

U.S. Delays Algerian Gas Imports To New Jersey

The Federal Power Commission (FPC) and the Federal Energy Agency (FEA) have delayed approval of a contract for liquified natural gas (LNG) signed in 1975 between New Jersey Public Service Electric and Gas Company and the Algerian state-owned hydrocarbons industry, Sonatrach. The contract is due to expire March 31, 1977. According to Jim Randel, Senior Vice President of the Public Service Electric and Gas Company, Algeria could supply enough gas to end the threat of future shortages. The criminal delay in getting the approval of the contract is unending "red tape," according to Randel. The company has to wait for the results of the environmental impact studies the FPC is conducting; after that there will be hearings on those studies; then the briefs have to be filed and more hearings held — all of which must occur before the March 31 deadline when the contract expires. Randel said that the Public Service Company would throw in the towel on the gas deal if the contract is not approved. The FPC never approved a 1972 contract by the same two companies, which expired with no shipments made.

To gain credibility for the delay, scare stories of tanker explosions and fires like the one in 1973 near Bloomfield on Staten Island that set fire to an LNG loading terminal are being splashed across the headlines in East Coast papers. Bloomfield is the scheduled reception area for the Algerian gas. From the government side, the FPC, under pressure from the FEA, says that there are large amounts of Algerian LNG contracted already by U.S. companies and it doesn't want to base U.S.

natural gas imports too narrowly. The government agency wants to limit gas imports to 1 trillion cubic feet annually; present total contracts amount to 1.5 trillion cubic feet.

U.S. Delay Sabotages Algerian Economy

While the U.S. already imports 46 per cent of Algeria's crude oil production, their reserves are said to be dwindling and the government has placed all hopes and its development programs for massive industrial expansion on the basis of increased LNG contracts. As a result of the contract delays Algeria has to lean on continued high oil prices in order to maintain export earnings while plant and equipment lie idle. Unused Algerian tankers now cost \$9 million a year in finance charges alone. The calculated revenues from increased LNG sales, based on the fact that the LNG program is at least 18 months behind, would easily offset the enormous debts accrued to finance the Algerian development program. A huge chunk of this debt is held in Eurodollars and most of it, \$1.5 billion, comes due in 1980-82, the years when the increased LNG production was to have been well on the way to secure markets. The FPC has Algeria over a barrel on the gas issue; despite existing open European markets, only the U.S. needs the vast amounts that would provide Algeria with export revenues to prevent a credit crunch in the next three years. Sidahmed Ghozali, the President-director general of Sonatrach, put it politely this week: "The U.S. is taking nearly half our crude oil production, and there are customers ready to take almost half our gas..." Why is the FPC waiting?

Policy Of Trilateral Commission:

New York Times Previews Anti-Nuclear Energy

EXCLUSIVE

While the Trilateral Commission met in Tokyo, to discuss, among other things, a strategy to sabotage nuclear fission power technology, the *New York Times* Jan. 20 carried a preview of this Trilateral policy in what was ostensibly a report on the recently issued U.S. Energy Research and Development Administration study "Benefit Analysis of Reprocessing and Recycling Light Water Reactor Fuel." In reality, the unsigned *Times* article purposefully misrepresented the conclusions of the ERDA study to assemble a direct attack on existing nuclear fission energy technology and on the development of more advanced technology with fission and fission-fusion breeder reactors.

The ERDA-76-121 report, released in December 1976, is a cost-benefit analysis of how much would be saved by recycling plutonium produced by Light Water Reactors as a nuclear fuel instead of disposing of it as waste. As ERDA notes, its report does not take into account any benefits that would accrue from developing the plutonium recycling industry vis-a-vis the development of the fission or fusion breeders. The development of a plutonium nuclear fuel recycling industry, the report says, is "a prerequisite for a successful breeder economy."

The *Times* completely misrepresents the ERDA report — starting in the first two paragraphs of its article: "The

recycling of plutonium as fuel would save only about 2 per cent of the expected cost of electricity from nuclear plants, a study by the Energy Research and Development Administration has concluded. The implication of this finding in a report designated ERDA 76-121, is that civilian plutonium recycling...is not crucial to the economic acceptability of nuclear power."

The *Times* goes on to note the Oct. 28 statement by President Ford "that delayed a United States commitment to plutonium recycling until potential risks of diverting plutonium to military uses can be resolved."

The only piece of information from the ERDA study that the *Times* accurately reports is that plutonium recycling "would reduce United States demand for uranium ore...from 1.5 million to 1.1 million tons, between now and the year 2000."

