carter's conservation plan—the crude oil equalization tax—was also not included in the final version of the plan. Carter signed the legislation into law on November 10, 1978, but because of these omissions, his quest to redirect the nation's energy policy remained far from complete and in some ways had been compromised almost beyond recognition.

The fight over the NEP had exacted a heavy toll on the Carter administration. The president (and a number of House and Senate leaders) originally envisioned a legislative effort that would be concluded by the end of his first year in office, but discussion and debate over the policy had dragged on for almost two years. During that time, Carter's approval ratings began and continued a steady decline. Many in the press and Congress placed the blame for the long and only moderately successful fight over energy policy squarely on the shoulders of the president. According to the critics, Carter erred by rushing into the program, by drafting it in virtual secrecy, and by failing to lobby Congress effectively. Regardless of where fault lay for the failure of the NEP to address fully the energy problems facing the United States, however, Carter would soon be forced to deal once again with the contentious issue of oil pricing.

Events in Iran in late 1978 would reopen the need for further energy policy development. Isolated protests against the regime of Mohammed Reza Pahlavi had grown into a full-scale revolution, leading to a virtual shutdown of Iranian oil fields and causing wholesale crude prices to skyrocket. Creating further turmoil in world energy markets, on December 17 representatives of the Organization of Petroleum Exporting Countries (OPEC) announced their decision to raise export prices by 14.5 percent during the coming year. From the vantage point of late 1978, it became increasingly apparent that the energy policy victory the administration claimed in October might amount to little more than a cease-fire, and an unstable one at that. To deal with the worsening energy situation, Carter directed Eizenstat to convene a multiagency task force to develop new energy policy proposals. Perhaps as a result of criticism leveled against the secretive nature of the NEP task force, the new planning group's decision-making process was characterized by a high degree of collegiality and collaboration between the politically attuned White House staff and the technical expertise of department officials. Although the process used by the group could not match the speed of policy development exhibited by Schlesinger's task force, Eizenstat hoped that a more consultative process that also included members of Congress and affected interest groups would reduce any proposed policy's political liabilities.

As the energy situation continued to worsen in 1979, the need for action became even more urgent. On March 19, 1979, Carter called his closest advisers together in a daylong meeting at Camp David, Maryland. For eight hours his advisers sought to reconcile energy policy options with the administration's commitment to reduce inflation. In particular they discussed the many energy policy options developed by Eizenstat's task force and the effect these options would have on the inflation rate. This proved to be a particularly vexing dilemma. Efforts to lessen dependence on foreign oil, encourage the development of alternative sources of energy, and compel conservation could not occur without higher oil prices that, in turn, would lead to higher inflation. Yet without higher oil prices and given the current shortage of world oil supplies, inflation as well as severe economic hardship were likely to occur. In short, it appeared likely that every policy option would exact a tremendous political cost. As one aide gloomily noted, "We've got to do what is in the best interests of the country—but it's damn hard to see how anything we do will be in the best interests of Jimmy Carter."[15]

Mirroring the debate that had taken place on oil deregulation during the past five years, the administration was divided on which specific policy option to pursue. Mondale initially expressed reservations about the political repercussions of decontrol, arguing that such a move would lead to much higher prices and alienate the administration's supporters in organized labor and consumer groups—two vital Democratic constituencies. Inflation adviser Alfred Kahn feared the economic consequences of decontrol and urged the president to maintain some level of price ceilings on oil to prevent skyrocketing inflation. Schlesinger and Blumenthal advocated a complete phasing out of price controls beginning on June 1, 1979, and culminating in September 1981. To make this option more palatable politically, they suggested that the administration concurrently send Congress a tax program to capture any excess profits resulting from the lifting of price ceilings. They emphasized, however, that decontrol should occur regardless of congressional action on the administration's tax proposals. Budget director James McIntyre sought a compromise position that would phase out price controls more gradually than Schlesinger and Blumenthal favored and make the decision on decontrol contingent on the Congress's enactment of tax provisions on windfall profits. The revenue from these taxes would be used to provide tax credits for lower-income groups and fund an alternative energy development program. The debate within the administration on the direction new energy policy should take would continue until mid-April before Carter made the final decision on the issue of oil prices.[16]

