

# Nuclear Power Industry Faces Stagnation, Bankruptcy

*Exclusive to the Executive Intelligence Review*

The nuclear energy industry in the United States is being driven toward bankruptcy by a coordinated stalling campaign involving James Schlesinger's Department of Energy and the so-called environmental movement. These two elements, using every available legal and bureaucratic maneuver, are attempting to keep U.S. nuclear power construction projects in a state of prolonged stagnation, to bring the industry down under the weight of its own debt overhang, loss of investor confidence, and cost over-runs.

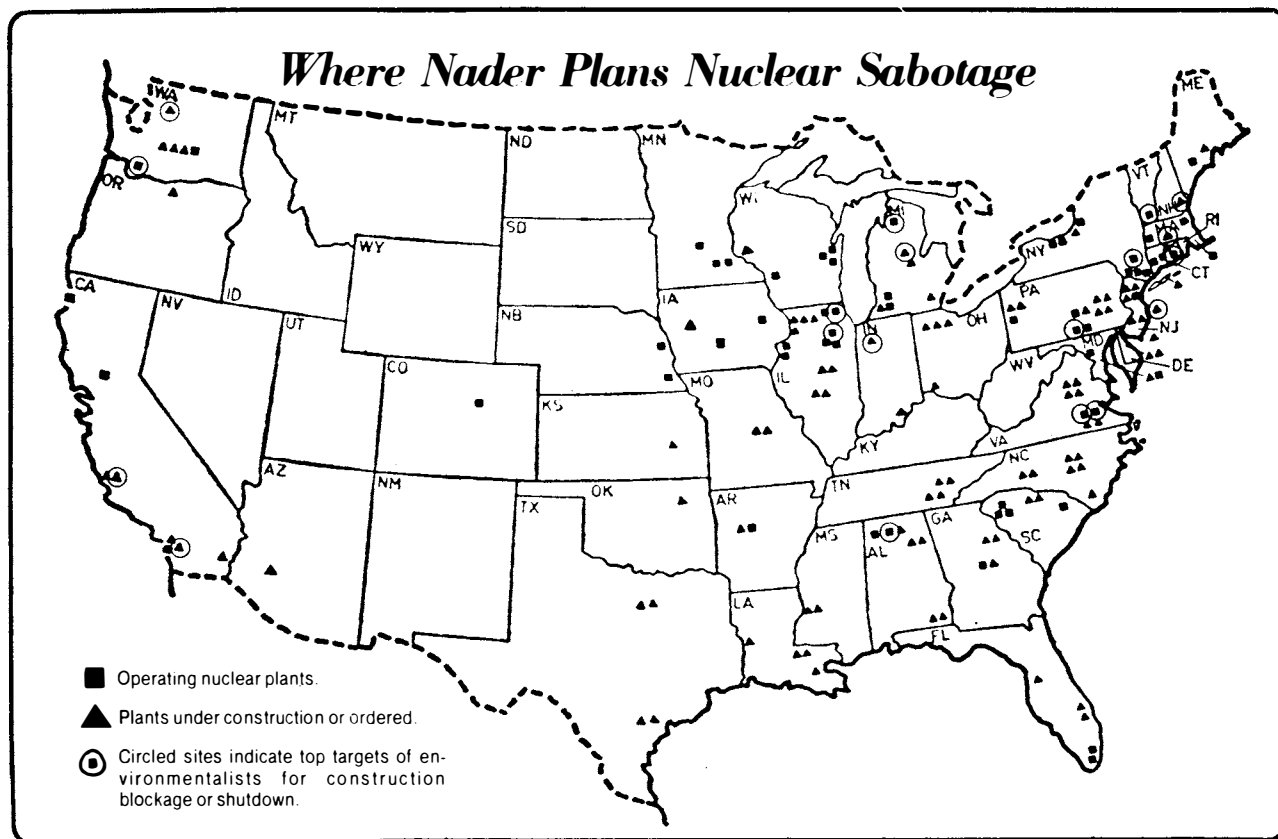
*Industry Status*

The level of the slump caused by this campaign is reflected in the growth figures for nuclear power development during 1977. Despite the fact that nuclear power stations must be rapidly brought on line to relieve the grossly overloaded U.S. electric power grid, only three new power plants have been licensed to operate this year, an even lower figure than the five plants put on line during 1976. The snail's pace of development shown by

these figures is brought into focus when compared to the fact that the four major nuclear power plant producers — Westinghouse, General Electric, Combustion Engineering and Babcock and Wilcox, are capable of producing 30

### What's Happened To U.S. Nuclear Development?

The rate of attrition in U.S. nuclear power plant construction has soared since the early 1970s promises of the Nixon Administration to build 1,000 such plants by the end of the century. Under the Ford Administration, this figure dipped to only 500 projected nuclear power plants. Under self-proclaimed nuclear energy supporter James Schlesinger, the Carter Administration has slashed total projections to only 350 to 400 nuclear plants by the end of the century.



plants each year.

