

Energy Insider by William Engdahl

What happened to nuclear energy?

It's still the best energy technology available, but a decade after TMI and Volcker, nuclear has ground to a halt.

Coming a day after the creation of the Federal Emergency Management Agency and during the tenure of Pennsylvania Gov. Richard Thornburgh, the Three Mile Island nuclear event is still being manipulated to stop the best energy technology available.

It is more than 10 years since the March 29, 1979 incident at the Middletown Three Mile Island-2 nuclear power plant. The hysteria generated by the media during and after the event have created a phase-shift for the worse in world economic growth potentials. Here, we will not recapitulate the queer coincidence that the Federal Emergency Management Agency (FEMA) was created one day before the TMI event. Nor will we recall the strange circumstances around the handling of the event by Governor Thornburgh's office. Let us briefly review the state of the nuclear power industry since that well-publicized Pennsylvania occasion.

On paper, the United States has increased its use of nuclear power electricity generation. In 1979, the United States had 71 licensed reactors, whereas by February 1989, it had 111 nuclear units. This is fully 20% of all U.S. electric power versus 11% in 1979, making nuclear the nation's second largest source of electricity after coal.

This is very deceptive. Most of these reactors represent simply completion of costly investments by electric utilities which were already in the construction phase a decade ago. The real story is that the United States, after a decade of delay and cancellation, has dangerously too little electrical capacity, as last summer's heat

wave revealed in the form of power brownouts.

In a White Paper delivered to Energy Secretary James Watkins and President Bush several weeks ago, the Nuclear Power Oversight Committee warned that the U.S. will need the equivalent of 120-220 new electric power plants of equivalent 1,000 megawatt nuclear-unit size by the end of 10 years' time, if the country is to only keep up with replacing outmoded plants and keep a minimum of 2-3% per year electricity growth, a level less than half that of the 1960s. But not one new order for a nuclear plant has been placed by a U.S. utility since Three Mile Island.

Worse, since 1979, U.S. utilities have scrapped existing plans to build 106 nuclear plants.

The hysteria after the Three Mile Island event created a temporary pause in new nuclear orders around the world at precisely the time when the Carter regime and Anglo-American oil interests created conditions for the cutoff of Iran's oil and a panic which created the second shock in less than six years to the world's principal energy resource, petroleum.

Now, I don't want to try to convince you that those big nasty Anglo-American oil multinationals had something to do with the post-1979 attacks by environmental groups on nuclear energy, just at the time nuclear was about to increase its share of world energy at the expense of oil. But it is a matter of record that precisely those oil majors were main financial sugar daddies for groups such as Friends of the Earth, who organized the big anti-nuclear campaigns.

If Three Mile Island gave a "pause for reflection," Federal Reserve chairman Paul Volcker's October 1979 monetary revolution, which hiked interest rates above 20% for the next three years, dealt the death-blow to long-term capital investment in nuclear power. He was materially abetted by a fanatically anti-nuclear Carter presidency. The results have been as staggering as they are tragic. Regulatory obstruction and delay since Three Mile Island, after the Volcker "shock," became coupled with unpayable costs of capital, and reactor construction delays to threaten to bankrupt major U.S. and other nations' electric utilities.

Today, South Korea, among developing nations, stands alone. It plans to expand its nuclear capacity by five plants over the coming decade to a total of 14. The earlier nuclear programs in Brazil, Argentina, Mexico, Taiwan, Philippines, Egypt, Iran, and Pakistan all have but ground to a halt. Soaring interest rates and economic depression have gutted long-term industrial investment.

Most of the major industrial countries, with the exception of Japan, have all but stopped their nuclear efforts. West Germany, only a decade ago one of the world's most active nuclear exporters, is embroiled in local political scandals and growing efforts by the Green and Social Democratic parties to shut down existing reactors, even though German nuclear reactors are, next to Switzerland's, the world's safest and best-functioning in terms of percent utilization, according to a recent MIT study. France, which refused to be panicked after 1979, today gets 70% of all electricity from nuclear plants. But even the French nuclear industry is now threatened by lack of export markets. Environment Minister Brice Lalonde is a former "militant" of Friends of the Earth.