WORLD -- NUCLEAR POWER: UNCLE SAM'S CALL FOR TRUST

F.-532

Munich, April 7 (CND) -- the following article by David Fishlock, appeared in The Financial Times, April 7,1977

T IS PROBABLY prudent to assume that nuclear explosives will spread beyond the six nations which have demonstrated already convincingly that they possess them. After all, in spite of the determination of the ... U.S. Government immediately after the World War II to retain total control of the technology of the Manhattan Project, Vover less than, three decades nuclear explosives have spread succes-sively to the USSR, Britain, France, China and (by 1974) to

There are clear temptations for other nations to acquire nuclear explosives. For the oilproducing nations there is the temptation to use their wealth to procure them as an insurance against any decline in their world influence as their oil diminish. .... Ford reserves ostracised nations or those encircled by hostile neighbours, there is the tempfation to procure nuclear explosives as a deterrent to any attack. For some; developing nations there is a temptation to use nuclear, explosives to gain a seat at the same table as the world's more influential nations,---

For three decades, after the McMahon Act excluded Britain from the Manhattan Project technology which Britain had helped freely to develop—obliging Britain to launch a crash programme to develop its own nuclear explosives—the U.S. has been wrestling with the problem of controlling proliferation of nuclear weapons. No aspect of nuclear policy has occasioned more international discussion, albeit mostly behind closed doors.

The U.S. Government is expected to-day to announce its latest policy for minimising the pace of proliferation. President Jimmy Carter, in San Diego on the campaign trail last autumn, declared that he would "seek to withhold authority for domestic commercial reprocessing until the need for it, the economics and "the safety of the technology" are clearly demonstrated." Without reprocessing, of course, there can be no fast reactors.

## TABLE 1

Estimated proportion of the world uranium resources

(Excluding the East Bloc)

fuelled with plutonium and simultaneously, breeding fresh nuclear fuel from "spent"

uranium.

The basic points of Mr. Carter's policy have already been put to a handful of nations which, two years ago, were persuaded by the U.S. to start meeting in secret in London. It wanted them to agree upon tighter controls over exports of three "sensitive technologies"—uranium enrichment, plutonium refining, and heavy "water production—closely associated with nuclear explosives. The four basic tenets of the anti-proliferation policy will be:

policy will be:

U.S. reprocessing of spent nuclear fuel and the recycling of plutonium as fuel for existing types of reactors to be deferred indefinitely;

U.S. development of the fast breeder' reactor, fuelled by plutonium, to be slowed down;

O U.S. fast reactor funds to be channelled into alternative nuclear fuel cycles that might avoid access to the tethree of sensitive rechnologies.

A large expansion of U.S. uranium mining production to keen light water reactors

fed with fuel.

The four points are all spelled out in the recommendations of a report from the Nuclear Energy Policy Study Group, sponsored by the Ford Foundation and published last month.

This group of 21 eminent U.S. Government officials and advisors under the chairmanship

of Dr. Spurgeon M. Keeny Jr., spent a year pondering the problems of whether, and to what extent, and in what form nuclear energy was needed.

It concludes that nuclear energy is already "a fact of international life and will provide a significant proportion of the world's electricity by the end of the century." Observing that it is "a present reality, not a future, prospect," its records that the U.S., with 40.000 MW of nuclear electricity already online, is expected to bring another 170.000 MW into service, by the mid-1980s. Comparable figures for the rest of the world are 35.000 MW on-line and another 130,000 MW under construction.

On the economic justification for nuclear electricity it concludes rather grudgingly that it would "on average be somewhat less costly than coal-generated power." Outside the U.S. it finds that some 30 nations in addition to those which already possess nuclear weapons have nuclear plants operating, under construction or ordered.

