
PART V

THE REAGAN ADMINISTRATION, 1981-1989

EDWARDS APPOINTED SECRETARY

Following his election as President on November 4, 1980, Ronald Reagan named James B. Edwards as the third secretary of energy. As governor of South Carolina from 1975 to 1978, Edwards established the South Carolina Energy Research Institute, chaired the nuclear energy subcommittee for the National Governors Association, and led an energy committee for the Republican Governors Association. Edwards was a strong proponent of nuclear energy and an outspoken advocate of a free market for energy. His appointment signaled a major shift from Carter's energy policies that emphasized a more activist governmental approach.⁸¹

REAGAN BUDGET AND ENERGY POLICIES, 1981

Secretary Edwards and the Reagan Administration moved quickly to formulate a new budget for the Department and to recast the Department's mission. Two factors shaped the Reagan Administration's energy budget. First, the President was determined to bring the federal budget under control as a necessary step in controlling inflation and economic stagnation. Second, the Reagan budget reflected a fundamental change in philosophy concerning the Federal Government's role in the energy field. Thus, the administration wanted to reduce or eliminate government activities in areas where private industry and the free marketplace could set energy priorities. The new strategy especially included ending government regulations and price controls, which the administration believed inhibited domestic energy production. It also encouraged private capital, not the Federal Government, to demonstrate the commercial viability of energy technologies. The Federal Government's proper role was to support long-term, high-risk energy research and development in which



Secretary of Energy James Edwards (1981-1982).
Source: U.S. Department of Energy

industry would not invest. Edwards emphasized that "only in areas where these market forces are not likely to bring about desirable new energy technologies and practices within a reasonable amount of time is there a potential need for federal involvement."⁸²

EDWARDS REORGANIZES THE DEPARTMENT OF ENERGY

Edwards's realignment of the Department of Energy, announced on February 25, 1981, reflected the administration's new philosophy. The changes were designed to improve management and to increase emphasis on research, development, and production. Edwards grouped research and development programs by major fuel sources, completing the transformation begun by Duncan. Edwards' management of fuel and technology programs was also consistent with the Reagan Administration's determination to de-emphasize commercialization. His