

# Ford Foundation—MITRE Report Previews Carter's Energy Program

A 418-page report issued March 21 by the Ford Foundation serves as an ominous preview of the energy program that President Carter is expected to release next month. The Ford Foundation team, which coheres tightly with the advisors who are constructing the Carter policy, recommends the cancellation of development programs on all the more advanced nuclear technologies, including fusion power, in favor of far costlier and less efficient — but “safer” — energy sources.

The report, titled *Nuclear Policy: Issues and Choices*, eschews the hysterical anti-growth rhetoric of the Ford Foundation's “radical ecologist” fronts in order to present a “reasoned and objective” argument for a certain amount of economic growth and nuclear energy development. This is merely the bait, however. The hook is the fact that under the incompetent investment and development policies advocated by the report, energy costs will shoot up phenomenally, making even the most harebrained coal gasification and solar power pork-barrels economically competitive with conventional energy modes.

This study is therefore simply a “moderate” version of the Rockefeller Brothers Fund “Unfinished Agenda” proposals for strangling U.S. energy use, in the interest of making profitable the energy boondoggles of the Rockefeller brothers and their circle and allowing them to use “high energy costs” as a vehicle to grab the loot they need to keep their financial operations afloat. The Ford Foundation sponsorship of the report is clear enough evidence that the Rockefeller group's political impetus is behind it. Further, the report was administered by the MITRE Corporation, a Defense Department adjunct that serves as a haven for “former” intelligence officers and that has been a leading promoter of the “nuclear terrorism” operation against nuclear energy.

The report states candidly that “the long-range energy problem is one of higher costs.” Yet, the results of greatly increased energy costs on the U.S. and world economy will not be great, the study says, adding, “There is no direct relationship between energy cost and the number of jobs.” But with business organs like the Journal of Commerce predicting (for example), a near-term four- to 20-fold increase in natural gas prices (see below), and others mooted comparable giant leaps in other energy costs, businessmen and the workers they employ will have a hard time swallowing the Ford Foundation report's breezy assurances.

All the more frightening, then, is the study's Aesopean description of the national security measures which “nuclear terrorists” may force the government to employ — a full array of police state tactics against foreign and domestic “dissidents.” This 1984, the report says, can only be forestalled by the timely banning of plu-

tonium reprocessing and some other nuclear technologies, and tight restrictions on the export of nuclear technologies generally to especially the developing sector.

## What Is The Ford Foundation ?

The Ford Foundation, the largest in the world, representing a full third of all the foundation money circulated annually, also constitutes the largest private intelligence and counterinsurgency operation.

The entire Ford operation took on an upgraded character in 1966 with the appointment of McGeorge Bundy as the foundation's president. Bundy's experience as national security advisor to President Kennedy enabled him to direct the creation of the “radical” black nationalist apartheid strategy, associated domestic race war operations, and the creation of a nationwide Gestapo-modeled policing apparatus, the Law Enforcement Assistance Administration.

By 1968, the Ford Foundation was openly funding domestic terrorism. The Weatherman organization represents the most open case, although during the 1968 New York City teachers strike the Foundation bankrolled the Progressive Labor Party, the Socialist Workers Party, and the Communist Party USA — all by that point under the control of the National Security Council-created Institute for Policy Studies. By 1970 New York City's Lower East Side District One, run by thug Luis Fuentes on the basis of gun- and drug-running, prostitution, and street gang violence, represented a fairly typical Ford Foundation inner city project.

In the late 1960s the Ford Foundation turned particular attention toward building the so-called environmental movement. The Foundation funds practically every one of these organizations including the Laurance Rockefeller-led Natural Resources Defense Council, the Environmental Defense Fund and Friends of the Earth.

This counterinsurgency thrust proved too blatant for Henry Ford II, who recently resigned from his position as chairman of the Foundation's board, denouncing the Foundation as too “anti-capitalist” and condemning the “philantropoids” who work there.

# Excerpts From 'Nuclear Power: Issues and Choices'

*The following are excerpts from Nuclear Power: Issues and Choices, the report of the Ford Foundation's Nuclear Energy Policy Study Group, just issued in book form by the Ballinger Publishing Company.*

## *"Plenty of Energy . . . At Much Higher Cost"*

The debate over the future of nuclear power has become increasingly dominated by dedicated advocates and opponents of this source of energy...Imminent decisions with far-reaching domestic and international consequences must be made on the following issues: (1) the reprocessing and recycle of plutonium, (2) the breeder reactor program, (3) the management of nuclear wastes, (4) the expansion of uranium enrichment capacity, and (5) the export of nuclear technology and materials...

