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INFO SAVING BONN, PARIS, ROME, TOKYO, OTTAWA, UKREP BRUSSELS, UKDEL OECD  
REPUBLICAN PARTY ENERGY POLICY

1. The platform adopted by the Republican Party at its national Convention in Detroit pledges a future Reagan Administration to pursue a "steady and orderly path toward energy self-sufficiency". The main elements in this strategy are summarised below.
2. The background is important. American party platforms are essentially broad statements of objectives, rather than detailed policy blueprints. Traditionally they are not regarded as binding an incoming Administration to their prescriptions to anything like the same extent as, for example, British election manifestos. Moreover, even if Reagan wins the Presidential election, he is likely to have to deal with a Congress still controlled by the Democrats and still characterised by the internal conflicts of interest which have plagued President Carter's efforts to secure Congressional approval of his energy policies.
3. That said, a Reagan Administration would, on the supply side, "aggressively" encourage accelerated production of energy in the US, including nuclear power, and attempt to do away with regulatory and environmental obstacles. They would also maintain the objective of decontrol of energy prices. But on the demand side the Republicans are opposed to increasing gasoline taxes and lukewarm on conservation. Nevertheless, taken overall, the general thrust of their policies would probably be favourable from an international point of view.
4. A Reagan energy policy would be ostensibly more solidly based than present policies on traditional free enterprise philosophy. The concept is that, if unleashed from regulations, the powerful American

energy industry would eventually produce enough indigenous energy to eliminate US dependence on imported oil. The intention therefore would be to:-

- decontrol energy prices and reduce industry regulation to a minimum;
- relax environmental constraints, particularly on coal burning;
- encourage domestic coal production and use;
- accelerate the US nuclear programme, including breeder technology and reprocessing, with due regard to safety;
- partially repeal taxes on oil production such as the windfall profits tax;
- encourage accelerated oil and gas exploration.

5. To the extent that it was implemented, this would be a strong programme. Besides carrying on existing policies such as oil and gas price decontrol (reversing decisions of an earlier Republican Administration) and development of coal production, it would involve more emphasis on nuclear power and fewer environmental constraints on coal burning, oil shale development and oil/gas exploration in areas such as Alaska. A Reagan Administration would also tend to place less weight on unrealistic panaceas such as solar energy and other renewable technologies, while still encouraging research to accelerate their development in the longer term.

6. The drawbacks would be the declared Republican rejection of increased taxes on gasoline and their resistance to bringing about energy conservation other than through the (untaxed) price mechanism. The Republican platform also includes a commitment to build up the US strategic petroleum reserve as a short-term insurance against disruption of foreign supplies, and the rather unrealistic and far from new idea of a "North American Accord" with Mexico and Canada.

7. Mr Reagan would not be inhibited by President Carter's distrust of the oil companies, his distaste for nuclear power and his attachment to the environmental cause. But there would still be strong resistance in Congress to deregulation of the energy industry, repeal of oil industry taxes, relaxation of environmental controls and nuclear development. The test would lie in whether a Reagan Administration/could

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could convince Congress and public opinion that these changes were essential for American national security, and could persuade the many conflicting interests represented in the Congress to sink their differences sufficiently to arrive at a set of coherent national policies.

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