"Our nation's energy problem is serious—and it's getting worse." So began Jimmy Carter's April 1979 address introducing a second round of energy policy initiatives, almost two years to the day after he first declared the "moral equivalent of war" on the United States' energy woes. In what *Newsweek* termed his "prime-time TV summons to the Age of Limits," Carter outlined to the nation his plan to free the country from its addiction to foreign oil. The plan Carter proposed resembled his rhetoric in its simplicity and bluntness. The president said he would phase in the gradual decontrol of oil prices beginning on June 1, with all controls to be lifted by September 30, 1981. In conjunction with decontrol, Carter called on Congress to enact a windfall profits tax that would appropriate 50 percent of the extra revenue oil companies would receive as a result of decontrol. Proceeds from the tax would be used to fund mass transit, offset increased fuel expenses for low-income families, and finance a proposed Energy Security Fund that would develop alternative sources of energy. Other provisions of Carter's plan included expedited federal approval of pipelines and other energy projects, increased energy production from federal lands, and restrictions on thermostats of nonresidential buildings. Throughout the address, the president readily acknowledged that several of these measures, particularly decontrol, would require immediate sacrifice by most Americans. Only through such sacrifice, Carter emphasized, could the United States achieve a secure energy future.[17]

The decontrol decision had not been an easy one for a man who expressed almost conspiratorial suspicions about the "greed" of the oil industry, who pledged during the 1976 campaign to continue controls on oil prices, and who ran on a party platform that reiterated the pledge to continue controls. In 1977, he had attempted to avoid decontrol by proposing a complicated pricing scheme that would raise prices to world levels but maintain government regulation. The attempt failed. Because of his unyielding belief that oil prices must rise in order to encourage conservation and production, Carter decided he could not risk another futile legislative battle over the issue and instead chose to act under the authority given him by the 1975 Energy Policy and Conservation Act, which empowered the president to remove controls after June 1, 1979. To soften the financial (and political) impact of decontrol and to satisfy his own reservations, Carter proposed the windfall profits tax on oil companies, with part of the proceeds to be redistributed to consumers through tax credits. Windfall profits revenues would also be used to finance an energy security fund to develop alternative sources of energy. Carter saw these measures as the most efficient, balanced, and expedient way of dealing with the nation's energy woes, even if this meant reversing both his and his party's long-standing stance on the politically treacherous issue of oil pricing.[18]

Initial reaction to the April 1979 proposals seemed encouraging for the president. An ABC News/Louis Harris poll taken immediately following the speech indicated that 73 percent of those polled approved of the president's proposals. House Speaker O'Neill supported the president's actions, pledged to work for swift passage of the legislative components of the package, and said he would fight legislative attempts to stop decontrol. Louisiana Senator Bennett Johnston, who had opposed the crude oil equalization tax, expressed tentative approval for the windfall profits tax as a reasonable trade-off for decontrol. Even opponents of Carter's NEP offered support. Shell Oil president John F. Bookout called Carter's decision "courageous," and House minority leader John J. Rhodes said he generally endorsed the plan.[19]

Opponents of the administration's plan greatly outnumbered its supporters, however, with the harshest criticism coming from members of the president's own party. On the issue of decontrol, liberal Democrats from consuming areas condemned Carter's decision. Senator Ted Kennedy of Massachusetts called the move an "unnecessary self-inflicted wound," and Representative Pete Stark of California charged that Carter "sold out to the oil companies." Representative Toby Moffet of Connecticut said that decontrol amounted "to a declaration of war on the Northeast" and added that Carter's standby conservation measures would be defeated in retaliation. A coalition of New England Democrats, citing the already escalating cost of home heating oil, feared that decontrol would wreak havoc on New Englanders trying to heat their homes in the coming winter. While liberal Democrats voiced disapproval of decontrol, more conservative Democrats from producing regions questioned the wisdom of the windfall profits tax. Senator Long said he would seek to table the windfall profits tax in the finance committee unless the proceeds were plowed back to the industry rather than to consumers and the energy security fund, and fellow finance committee member Lloyd Bentsen of Texas refused to support the tax in any form. Even Democrats who supported the plan disagreed on whether the tax was too harsh or too lenient and on whether decontrol would proceed too quickly or too slowly.[20]