To put nuclear power in some perspective, it must be recognized that the world is not running out of energy...Further in the future, solar energy, probably fusion energy, and possibly geothermal energy can provide essentially unlimited sources of power. If these options are successfully pursued, the world can have plenty of energy in the future, although probably at costs significantly higher than those of 1976. Thus, the long-range energy problem is one of higher costs rather than one of absolute limitations on energy availability.

Over a reasonable period of time, the impact of increased energy costs on the world's economy in general, and the U.S. economy is particular, will not be as great as is often assumed...Economic growth can be sustained even with large increases in the price of energy. In any case, higher future energy costs, which are probably inevitable, are largely independent of the rate at which nuclear power is developed and deployed over the next 25 years...

## *"Substituting Human Energy for Energy"*

The principal justification for nuclear power is that it can make an important contribution to the U.S. and world economy...

Specifically, our analysis indicates that the (social and economic) costs of delaying nuclear power would not be significant in this century...Plutonium recycle can be delayed indefinitely, at essentially no economic cost. Breeders can be postponed several decades into the next century at costs that are small...

For the long run, we can say with confidence that there is no direct relationship between energy cost and the number of jobs. It may be that unemployment will remain a serious problem in the future, as the composition of the labor force, personal attitudes toward work, and the availability of socially provided goods and services change. But gradual increases in real energy costs need not make the employment problem more difficult...If it becomes increasingly difficult to get safe, usable energy there will be work, producing what energy

we do produce, substituting human energy and other factors for energy, and continuing to deal with the other scarcities of life. Given time, jobs can be redefined, equipment can be redesigned, and habits can adjust to

## What Is The MITRE Corporation ?

In his foreward to *Nuclear Power: Issues and Choices*, Ford Foundation president McGeorge Bundy praised the MITRE Corporation, the think tank administering this Ford Foundation-funded project, as "open-minded," "fair," and "objective." The Corporation's history and activities argue otherwise.

Created 18 years ago as a specialist in artificial intelligence projects for the U.S. Air Force, the MITRE Corporation is one of many private, research and development think tanks which interface with government-military-intelligence agencies. Their semi-official status and their links into almost every government intelligence agency gives them a unique capability for specialized operations.

MITRE is a haven for "former" officers from Military Intelligence, the CIA, NSA, FBI, and so on. MITRE's Boards of Directors and Trustees assemble individuals recruited from higher level intelligence posts, such as James R. Killian, who served on the Foreign Intelligence Advisory Board, and Dr. Gordon MacDonald, the vice president of the Institute for Defense Analysis.

Although 80 percent of MITRE's work is done for the Pentagon, it is also an active advocate of deindustrialization and deschooling schemes, and has played a primary role in the creation and marketing of "nuclear terrorist" scenarios. For example, in May of 1976 MITRE's David Rosenbaum, billed as an "expert on terrorism," toured the U.S., Western Europe, and the Mideast to meet with police, military, and NATO officials on the danger of nuclear terrorism as a form of "surrogate warfare" emanating from the USSR.

MITRE played a major role in preparing the Energy Research and Development Administration's initial report, "Creating Energy Choices for the Future," has been influential in pushing that agency toward a zero-growth perspective favoring regressive energy projects, including oil-from-shale technology, propounding "energy conservation" and the creation of a national coal reserve, and advocating solar energy as a solution to the energy crisis.

provide employment whether energy is cheap or expensive...

Whatever is done about nuclear power over the next few decades, real energy costs will continue to increase into the next century...In the long run, however, the economy should be able to absorb higher energy costs with little effect on growth or employment...

Whatever the income loss due to higher energy costs, nuclear power can do little to reduce it in this century since nuclear power will at best have only a small cost advantage over coal...

#### *"Defer Indefinitely Commercial Plutonium Reprocessing"*

The principal immediate issue affecting nuclear power is whether the United States should proceed with the reprocessing and recycling of plutonium...