In other words, there is no suggestion in the Ford Foundation report that nuclear energy las it exists commercially to-day—which for the U.S. and most other countries means by way of light water reactors (LWRs)

—should now be abandoned. Quite the reverse, in fact, for the basic argument is that at least for several decades to come the U.S.—and everyone else—should be prepared to rely on these. U.S. designed reactors. They should be prepared to forego more advanced technologies which promise to be more economical with uranium fuel, but which could also encourage proliferation of nuclear explosives.

The study group's confidence about uranium supplies appears to start with the figures shown in Table 1, which indicate that the U.S. is sitting on the world's richest stockpile of uranium. It then goes on to assert has the current assessment of uranium reserves "probably substantially underestimates the supplies that will become available."

Uranium at prices making LWRs competitive with the fast breeder reactor "will be available for a considerably longer-time than previously estimated." The report's comment

1330/77/4

(Pro

will bring cold comfort to those prevent this happening. who have been claiming that that the U.S. and its allies need its use this century. not bother too much about the But how will the rest of the ast breeder reactor or the world see the Carter Adminising up to a hundred times as Uncle Sam and all will be well?
The Canadians, who were amount of uranium.

ally must increase steeply, and their

From this position it moves: thermal reactors were scarcely into its case for abandoning reworth pursuing because the processing and fast reactors, world would soon run out of Basically it concludes that there of the Ford Foundation study it reason at this time to introduce s used to justify the conclusion plutonium fuel or to anticipate.

But how will the rest of the reprocessing of spent nuclear tration's proposals, with their mel, and their potential for con- strong implications that nations erving nuclear fuel by extract- need only put their faith in

deeply upset by the cynical way Unfortunately, the study group tends to undermine its own case a sentence or two later by arguing that, if the costs of nuclear power should rise, it will not matter, for "coal available at roughly current costs will look increasingly attractive." But an underlying assumption of the study in any case is that energy prices generally must increase steeply, and their engineers claimed engineers claimed nothing much can be, done to recently that Canada possessed

> the largest plutonium mine in the world.

The Canadian Government may even go along with the U.S. in trying to extract and undertaking from its overseas customers that they will make no dattempt no to be reprocess

uranlum mined in Canada.

But the other five foundermembers of the original London Group of nuclear exporters all see reprocessing and the recycling of plutonium in the fast breeder reactor in quite different light. All have highly developed fast reactor pro-grammes. Britain and France and the USSR have large-scale demonstration reactors already running. West Germany has one under construction; and Japan has the 300 MW Monju project's which t it hopes to launch shortly. France and Germany have recently embarked on the commercial-size (1,200 MW) Superphénix reactor.

Of the five, only the USSR (believed to have a lot) and France have found commercially significant indigenous sources of uranium.' All see the fast breeder reactor as a powerful insurance against rising world uranium prices, and against any collective action by the uraniumproducting nations—that is, the risk of a "uranium OPEC."

Britain, and the two nations (Japan and Italy) which pur-chased Britain's Magnox reactor, have another problem. Magnox fuel is simply not suitable for long-term storage, as the electricity industry has already discovered to its cost.

But a still more formidable obstacle to the Carter proposals is that reprocessing represents for Britain and France a major nuclear export prospect, serving nations-such as Japan and Sweden-whose laws require nuclear plant operators to show that they have made acceptable provisions for dealing with spent nuclear fuel.

Britain is also much further advanced than any other nation in "closing the fuel cycle" for the fast breeder reactor. By this is meant the technology of re-processing intensely radioactive fuel and recycling it as fresh fast reactor fuel. At Dounreay the -- U.K. -- Atomic -- Energy Authority is commissioning a new reprocessing plant for the task.

What other Governments-including Britain's-are likely to fear above all about the new U.S. anti-proliferation proposals, however, is that they could en-courage organisations opposed to nuclear energy in any form to redouble their, efforts to block even those nuclear activities still acceptable to U.S. energy policy It could also encourage the oil - producing nations to raise their prices sharply.

\*Nuclear Power Issues and Choices: Report of the Nuclear Energy Policy Study Group. Ballinger Publishing Com-pany Cambridge, Mass., U.S., 1977,

1330/74/4