There is no sign that this stagnation will be reversed in the near future. Only four new orders have been placed this year, compared to 36 in 1973, and no commitments for future orders have been filed. Simultaneously, of the 156 nuclear projects on order or under construction, 23 have been deferred for an indefinite period, while four projects were cancelled completely this year.

#### *Why Is This Happening?*

Since the inauguration of the Carter Administration in January, the nuclear industry has been forced to respond to a constantly changing set of regulations and requirements on every "safety" and "environmental" issue that has been raised by environmentalists in the past 10 years, ranging from the "waste disposal problem" to fireproofing standards for electrical wiring, orchestrated by Schlesinger and his new Department of Energy.

While Schlesinger has loudly promised to set safety guidelines and streamline the licensing process, nothing concrete has materialized (a trick Schlesinger perfected while at the Rand Corporation and dubbed by him "calculated cheating"). The nuclear industry has been left off balance, waiting for these empty promises to come through.

Simultaneously, the Clinch River fast breeder reactor project and the Barnwell South Carolina nuclear fuel reprocessing facility have been stalled for the entire year through a debate over the threat of nuclear proliferation. This ongoing debate, and the recent symbolic veto of authorization for the Clinch River project, have wasted critical time and resources of the nuclear industry, as well as breaking the nuclear fuel cycle and forcing a crisis around an efficient operable waste disposal program where no serious problems existed before.

The nuclear industry is furthermore beginning to show signs of the economic strain, most clearly reflected by the General Electric Company, which has reportedly threatened to withdraw from the nuclear power business. At best, General Electric feels it will be forced to operate its nuclear operations at a loss until at least 1980.

The Atomic Industrial Forum, a group of over 600 organizations interested in nuclear energy development, lashed out at the on-again, off-again regulatory policies toward the nuclear industry, charging the Nuclear Regulatory Commission in particular with using a "policy by default" approach which has resulted in a "bias against the nuclear option."

There can be no doubt at this point that Energy Secretary Schlesinger, whatever his "pronuclear" billing, is out to sabotage nuclear energy development in the United States, in favor of the pastoral labor-intensive programs outlined last spring in "The Unfinished Agenda" consensus report of virtually every environmentalist group in the country.

#### *What Next?*

In store for the nuclear industry is a multilevel campaign of more legal and bureaucratic harassment, concentrated on the weakened economic position of the nuclear industry.

In coordination with Schlesinger, the environmentalists are fully activated on the local level to form coalitions against local utilities and "grassroots" anti-nuclear protest groups, neatly interfacing the Schlesinger "pronuclear" plan to shift full responsibility for nuclear plant financing onto local utilities.

Parallel financial attacks are coming in Washington. The Supreme Court has agreed to hear an environmentalist case against the Price-Anderson Act of 1957, which placed a \$560 million limit on liability insurance for nuclear power companies. The Union of Concerned Scientists, a zero-growth antitechnology group, has petitioned the Nuclear Regulatory Commission to close all 67 operating nuclear power stations until they can be determined completely safe — "guilty until proven innocent." And *Critical Mass*, a Nader-organized anti-nuclear lobbying and propaganda formation, is attempting to push a new bill through Congress which would shift all nuclear plant construction cost overruns onto the utilities, and cut all federal subsidies to the nuclear industry.

— Stuart Pettingell

## Nader: 'Destroy Property... Before It Destroys You'

*Last April 4 the Village Voice published an excerpted interview with Ralph Nader that included this:*

What activists are trying to do is make a new law based on the settled Anglo-Saxon tradition of self-defense... That is, if someone tries to break into your house you can retaliate lawfully. In the case of a nuclear reactor, the self-defense is projective. But what are you going to do, wait until radioactivity is all over the place? Shouldn't you destroy property before it destroys you?

You know, if it hadn't been for those demonstrators, the war (Vietnam) would still be going on. The government was afraid of civil war... I'll make a prediction: If they don't close these reactors down, we'll have civil war within five years. There'll be a big accident, say, out West somewhere, and those conservative ranchers will find out their land and their cattle are worthless and they'll use their guns.