Of course, congressional Democrats were not alone in their opposition to the plan. A number of Republicans in both the House and the Senate expressed reservations about imposing a new tax of any type. Also, in an odd alliance that recalled some of the battles over the NEP, several consumer and business groups expressed opposition to the Carter program, albeit for different reasons. Ellen Berman, executive director of the Consumer Energy Council, charged that "it is the height of hypocrisy to remove price controls from the oil industry." Her counterpart at the Business Roundtable said that the president's tax proposal was unacceptable and vowed to fight it. Despite charges that Carter "sold out" to the oil industry, the majority of producers objected to the plan as well. Charles DiBona, president of the American Petroleum Institute, charged that windfall profits taxes were "unnecessary," and the president of Mobil Oil complained that Carter was unfairly singling out the oil industry for punishment.[21]

Making matters even more difficult for Carter, energy prices and inflation continued to rise in May and June, contributing to a rapid decline in the president's approval rating. The consumer price index in May and June 1979 disclosed a 12.5 percent annual inflation rate. Energy prices rose even faster, as average gasoline prices had increased by 55 percent since January. The gasoline shortages that initially had appeared only in California began spreading to the East Coast as well, and in many areas oil companies provided stations with only 80 to 90 percent of their normal gasoline allotment. As gas lines grew, so did consumer frustration. Sporadic instances of violence by irate customers stuck in blocks-long gas lines began to be reported on the evening television news. By the end of June, an energy crisis gripped the nation and rivaled the 1973 crisis in its severity. In just over half a year, the price of OPEC oil had doubled. By June 23, the American Automobile Association reported that 58 percent of the nation's gas stations were closed because of low inventories. Compounding the situation, economic growth had stalled, and experts predicted a zero rate of growth in GNP for the month of June.[22]

Responding to the growing crisis, Carter delivered yet another national address on energy and unveiled additional energy policy proposals. On July 15, 1979, in what later would be derisively referred to as his "malaise" speech, Carter outlined additional steps to be taken to alleviate the growing shortages of fuel. His most ambitious proposal called for the creation of an independent, congressionally chartered Energy Security Corporation (ESC) to develop synthetic fuels. Modeled after the Reconstruction Finance Committee, the ESC would receive $88 billion in revenue from the windfall profits tax over a ten-year period, with a total energy savings target of 1 to 1.5 million barrels of oil per day by 1990. Carter also proposed the creation of an Energy Mobilization Board (EMB) empowered to speed construction of energy projects such as pipelines and refineries and expedite local, state, and national permit policies if necessary. The president wanted to use another portion of the windfall profits tax revenue to fund a solar energy program. Additionally, he would seek to direct $16.5 billion in windfall tax revenue to fund mass transit systems over the next decade. The president pledged to pursue another standby gasoline-rationing gas plan and declared that he would limit oil imports to 1977 levels of 8.6 million barrels per day, using the powers granted him by the Trade Expansion Act of 1953.[23]

Perhaps due to the urgent need for action created by gasoline shortages, Congress and the public reacted more favorably to Carter's initiatives than they had to any of his previous proposals. Senate minority leader Howard Baker said the program warranted bipartisan support, and Texas Democrat Lloyd Bentsen, a frequent critic of the administration's energy policies, pledged his support. Senator Byrd and House Majority Leader Wright both predicted most of the legislation would receive congressional approval no later than early fall, and Wright forecast that the House would act on the synfuels and EMB provisions by the August recess. Speaker O'Neill called it the best speech Carter had ever made, and Republican Senator Jacob Javits praised Carter's broad approach to the problem. Irving S. Shapiro, chairman of DuPont and a board member of the Business Roundtable, called the president's plan "sensible," and AFL-CIO leader George Meany, who opposed most of Carter's economic policies, endorsed the plan. A CBS News/*New York Times* poll taken the night following the speech found that Carter's approval rating had jumped 11 points (37 percent) from the previous week.[24]