On the basis of our analysis of plutonium reprocessing and recycling, we have concluded that the international and social costs far outweigh economic benefits, which are very small even under optimistic assumptions. We believe therefore that a clear-cut decision should be made by the U.S. government to defer indefinitely commercial reprocessing of plutonium. Although the question of plutonium reprocessing and recycling is now before the Nuclear Regulatory Commission, we believe that, in view of the important international implications, the President should make the decision to defer plutonium reprocessing...For this reason, we conclude that the government should not take over or subsidize the completion and operation of the Barnwell facility.

#### *"Postpone Commercial Breeder Beyond End of the Century"*

The priority and timing of the plutonium breeder is inevitably a central and budget and policy issue since the commitment to this program currently dominates federal energy research and development activities. The plutonium breeder which produces more plutonium than it consumes in operation, can in principle improve the utilization of uranium by a factor of as much as 100...

The Liquid Metal Fast Breeder Reactor (LMFBR) has become the centerpiece in the U.S. energy research and development program...The present U.S. program, directed at the early commercialization of the LMFBR, is not necessary to the development of the breeder as insurance...We believe therefore that the breeder program should deemphasize early commercialization and emphasize a more flexible approach to basic technology. In such a program, with a longer time horizon, the Clinch River project, a prototype demonstration reactor costing \$2 billion, is unnecessary and could be canceled without harming the long-term prospects of breeders...

Although long lead times are required for a project as complex as the breeder, we believe that the decision on commercialization, now set for 1986, can safely be postponed beyond the end of the century...

#### *"Greater Reliance on Coal"*

Three years after the Arab embargo, the coal industry is still not operating at full capacity; and, in the absence of new demand, coal prices have fallen from their peak.

## 'Carter Administration Has No Disagreements'

In interviews this week members of the team that authored *Nuclear Policy: Issues and Choices* said that the Carter Administration looks favorably on the program outlined in the report. Asked about the Carter Administration's response, a spokesman for the MITRE Corporation, which oversaw the report's preparation, said, "I know that Mr. Keeny (the chairman of the report's study group — ed.) has met with Dr. Schlesinger at least twice recently. In fact, he met with him last Saturday (March 19)." The spokesman concluded, "The results were favorable."

Hollis B. Chernery, a member of the study group and vice president for development policy at the International Bank for Reconstruction and Development, confirmed the MITRE spokesman's evaluation. "The Carter Administration has responded quite favorably," he said. "There is a coincidence of views and I know of no disagreements."

Nevertheless, the prospects for coal should not be underestimated since coal will be generally competitive with nuclear power for a long time to come and will in all probability become the material from which synthetic gas and oil will be manufactured...Energy for the United States in the period after 1990 will be characterized by a much greater reliance on coal.

#### *"Solar and Fusion In the Next Century"*

It is frequently argued that solar, geothermal, or fusion energy would be viable alternatives to nuclear power if they received a fair share of the research and development funds. It is our judgment that these forms of energy cannot compete with nuclear, coal, or other fossil fuels as major sources of electric power until well into the next century.

*Solar:* For the long run, solar energy is especially interesting, since it is essentially unlimited...However, solar electric power will become competitive only after considerable research and development and a large increase in the cost of electricity...

Present capital costs per kwe of rotor-style windmills are substantially higher than for fossil or nuclear plants...Nevertheless, wind power has the potential of meeting a significant portion of electrical energy requirements in some areas, albeit at a cost which may be three to five times that of nuclear electrical power...Biomass methods are unwieldy and of low efficiency, but well-proven in small scale...

These (solar, etc.) sources cannot be counted on as an economic alternative to coal and nuclear power in the next three decades. They should be considered as possible alternatives to or competitors of breeder reactors, fusion or coal later in the 21st century...

*Fusion Power:* Fusion, like solar energy, offers the promise of practically unlimited energy...Although it is

still premature to predict success, we believe that fusion reactors will probably demonstrate a useful energy output by the year 2000. There is little prospect, however, that fusion will supply electricity on a competitive basis in the next 50 years. Fusion reactors will involve large capital costs and complex systems with unknown capacity factors, and it remains for future generations to see when they will become competitive...

Alternatively, it has been suggested that the fusion neutrons be injected into a "subcritical" fission reactor loaded with natural uranium or thorium... Such a "fusion-fission hybrid" might appear to be a potential competitor to the breeder reactor, since it would avoid the possible danger from criticality accidents, which are an inherent although remote possibility in the breeder. It would have, however, most of the other negative characteristics of the breeder in terms of safety and plutonium traffic and would involve all of the technical complexity of fusion reactors. Accordingly, there appears to be little reason to pursue this approach.

