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?

EXCLUSIVE

Policy Of Trilateral Commisssion:

New York Times Previews Anti-Nuclear Energy

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