Despite this initial optimism, however, congressional action on energy issues was agonizingly slow. The windfall profits tax won final congressional approval in March 1980, almost a full year after Carter first proposed it. Similarly, the House and Senate did not approve the Energy Security Corporation and solar energy program until June 1980, and the EMB was abandoned altogether. The bill creating the Energy Security Corporation was the last major energy legislation bearing Carter's signature. By the fall of 1980, the deteriorating economy and the uncertain energy situation had all but doomed Carter's chances for reelection. In November, the American people overwhelmingly rejected Carter's stern stewardship in favor of the more optimistic alternative offered by Ronald Reagan. Ironically, Carter's conservation policies would contribute to an energy glut in the mid-1980s. With the specter of gas lines and energy crises largely forgotten, Reagan and Congress began the systematic dismantling of Carter's energy programs. By 1986, the energy conundrum that had consumed the Carter presidency ceased to exist.

The story of Jimmy Carter's quest for a national energy policy reveals much about both the Carter presidency and the challenges of governing in the late 1970s. Perhaps no other policy initiative of the Carter administration better demonstrates

Carter's approach to governing than does energy. The decision to make energy policy his first domestic policy priority resulted not from an electoral mandate, an immediate crisis, or calls for action from either Congress or the public. Rather, Carter based his decision largely on the belief that, as president, he bore the moral responsibility to identify national problems that could be dealt with through the exercise of presidential power and initiative. Carter's conception of presidential leadership as practicing the politics of the public good meant that he would pursue policies regardless of their immediate political benefits. This was clearly the case with energy policy, as demonstrated by the lukewarm response of both the public and Congress to Carter's energy proposals.

In energy policy, one also sees Carter's basic approach to policy making. Once he identified energy as an area requiring urgent attention, Carter sought rational, comprehensive solutions to alter the nation's energy consumption habits. Fearful of the influence of interest groups and disdainful of political horse-trading, Carter attempted to circumvent traditional policy-making processes by using a confidential task force that could evaluate policy options on the basis of merit rather than political considerations. By employing this process, Carter sought to achieve the most rational and effective policy possible. He would seek compromise only if his initial legislative efforts failed to secure enactment of the policy. Further demonstrating his commitment to governing in the "national interest," Carter sought to mobilize grassroots support of his proposals as a means of blunting the influence of interest groups on Capitol Hill. His decision to pursue policy in this manner, however, entailed substantial political costs. Carter alienated members of Congress and interest groups by failing to consult extensively with them, and he expended much of his political capital in pursuing public policy that had no highly organized constituency.

Many critics have cited this approach to energy policy as an example of the incompetence of Carter's presidential leadership. Emphasizing his failure to consult adequately with Congress and his insistence on sweeping energy policy changes, these critics charge that Carter brought upon himself four years of unnecessary conflict over energy policy. While there is some validity to these assessments, Carter's critics fail to consider fully the political environment of the late 1970s and the effect it had on Carter's presidency. In *The Politics Presidents Make: Leadership from John Adams to George Bush* (1993), Stephen Skowronek argues that Carter served during a period of political "disjunction." According to Skowronek, Carter—a "late regime" president like Herbert Hoover and John Quincy Adams—took office at a time when established commitments were beginning to be called into question by the public as failed or irrelevant responses to the problems of the nation. As a result, Carter faced a daunting leadership situation. To affirm and continue the party's established commitments would identify the president with failure, yet repudiating the establishment legacy (in Carter's case the FDR-LBJ legacy of liberal regulation) would isolate the president from his natural political allies and lead to political impotence. As a result, presidents during periods of disjunction lack a degree of legitimacy and frequently stress their comprehension of and desire to solve the nation's problems as a means of justifying their leadership. This can create even more hazards for the president because he risks becoming "submerged in the problems he is addressing and finds himself an easy caricature of all that has gone wrong."[25]