#### *"Conservation Instead of Expansion"*

Conservation is one of the most effective means of making available additional energy to produce desired goods and services...

Higher energy costs in the future will prevent energy consumption from continuing to grow at the high rates of the past several decades... Of course, society may evolve in rather different patterns if energy is expensive, adjusting social institutions and personal lifestyles to conserve on energy instead of simply expanding its productive machine and energy use as though energy were cheap...

#### *"Nuclear Safety"*

The safety of nuclear power plants is a central issue in the debate on the future of nuclear energy. Thus far the safety record has been excellent... The lack of serious accidents in the past, however, is of only limited value in predicting a future... The predicted consequences of accidents at different sites can vary a hundredfold... A more restrictive siting policy would increase somewhat the costs of nuclear power in some locations, but we believe it is warranted by the uncertainties in the probabilities of accidents and by the large risk reductions that are possible.

#### *"Stop Nuclear Power to Stop Nuclear Proliferation"*

In our view, the most serious risk associated with nuclear power is the attendant increase in the number of countries that have access to technology, materials, and facilities leading to a nuclear weapons capability...

The nonproliferation system will inevitably be flawed and unstable if plutonium and highly enriched uranium, materials suitable for nuclear weapons, and the facilities to produce them become increasingly widespread. The time required for achieving a nuclear weapons capability would be greatly reduced and the temptation to make an irreversible decision to fabricate, and even use, nuclear weapons might be difficult to resist in a crisis. Facilities for plutonium separation and enrichment of uranium are thus particularly sensitive.

We believe the consequences of the proliferation of nu-

clear weapons are so serious compared to the limited economic benefits of nuclear energy that we would be prepared to recommend stopping nuclear power in the United States if we thought this would prevent further proliferation.

Actions and policies regarding the U.S. domestic nuclear power program, discussed in other sections of this study, would affect proliferation in important ways. The following measures would have major nonproliferation significance:

- A clear decision to defer plutonium reprocessing and recycle.

- Deemphasis of the breeder program with deferral of the early date for commercialization.

- Reduced priority for nuclear power in energy research and planning, in a framework giving equal weight to coal...

- Avoidance of promotion of nuclear power both at home and abroad.

- Continued refusal to export plutonium separation and enrichment technology, coupled with efforts to achieve similar action by other suppliers.

- Approval of nuclear exports only where consistent with U.S. security interests and obligations and nonproliferation policy.

#### *"The Danger of Terrorism and Civil Liberties"*

If terrorists were to obtain reactor-grade plutonium, a small group of technically trained people might be able to build a bomb that might have a few hundred tons of explosive yield...

Preventive or responsive actions may impinge on civil rights and liberties of those employed in the nuclear industry, those living or working near nuclear facilities, and the general public... Problems could be posed by domestic surveillance to identify potential terrorists. Likely targets would include criminals, terrorists, and possibly domestic dissidents. Surveillance of foreign nationals can be conducted under the national security authority of the President...

If terrorists had stolen nuclear materials, there might be calls to subject hundreds or thousands of citizens to blanket search, warrantless surveillance, forced evacuation, and detention and interrogation without counsel or probable cause... Once the crisis is past, there is the risk that some tactics employed in the crisis might be carried over into routine operations or extended to other law enforcement problems...

Well thought out and well understood guidelines and contingency plans for federal, state, and local law enforcement officials would minimize the confusion and panic in which ill-advised actions infringing on civil liberties might be taken. Uniform response procedures should be developed and subjected to realistic testing by utilities in conjunction with appropriate authorities at all levels...

#### *"The President Must Be Involved"*

We are convinced, after a year's exposure to the range of problems involved, that the President must be directly involved in the formulation of both overall energy and nuclear energy policy. There is no lower level that can have the authority to resolve the diverse domestic, foreign policy, and security interests...

# Journal Of Commerce

## Predicts 20-Fold Hike In Natural Gas Prices

*This is excerpted from an article titled "Industrial Gas Users Face Sharp Price Hike" by Dr. Glenn E. Burrell, which appeared in the March 24 issue of the Journal of Commerce.*

CARMEL, Calif. — A 20-fold increase in natural gas prices is in store for some industries under the energy program the Carter Administration is expected to unveil April 20. But most industrial users will face a four to five-fold jump in the price of this clean-burning fuel.