Lying With Statistics

The 2 per cent figure quoted by the *Times* is misleading on two counts. First, it is a relative figure for the savings accrued from utilizing plutonium recycling for the *total* cost of electricity. In absolute terms, the ERDA report

says this net saving is \$16.6 billion, compared to a total cost of more than \$830 billion — a substantial amount of money by any count. The figure quoted is, moreover, a "base line" case, which, the ERDA study cautions, does not take into account the full economic costs that would occur if uranium production would have to be increased from 1.1 to 1.5 million tons without recycling. In actuality, the total savings gained by utilizing the plutonium recycling in terms of greater energy growth would quickly soar to more than \$48 billion.

Contrary to the *New York Times'* prattle, the "implication of this finding" is not the conclusion it prints. In fact, the source of that "finding" is not difficult to determine — the Trilateral Commission. As reported in the Japanese press, the January meeting of the Trilateral Commission in Tokyo decided that "plutonium recycling" is not economically important, and should be delayed because of "proliferation problems." As the Trilateral Commission notes in its unpublished study on reordering the world, without plutonium recycling world commercial nuclear fuel will remain under the thumb of

The Advantage Of Recycling Plutonium For Nuclear Power

Existing nuclear fission power reactors are based on the utilization of the uranium isotope 235. When present in sufficient quantity this isotope of uranium will support a chain reaction of "fissuring" of the atomic nuclei that generates large amounts of energy. In naturally occurring uranium, less than 1 percent is the isotope 235 and more than 99 percent is the isotope 238, which does not fissure under normal chain reaction conditions.

In order to utilize uranium in the currently developed, economical power reactors, the so-called Light Water Reactors (both the pressurized and boiling water designs), the proportion of the 235 isotope must be increased. This is accomplished by very expensive and large isotope enrichment plants that were first constructed for the production of nuclear weapons material. It should be noted, however, that the degree of enrichment needed for power reactor fuel — from less than 1 percent to 3 percent — is much less than the 100 percent needed for bomb material.

As the uranium 235 is burned up in Light Water Reactors, a small portion of the uranium 238 captures neutrons produced by the fission of the 235 and is transmuted into plutonium 239. Plutonium 239 can also sustain a fission chain reaction and is used in nuclear weapons. Since plutonium 239 is a different chemical element, it can be separated from the spent fuel of a nuclear power reactor in a much easier and cheaper fashion than that of isotope separation.

In Light Water Fission Reactors the amount of

plutonium produced through transmutation is equal to about one-third of the uranium 235 that is fissured during the operation of the reactor. Since plutonium is roughly equivalent to uranium 235 as a source of nuclear energy, this plutonium in spent nuclear fission fuel represents a substantial potential energy resource even today — if the facilities for chemically separating and fabricating plutonium nuclear fuel are built. The technology for doing this has existed and has been utilized in the nuclear weapons industry for more than three decades.

Furthermore, with the development of the Fast Fission Breeder Reactor, for which several prototypes already exist, the ratio of new plutonium nuclear fuel produced to uranium 235 utilized can be increased to *more than 100 per cent*. This would convert uranium from a marginal energy resource — equal to a fraction of the world's potential oil resources — into a major energy resource for electrical power production.

More significantly, using nuclear fusion neutrons to produce plutonium (a fusion breeder), this potential energy source could be developed as rapidly as desired. The fission breeder, in contrast, because of limited breeding rates, can increase the supply of total fuel only by a factor of approximately 7 percent per annum at best. It should be noted that existing fusion experiments have attained the necessary physical conditions for operation of fusion breeders, and that this system could be developed much more quickly from an engineering, economic, and scientific standpoint, than that of a pure fusion system.

U.S.-based Rockefeller-dominated industries.

The *Times's* deliberate misinformation on the ERDA report makes clear that the Rockefeller financial, oil and mining interests are trying to prevent the emerging European independence from Rockefeller energy control. In particular, with the coming on-line of the European Centrifuge Uranium enrichment plant in the near future and *with full-scale plutonium recycling*, Europe could be totally independent of the U.S. in respect to the acquisition of nuclear fuel by as soon as 1978.

The U.S. is using the Oct. 28 statement of President Ford (noted above) to prevent an ongoing plutonium recycling agreement between Japan and Great Britain. The fussion fuel involved originated in the U.S., and under the terms of the contract the U.S. can interfere with its utilization, Rockefeller's governmental officials have said. They have objected to the recycling agreement on the basis of preventing nuclear weapons proliferation! (The facts are that Britain already has nuclear weapons and Japan could readily develop a nuclear weapons capability anytime it desired to do so.)