In regard to energy policy, Carter's presidency fits the disjunctive model outlined by Skowronek. Although Carter repeatedly warned of impending economic crisis if the nation failed to address the energy problem, he nonetheless was blamed for the gas lines and high inflation caused by energy dislocations in 1979 and 1980. Ironically, many of the same political leaders who faulted Carter for moving too fast on energy in 1977 chided him in 1979 for not moving fast enough. Compounding matters, changes in energy policy threatened some of the more sacred precepts of the Democratic party's ideological commitments. In seeking to raise prices of oil and gas, through either increased taxation or deregulation, Carter outraged his party's liberal wing, which charged that the president was unfairly burdening the poor and the middle class with higher energy costs. Impatience with further delay in changing the price structure of oil led Carter to abolish oil price controls in 1979—a decision that represented a clear break from the Democratic legacy of regulation. Although some recent appraisals of Carter's presidency see the decontrol decision as yet another sign of Carter's Reaganesque supply-side policies, assessments such as these are not valid—at least in terms of energy policy. At no time did Carter assert that the energy problems could best be solved by the private sector. Carter reluctantly and begrudgingly opted for decontrol because he saw it as the only means of raising prices to discourage consumption and increase conservation measures. Furthermore, the decontrol decision was but a single component of an overall energy program that increased direct government involvement in energy issues to an unprecedented level. The solar energy program and, more significantly, the Energy Security Corporation represented a commitment of billions of dollars in federal funds to redirect the nation's energy habits. The Carter energy program, like Carter himself, attempted to straddle the competing forces of regulation and the free market. By no means did it signal Carter's conversion to Republican economic policies. In spite of, and perhaps because of, Carter's novel, dual approach to energy policy, Ronald Reagan succeeded in linking Carter to the failed regulatory policies of the Democratic party. By the time of the election, the man who had done more to reorient the nation's energy policy than any other president in history was seen by many as the living embodiment of past energy policy failures.

Carter's difficulty in obtaining new energy policy, however, had causes that extended beyond the disjunctive political environment described by Skowronek. The rapacious growth of congressional oversight committees in the early 1970s, coupled with the decentralization of power in both houses of Congress and the growing power of interest groups, created numerous avenues for obstruction on energy policy. In the absence of either immediate tangible crisis or strong congressional leadership, Carter's energy proposals floundered in committee hearings. Comparing the deliberations over the NEP in the House and Senate is particularly instructive in this regard. In an extraordinary move, Speaker Tip O'Neill briefly reasserted the powers of the leadership and created an Ad Hoc Committee on Energy to protect the NEP from obstructionist tactics at the committee level. Largely because of the more centralized structure used by O'Neill, the bill emerged largely intact from the House in less than three months of deliberations. In the Senate, however, where centralized authority was weak, the bill was broken into six parts and largely emasculated by interest groups and their representatives. The crucial issue of oil pricing failed even to clear committee hearings for a floor vote. As a result, prices remained artificially low on domestically produced oil, and the plan's most important conservation measure (higher oil prices) was abandoned. This failure to reach consensus on oil pricing served to make more severe the oil shock of 1979.

In addition to the problems posed by congressional obstructionism, Carter also had to contend with the scarcity of consensus on the form energy policy should take. While few at the time doubted the need to reduce the nation's dependence on imported oil, agreement on the proper path to pursue proved elusive. In his attempt to create a new energy policy, Carter found himself in a whirlwind of competing forces that frustrated his policy goals. Regional interests frequently superseded party and ideological commitments as producer-state Democrats battled with consumer-state Democrats over the issues of decontrol and higher energy prices. Antigovernment Democrats and Republicans from the South and West argued against the expansion of the energy bureaucracy, while the left wing of the Democratic party pushed for greater government control over the energy industry. Labor and consumer groups favored new taxes on the oil industry but resisted conservation taxes on retail sales of gasoline and automobiles. Environmentalists supported the president's solar energy initiatives and conservation proposals but opposed his coal conversion program and his continued support of nuclear power. The oil industry welcomed Carter's decontrol decision, but it lobbied against many of his energy tax plans. The issue of equity frequently emerged during policy debates. Liberals believed that the government should protect low-income consumers from escalating energy prices, while conservatives and producer-state Democrats argued that many policy proposals unfairly penalized the energy industry. As inflation began to rise in late 1978 and 1979, the issue of equity became more contentious, and liberal Democrats argued that higher energy prices would further penalize low- and middle-income groups. While few of these groups disagreed on the need for a new energy policy, fewer still agreed on the form that policy should take.