Sources close to Washington have indicated that the guts of the new program center on a federal tax on gasoline and deregulation of natural gas.

A program to eventually push the price of gasoline above \$1 per gallon through additional federal taxes now seems a sure thing.

But, the program to deregulate the price of natural gas and decisions on just who will pay the higher price of natural gas are still developing, although the direction of that program seems clear.

The front-running proposal for the new natural gas program appears to be a plan to charge industrial users of the fuel the deregulated or free market price and to charge residential (and commercial) users the lower, regulated price....

The possible 20-fold increase in prices for some is based on the following logic: a major Houston-based natural gas producer, under long-standing contracts, is selling some of its natural gas at 20 cents per thousand cubic feet (MCF). Another Texas producer said that the program reported here would push the free market price of deregulated natural gas to more than \$4 per MCF — a more than 20-fold increase.

Several experts are giving high marks to the preliminary outline of the Carter energy program a copy of which was obtained by *The Journal of Commerce*. Some see the overall plan as a "brilliant integration of the invisible hand of the market place with the controlling hand of government." Others see serious problems which they say must be resolved before any plan is enacted....

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## Nuclear Energy Policy Study Group — A List Of Members

**Spurgeon M. Keeny, Jr.** (Chairman), Director, Policy and Program Development, The MITRE Corporation, Washington Operations; Columbia University Russian Institute, 1946-47; Chief of Special Weapons Section, Dir. of Intelligence, Headquarters U.S. Airforce, 1950-55; Senior Staff member for the National Security Council, 1963-69; Asst. Dir. of

Science and Technology, Arms Control and Disarmament Agency, 1969; Recipient of Rockefeller Publication Services Award, 1970.

**Seymour Abrahamson**, Professor of Genetics, University of Wisconsin.

**Kenneth Arrow**, James Bryant Conant University Professor, Harvard University.

**Harold Brown**, Current Secretary of Defense; former President, California Institute of Technology; Trilateral Commission.

**Albert Carnesale**, Associate Director, Program for Science and International Affairs, Harvard University.

**Hollis B. Chernery**, Vice President, Development Policy, International Bank for Reconstruction and Development.

**Paul Doty**, Director, Program for Science and International Affairs, Harvard University; former Rockefeller Fellow.

**Philip Farley**, Senior Fellow, The Brookings Institution.

**Richard L. Garwin**, IBM Fellow, IBM Corporation, Thomas J. Watson Research Center.

**Marvin Goldberger**, Eugene Higgins Professor of Physics, Princeton University.

**Carl Kaysen**, David W. Skinner Visiting Professor of Political Science, School of Humanities and Social Sciences, Massachusetts Institute of Technology; economist, Office of Strategic Services, 1942; Dir., Woodrow Wilson Institute for Advanced Studies; Dep. Special Assistant for National Security Affairs, 1961-63; Carnegie Commission for Higher Education.

**Hans H. Landsberg**, Co-Director, Energy and Materials Division, Resources for the Future.

**Gordon J. MacDonald**, Henry R. Luce Third Century Professor of Environmental Studies and Policy, Dartmouth College; expert on implication of weather modification for weather warfare.

**Joseph S. Nye, Jr.**, Under Secretary for Security Assistance, State Department; former Professor of Government, Center for International Affairs, Harvard University.

**Wolfgang K. H. Panofsky**, Director, Stanford Linear Accelerator Center.

**Howard Raiffa**, Frank P. Ramsey Professor of Managerial Economics, John F. Kennedy School of Government, Harvard University.

**George Rathjens**, Professor of Political Science, Massachusetts Institute of Technology.

**John C. Sawhill**, President, New York University; former Dir., Federal Energy Agency.

**Thomas C. Schelling**, Lucius N. Littauer Professor of Political Economy, Harvard University.

**Arthur Upton**, Professor of Pathology, State University of New York at Stony Brook.

In addition, Dean Abrahamson served as a consultant to the study group. Abrahamson, public affairs director at the University of Michigan, is on the Board of Directors of the Laurance Rockefeller's Natural Resources Defense Council. He is a close associate of David Rosenbaum, the MITRE Corporation's terrorism expert, and is an outspoken advocate of zero growth.