

Charts - Comparative Gas Prices  
Poland 215  
USSR

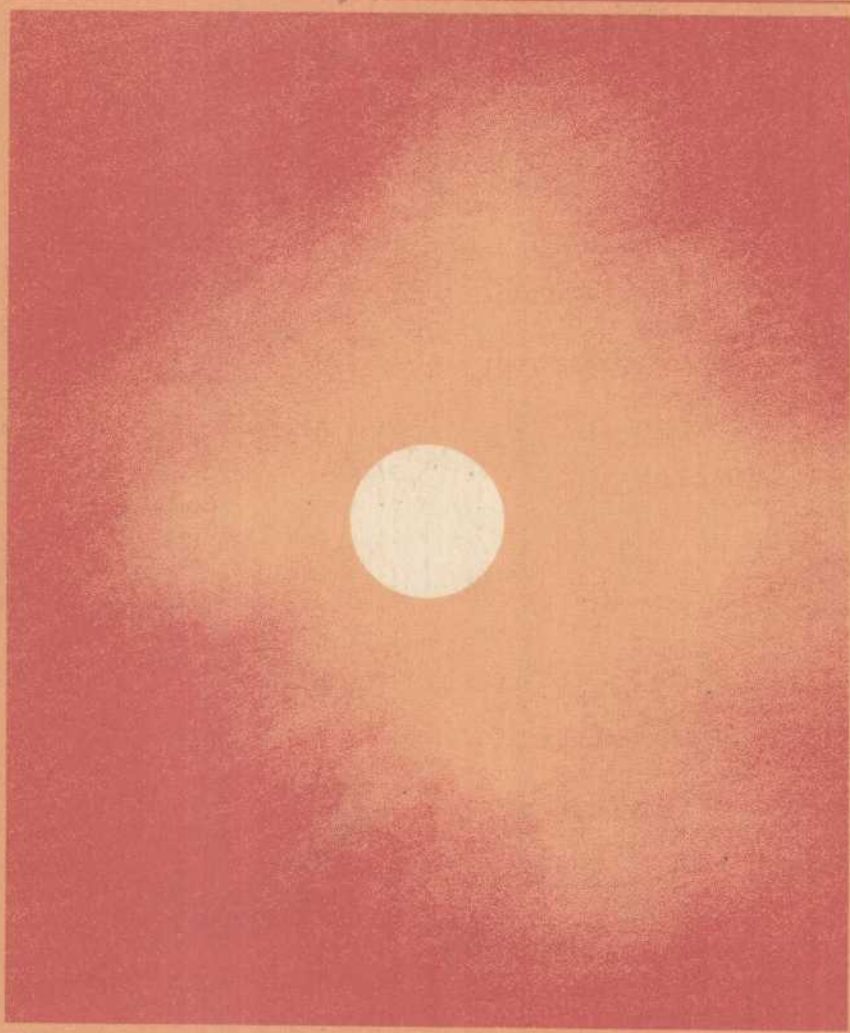
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# U.S. ENERGY POLICY: A PRIMER

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Edward J. Mitchell

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**NATIONAL ENERGY PROJECT**

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Edward J. Mitchell is professor of business economics at the University of Michigan and director of the American Enterprise Institute's National Energy Project.

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**U.S. Energy Policy: A Primer** by Edward J. Mitchell challenges the conventional wisdom on the "energy crisis." The author argues that Americans are not the victims of greedy corporations, or their own energy glutony, or dwindling energy resources. Instead, they are suffering from a seesawing policy of government intervention in the energy market. Focusing on the petroleum and natural gas industries, Mitchell traces the development of federal and state energy policies since the end of World War II. He finds that, through the 1950s, such government-enforced mechanisms as market-demand prorationing and import quotas resulted in artificially high U.S. energy prices, huge domestic petroleum surpluses, heavy consumer costs, and production inefficiencies. Then, in the 1960s and '70s, the situation shifted from surplus to shortage with the gradual imposition of price controls. Energy prices were held far below competitive market levels, a policy that stimulated consumption, dried up supplies, and eventually led to the current crisis. Mitchell also considers the various proposals being advanced to close the "energy gap," finds them wanting, and suggests a solution of his own: a return to the free market.

Edward J. Mitchell is professor of business economics at the University of Michigan and director of the American Enterprise Institute's National Energy Project. He previously served on the staff of the President's Council of Economic Advisers and has been associated with the RAND Corporation and the Institute for Advanced Study at Princeton.

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