Since he first directed Schlesinger to develop the national energy plan, Carter had feared that the scope of energy policy would invite the aforementioned controversy among the scores of affected interest groups. In order to overcome the power of "organized interests," Carter had hoped to mobilize public support behind his energy initiatives and pressure Congress to adopt the plan as presented. Yet here Carter faced the most difficult obstacle in promulgating a new energy policy. In his attempt to fashion an equitable policy, Carter sought to distribute the costs of energy conservation on all segments of the population. Producers and consumers, industry and labor, rural dwellers and urbanites, all would bear a portion of the costs of the Carter energy proposals. In exchange for these widely distributed costs, the program would yield widely distributed benefits in the form of future economic stability and a more secure energy supply. As Carter soon discovered, however, the task of convincing the American public of the possible severity of energy dislocations proved almost impossible. Nor could he convince Americans that the costs of his programs would be offset by the future benefits. In essence, Carter sought to mobilize public support for a program that had no constituency. Future, not present, generations would receive the most benefits from his energy policy.

Not until the United States experienced the economic dislocations that Carter had predicted could he finally mobilize the public and Congress to pursue significant change in energy policy. Carter's greatest legislative successes on energy did not occur until late 1979 and 1980, when gasoline shortages and the turmoil in Iran and other Middle Eastern nations created a sense of panic and fear that legitimized Carter's earlier "sky is falling" pronouncements on energy policy. The price for delay, however, was great. The 1979–80 energy dislocations contributed to unprecedented levels of inflation and unemployment that crippled the U.S. economy. Arguably, the delay also cost Carter his political future. Since he had taken office, Carter had exerted the energies and powers of his position to create a new national energy policy. When disagreement among legislators and interest groups delayed that policy, however, Carter received the blame. Ironically, although Carter's energy policies contributed substantially to curbing domestic consumption and increasing production that led to an oil surplus by the mid-1980s, only "future" politicians received the political benefits of his policy. Nevertheless, Carter's persistent and at times ill-fated quest for energy policy has become an enduring symbol of both his presidency and his personality.

NOTES

1. Walter A. Rosenbaum, *Energy, Politics, and Public Policy,* 2d ed. (Washington, D.C.: Congressional Quarterly Press, 1987), 6; Jimmy Carter, *Keeping Faith: Memoirs of a President* (New York: Bantam Books, 1982); Charles O. Jones, *The Trusteeship Presidency: Jimmy Carter and the United States Congress* (Baton Rouge: Louisiana State University Press, 1988), 137.

2. *Energy Policy,* 2d ed. (Washington, D.C.: Congressional Quarterly, 1981), 2.

3. U.S. Congress, House, Committee on House Administration, *The Presidential Campaign, 1976* (Washington, D.C.: Government Printing Office, 1978); Linda Charlton, "Carter Watches the Convention and Confers on Energy Policy," *New York Times,* August 18, 1976, 20; Richard H. K. Vietor, *Energy Policy in America since 1945: A Study of Business-Government Relations* (Cambridge: Cambridge University Press, 1984), 306; Stuart Eizenstat Interview, January 29–30, 1982, William Burkett Miller Center of Public Affairs, University of Virginia, Project on the Carter Presidency, Transcripts, 1982 (hereafter cited as Miller Center), Jimmy Carter Library (JCL).

