

**EXCLUSIVE****ECONOMICS**

## Westinghouse vs. Rio Tinto Zinc

# A Company Against Uranium Use

### SPECIAL REPORT

A legal suit filed against Rothschild mining interests by the U.S. Westinghouse Corporation several months ago contains heavy documentary evidence of a "monoplistic" conspiracy operating for the past five years to raise the international price of uranium to prohibitive levels and freeze Westinghouse out of the market. However, a continuing Executive Intelligence Review investigation into the case's background suggests that a broader, primarily Rockefeller family campaign to sabotage the development of industrial energy sources, commensurate with that faction's de-industrialization program, has enjoyed the benefit of Rothschild cooperation in an included plan to sabotage the nuclear energy industry at its source. Westinghouse, as a primary supplier of nuclear reactors and materials, has found itself at loggerheads with the involvement of Rothschild executives in a Rockefeller plan to disrupt uranium production and sales to ensure the demise of nuclear power.

Ironically, the information now at Westinghouse's disposal was provided by the very Rothschild and Rockefeller interests they have now taken to court with it.

Central in the affair is the Wall Street law firm of Fried, Frank, Harris, Shriver and Kampelman, which represents the international legal interests of both major Rockefeller concerns and the Rothschild's Rio Tinto Zinc Corporation Ltd., the largest British-based mining company whose uranium holdings extend throughout South Africa, Namibia, Australia, Canada, and the United States. Law firm partner Max Kampelman is general counsel to the Rockefeller's Committee on the Present Danger. Partner Patricia Roberts Harris is a director of the Rockefeller's Chase Manhattan Bank and IBM Corporation, and she is now Jimmy Carter's Secretary of Housing and Urban Development. Partner Sargent Shriver ran the Peace Corps under John Kennedy, controlling major intelligence operations in Asia, Africa, and Latin America. But the principal is partner Sam Harris.

Harris, who was head of "Wall Street Lawyers for Carter," sits on the Board of Directors of the Rio Tinto Zinc Corp., its Canadian subsidiary Rio Algom Canada, and its American subsidiary U.S. Borax and Chemicals Co.

Late last year, Westinghouse filed suit in Federal District Court accusing Rio Tinto Zinc of organizing a global cartel of 28 uranium producers to artificially raise uranium prices. Westinghouse identified Sam Harris by name, and held the cartel responsible for increases in the price of uranium from \$5 a pound in 1972 to \$40 a pound in 1976. Westinghouse filed this suit after being sued itself by over 20 U.S. utilities for breach of contract. Westinghouse had had contracts to

deliver uranium to the utilities at lower prices, and when the price rose, it defaulted alleging "force majeure."

The essence of the Westinghouse charges is that Sam Harris and Rio Tinto Zinc conspired to fix a "world market price" and to regulate uranium supplies for both interstate and foreign commerce. A series of documents detailing the conspiracy were given to the company by "Friends of the Earth" officers in Australia, to whom they were "leaked" by a source within Mary Kathleen Uranium Ltd. of Australia. Since 52 percent of Mary Kathleen is owned by Rio Tinto Zinc, Westinghouse's information comes in effect from the very people they are suing, through an "environmentalist" organization dedicated to destroying nuclear power.

According to the documents, a 1972 Paris meeting between Rio Algom Canada, Rio Tinto Zinc England, Rio Tinto Zinc Services, Nuclear Fuels of South Africa, PanContinental of Australia, Denison Mines of Canada and several others, discussed fixing prices and production of uranium on a world scale. Throughout the year, further meetings were held in Paris, Canberra and Sydney, and in June, a Johannesburg meeting set up a preliminary price schedule and a "Secretariat" and "Operating Committee" to implement it. The first task set by the cartel was to lift an embargo placed on the enrichment of foreign uranium for use in the United States by the Atomic Energy Commission. By the fall of 1972 meetings began with major U.S. producers. The U.S. producers, in the words of the Westinghouse law suit, "undertook not to oppose" the phaseout of the AEC embargo on the enrichment issue. The U.S. producers also agreed to adopt the cartel's "world market price" for whatever uranium they sold.

The U.S. and foreign producers formed an Ad Hoc Committee of the Mining and Milling Committee of the Atomic Industrial Forum which consisted of Phelps Dodge-Western Nuclear, Rio Tinto Zinc England, Rio Tinto Zinc Services, Rio Algom Canada, Rio Algom US, Getty, United Nuclear, Gulf, Pioneer, and others. The Ad Hoc Committee held a number of meetings including an important meeting at Oak Brook, Illinois in March 1973, during which the representatives of Rio Tinto Zinc England, Rio Tinto Zinc Services, Rio Algom Canada, and Rio Algom US gave assurances that in the event a decision was reached by the AEC to phase out the embargo, neither their companies nor other foreign producers would sell uranium in the U.S. at prices below those charged by the U.S. producers. They gave similar assurances to members of the Steering Committee of the Mining and Milling Committee of the Atomic Industrial Forum. This Steering Committee had also been formed by the producers and consisted at various times of Rio Algom, Anaconda, Kerr-McGee, Getty, United Nuclear, Phelps Dodge,

Western Nuclear, Homestake, Federal Resources, and Utah International.

Based on such assurances, the U.S. members of the Ad Hoc Committee and the Steering Committee agreed that they would not oppose a phase out of the embargo beginning in 1977. By May 1975 officers of Rio Algom Canada and Rio Algom US were formally appointed to the Steering Committee to represent the foreign producers.