4. It is unclear exactly when Carter decided to make energy policy one of his administration's top priorities. Neither Katherine "Kitty" Schirmer Cochrane (who worked on the energy issues cluster group during the transition and later served as the energy specialist on the domestic policy staff) nor James R. Schlesinger (who served as Carter's first energy adviser and energy secretary) could recall when Carter made clear his decision but both agreed that it was clear by December 1976 that Carter intended to pursue energy policy as a major domestic initiative. They also suggested that the natural gas shortages in December and January influenced the urgency that characterized Carter's pursuit of energy policy (James R. Schlesinger Interview, [Date?], Miller Center, 15–16, JCL; author's interviews with Schlesinger, October 1995, and Katherine Schirmer Cochrane, March 1996).

5. Carter, *Keeping Faith,* 91–93.

6. James Schlesinger Interview, [Date?], Miller Center, 15–16, JCL.

7. Erwin Hargrove, *Jimmy Carter as President: Leadership and the Politics of th Public Good* (Baton Rouge: Louisiana State University Press, 1988); Jones, *Trusteeshi Presidency.*

8. Schlesinger to Carter, March 9, Box 2, Schlesinger Files, JCL.

9. I have yet to find a full explanation for Schlesinger's and Carter's decision to con tinue price controls on natural gas. The proposal clearly violated Carter's campaign pledg to deregulate gas. Although Carter never explained this reversal, Schlesinger indicates i his Miller Center interview that political pressure from Senator Jackson and Represent tive Dingell caused him to abandon natural gas deregulation. Likewise, Eizenstat ident fies the influence of Dingell and Jackson, but also speculates that members of Schlesinger planning staff influenced him to continue controls (Schlesinger Interview, Miller Cente Stuart Eizenstat Interview, Miller Center, January 29–30, 1982, JCL.

10. *Public Papers of the Presidents: Jimmy Carter, 1977* (Washington, D.C.: Go ernment Printing Office, 1978), 656, 661, 663.

11. "The Energy War," *Time,* May 2, 1977, 10–14; Allan J. Mayer, "The Batt Begins," *Newsweek,* May 9, 1977, 22–24; Bob Rankin, "Carter's Energy Plan: A Test Leadership," *Congressional Quarterly,* April 23, 1977, 732.

12. Chapin quoted in Rankin, "Carter's Energy Plan," 732; Thompson quoted in "Th Energy War," 10; polling data cited in "The Energy War," 14.

13. For an overview of congressional reforms, see Samuel C. Patterson, "The Sen Sovereign Congress," in *The New American Political System,* 3d ed., ed. Anthony Ki (Washington, D.C.: American Enterprise Institute for Public Policy Research, 197 125–77; Nelson W. Polsby, "Political Change and the Character of the Contempora Congress," in *The New American Political System,* 2d ed., ed. Anthony King (Washin ton, D.C.: American Enterprise Press, 1990), 29–46; Bruce I. Oppenheimer, "Congre and the New Obstructionism: Developing an Energy Program," in *Congress Recons ered,* 2d ed., ed. Lawrence C. Dodd and Bruce I. Oppenheimer (Washington, D.C.: Co gressional Quarterly Press, 1981), 275–95.

14. Charles O. Jones, "Congress and the Making of Energy Policy," in *New Dimensions to Energy Policy,* ed. Robert Lawrence (Lexington, Mass.: Lexington Books, 1979), 173; Bob Rankin, "Senate Continues Dismantling Energy Plan," *Congressional Quarterly,* October 8, 1977, 174.

15. For information about the meeting at Camp David, see "Agenda for Monday's Camp David Meetings," March 19, 1979, Box 123, Staff Secretary Files, JCL; "DOE Energy Briefing Book, Camp David Meeting," March 19, 1979, Box 123, Staff Secretary File, JCL; Carter aide quoted in "Next: Challenges at Home," *Time,* April 2, 1979, 14.

16. Eizenstat to Carter, March 26, 29, 1979, Box 124, Staff Secretary File, JCL; James T. McIntyre to Carter, March 26, 1979, Box 124, Staff Secretary File, JCL; Mondale to Carter, March 26, 1979, Box 124, Staff Secretary File, JCL.

17. *Public Papers of Jimmy Carter, 1979;* "The Energy Tangle," *Newsweek,* April 16, 1979, 21.

18. Carter had not attempted decontrol in the NEP for two reasons. First, the 1975 Energy Policy and Conservation Act gave the president discretionary power on oil control only after June 1, 1979. (The act also stipulated that price control authority would expire on September 30, 1981.) Second, even had he had the power to do so, Carter most likely would not have exercised this option. The president viewed the oil industry as a monopoly that required government regulation. Because of the fight waged over natural gas decontrol and the crude oil equalization tax in 1977 and 1978, however, Carter believed that another attempt to find an alternate means of raising prices would not receive congressional approval in the near future. His commitment to U.S. allies and his own belief about the need to raise prices to encourage conservation required swift action, so he reluctantly decided to authorize phased-in decontrol of prices. See Carter's Handwritten Notes for News Conference, October 13, 1977, Box 54, Staff Secretary File, JCL.

19. J. P. Smith and Mary Russell, "Gas Prices Seen Rising," *Washington Post,* April 7, 1979, 1; Merrill Sheiks, "What Decontrol Will Mean," *Newsweek,* April 16, 1979, 24–26; "Carter's Energy Plan," *U.S. News and World Report,* April 16, 1979, 19–20.

20. "Carter's Energy Plan," 19–20.

21. Ann Pelham, "Carter Pledges Oil Decontrol, Wants Windfall Profits Tax," *Congressional Quarterly,* April 7, 1979, 619–20; "Carter's Energy Plan," 19–20.

22. Economic data cited in Eizenstat to Carter, June 28, 1979, Staff Secretary File, JCL; Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (New York: Touchstone, 1992), 694.

23. *Public Papers of Jimmy Carter, 1979,* 1239–41.

24. Thomas C. Hayes, "Business Praises Carter Concept," *New York Times,* July 17, 1979, A1; Ann Pelham, "Congress Ahead of the Game on Energy," *Congressional Quarterly,* July 21, 1979, 1436; "Meany Backs Energy Program," *New York Times,* July 2, 17, 1979, A12; Adain Clymer, "Speech Lifts Carter to 37%; Public Agrees on Crisis of Confidence," *New York Times,* July 18, 1979, Al.

25. For a description of the politics of disjunction, see Stephen Skowronek, *The Politics Presidents Make: Leadership from John Adams to George Bush* (Cambridge, Mass.: Belknap Press of Harvard University Press, 1993), 39–41. For Skowronek's overview of the Carter presidency, see pp. 361–406.

9

Environmental Policy during the Carter Presidency

Jeffrey K. Stine

Many people concerned about environmental quality in the United States rank Jimmy Carter with Theodore and Franklin Roosevelt as the nation's most conservation-minded presidents. In many ways, Carter benefited from a political climate that made such a stand more popular. As the environmental movement gained broader appeal during the 1960s and 1970s, its values began to infuse politics at all levels, including presidential. Lyndon B. Johnson, for example, had been an active conservation advocate early in his administration, before the Vietnam War redirected his priorities; and Richard M. Nixon, while tepid in his personal sympathy toward ecological objectives, saw political advantages in tapping the growing popularity of environmentalism, and he followed Congress's lead by signing into law some of the nation's most significant environmental legislation. Carter, however, recognized the real political potential of the environmental movement and became the first U.S. presidential candidate to campaign successfully on environmental issues, and his administration openly pursued a broad environmental policy agenda.[1]

As a presidential candidate, Carter generated unprecedented enthusiasm among environmentalists, and he carried this hopefulness into the White House where he made conservation a priority item early in his administration, appointing seasoned specialists into second-tier administrative posts, attempting a major reform of water resources development policy, and outlining a bold and sweeping environmental agenda in his May 1977 message to Congress. Intense resistance, however, often greeted Carter's environmental policy package. Frustrated in his efforts to reorient federal water policy, forced into numerous compromises because of internal contradictions among his own domestic policies, especially his energy and economic policies, as well as his campaign for regulatory reform and unable to solve the tenacious problems of runaway inflation and a stagnant economy, Carter inevitably fell well short of meeting the environmental community's unrealistically high expectations.

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