At the March 1973 Oak Brook meeting the U.S. producers also decided to raise the price of domestic uranium higher than the "world market price." In October 1973 the foreign producers met in London to raise the "world market price," and in January and February 1974 the foreign producers and Gulf Canada raised the "world market price" once again.

Westinghouse was selling uranium to Swedish customers at prices below the world market price — uranium purchased from other sources. This, according to the Westinghouse court papers was the subject of a November 1973 meeting in Las Palmas in the Canary Islands where the cartel members agreed not to sell uranium to Westinghouse.

#### "Friends of the Earth"

When the documents proving this conspiracy were first obtained by the "Friends of the Earth" in Australia late last year, the organization contacted its Energy Project Director in the U.S., Jim Harding, who is now an advisor to the California Energy Commission. Harding called a press conference with California Public Utilities Commissioner Leonard Ross to disclose the material. Their objectives were entirely clear: Harding acknowledged in an interview that, in keeping with the "environmentalist" goals of Friends of the Earth, he hoped to altogether discredit uranium mining as a way of stopping nuclear power development; Leonard Ross similarly expressed himself in a *New York Times Magazine* article this past December, when he attacked all nuclear energy because it exposed the world to the dangers of "nuclear terrorism."

Even so, Westinghouse immediately used the evidence in their legal suit, which is palpably aimed at bringing down the price of uranium and regaining access to the market to provide it to U.S. utilities. Moreover, Sam Harris, the very man singled out by Westinghouse on the documents as responsible for their troubles, is an attorney for the J.M. Kaplan Foundation which conduits CIA and other monies to ... Friends of the Earth.

Friends of the Earth is Rockefeller. Most of its "environmental" litigation is handled by the National Resources Defense Council which received \$50000 from the Rockefeller Family Foundation, \$30000 from the Rockefeller Brothers Foundation, and \$15000 from the J.M. Kaplan Foundation in 1975. Mr. Harding of Friends of the Earth will be leaving soon to take up a position with the National Resources Defense Council, and Mr. Amory Lovins of Friends of the Earth published a long article against nuclear energy in the October 1976 issue of *Foreign Affairs*, the magazine of the Rockefeller's New York Council on Foreign Relations.

Leonard Ross, who published the documents with Harding is a close personal friend of George C. Eads, the Executive Director of the National Commission of Supplies and Shortages, which calls for stockpiling strategic raw materials because of the danger of war in southern Africa. The

commission is chaired by Rand Corporation President Donald Rice and includes Trilateral Commission member, and new Chairman of the Republican National Committee, Bill Brock, former Senator from Tennessee.

Friends of the Earth openly advocates cutting U. S. energy consumption by 50 per cent by 1985. Its president is David Bower. U.S. Congressman Richard Ottinger is Executive Vice President, and David Sive is an Executive Committee member. Candice Bergen, Edwin Matthews, and Helen Severinghaus are Directors, and the Advisory Council includes all sorts of innocent and not-so-innocent celebrities: Cleveland Amory, Paul Ehrlich, Norman Cousins, Karl Menninger, Linus Pauling, James Farmer, Konrad Lorenz, Pete Seeger, Harriet Van Horne, George Wald, C. P. Snow, and Robert Redford.

Its principal representative in Paris is director Edwin Matthews, who is also a partner of the Rockefeller allied law firm Coudert Freres (which once represented the Vichy regime). Trilateral Commission member and Carter's nominee for Ambassador to Italy Richard Gardner is a Coudert partner. Gardner is both a very close associate of the UN's resident "ecology freak," Maurice Strong, and is also a close friend of Carter National Security Council head Zbigniew Brzezinski.

In Australia, Friends of the Earth and the Australia Conservation Foundation (ACF), which receives \$150000 each year from the Federal Parliament, have worked closely together to halt internationally important uranium exports, including encouraging the Aborigines to veto attempts to mine uranium on their reservation land under the Aboriginal Rights Bill of 1976.

During the last week of May 1976, all Australian railroads were paralyzed by a 24-hour strike called by the Railway Union and organized by the ACF to ban the mining processing, and export of uranium. There are no uranium producers allowed to operate in Australia except Rio Tinto Zinc's Mary Kathleen uranium. The ostensible purpose of the strike was to halt the export of 50 tons of uranium to Pennsylvania's Commonwealth Edison. The strike also accomplished an embargo against all future uranium shipments anywhere, and intimidated would-be uranium producers who had signed long term supply contracts with the Japanese.

Sam Harris' law firm represents Rio Tinto Zinc's extensive Southern African interests, and the firm's links to that area are quite remarkable. In addition, partner Robert Prieskel originally set up the Congress for Racial Equality (CORE) which ran race riots in the United States, and openly recruited mercenaries to fight with the CIA's UNITA against the Popular Movement in Angola, a project to gain time for Rio Tinto's illegal occupation of the world's largest uranium mine, Rossing, in neighboring Namibia.

Preiskel's son John, an advocate of terrorism, is a key operative in the "Liberation Support Movement" in the United States. The Liberation Support Movement has ties to the Weather Underground and organizes principally around African issues. LSM was recently condemned by the South African Communist Party as provocateurs. LSM agent Oleg Gjerstad was dispatched to Luanda during the final days of the Angolan Civil War, ostensibly to transmit reports to WBAI radio in New York City.