

Frankfurter Allgemeine Zeitung, Frankfurt, major economic editorial "England - A Low Wage Country - A Lot of Delays, Little Productivity" written from London by correspondent Jochen Rudolph, Jan. 3:

Occasionally, German employers roll their eyes when they hear about the lower wages in England. And then others have become seemingly well acquainted about it and have already begun considering whether they should not set up a branch office or a branch firm somewhere in the British Isles.

One can start with the situation that English wages and salaries are, on the average, only half those in Germany, taking as a basis an exchange rate of about 4 deutschmarks for the English pound. ...This means that the English worker can buy 60 percent of what his German colleague can buy with his wages.

If one were to fixate on these figures alone, then he would have to wonder, why German markets are still not flooded with English goods, and why German industry has not yet been hopelessly boxed out of the export countries.... The explanation is that German industry produces more per employee and more per time unit than its competition.... The decisive difference lies in the use of machines and appliances as well as in the rational distribution of labor power. For a long time, the Federal Republic has been forming far more capital than England through higher profits for employers and by individual savings. In the vast majority of branches of industry, it has more modern machines and plants. It thrives with relatively less labor power, because individual workers can be used for more activities than in England....

Whatever Happened To The Clinch River Breeder?

As recently as December 1977, U.S. Secretary of Energy James Schlesinger has reiterated standing Carter Administration policy that no matter what the will of Congress, the Clinch River liquid metal fast fission breeder demonstration project, the so-called plutonium breeder, "will never be built."

As the *Baltimore Sun* pointed out in its lead editorial

ENERGY

Jan. 4, entitled "Nuclear Policy Under a Cloud," no less than seven major nations have rebuffed the nuclear non-proliferation policies under which Schlesinger and his neo-Malthusian allies seek to justify their commitment to kill the breeder. The *Sun* also correctly reports that the ostensible reason for non-proliferation, the effort to halt the spread of nuclear weapons technology, does not hold water: "The technology of bomb-making is so well-known that there is virtually no way of stopping it through the route Mr. Carter chose."

According to Capitol Hill sources close to those senators opposing the restrictive conditions of the Administration-supported Percy-Glenn non-proliferation bill expected to come up on the Senate floor this spring, Carter's statements to Indian Prime Minister Desai, constitute tacit admission that passage of the legislation is intended to make export of U.S. nuclear technology more difficult, something that Schlesinger et al. have steadfastly denied up to this point. The sources expect the Percy-Glenn bill to encounter increased resistance on that account.

Meanwhile, however, Congress has failed to mount an effort to override Carter's veto of the budget authorization bill containing the go-ahead for continued funding of the Clinch River project; in fact, the Clinch River authorization was dropped from the bill to secure

Carter's signature.

Although this does not foreclose the possibility of continued funding for Clinch River, it is being taken as a sign of weakness of pro-breeder forces. In fact, the current "limbo" status of Clinch River is symbolic of the failure of U.S. pronuclear forces so far to consolidate the international strategic victory which has been all but handed to them by their allies in Europe, the Middle East and Latin America—a victory highlighted by the 70,000-person labor-industry demonstration on behalf of nuclear development at Dortmund, West Germany last fall.

The brief history of the Clinch River project which follows illustrates both the tenacity with which Congress, backed by U.S. industry and labor, has tried to keep the project alive, but also the essentially defensive "foxhole mentality" which has hampered its efforts.

The Clinch River project originated during the Nixon Administration in the early 1970s, as an explicit response to the perceived approaching fossil fuels crisis. At that time, the U.S. objective was to secure commercialization of the breeder by the late 1980s, and plans were made for a demonstration project at Clinch River, Tenn. at a site owned by the Tennessee Valley Authority. Public utilities, the nuclear industry, and the Federal government have shared funding for the project, which to this point has consisted of theoretical, engineering, and design work. Groundbreaking for construction of the plant was scheduled to begin this year, with the demonstration project to become operational by 1983.

The Carter Administration's decision to kill the project, announced last spring, relied on two arguments. The first was non-proliferation; yet at the time the decision was announced, the Soviet Union had possessed a working demonstration plutonium breeder plant for four years, France for three years, and other nations for shorter periods. Unless one is a firm believer in locking the barn door after the horse is stolen, the non-proliferation argument must appear utterly spurious.

The second argument was that the project had not proved "cost-effective."

with the plutonium breeder capability had determined to the contrary, no doubt influenced by the fact that, as the *Sun* editorial points out, "the world is too energy hungry to forswear a fuel, plutonium, that multiplies as it burns." Cost overruns on the Clinch River project are mainly attributable to licensing delays and Congressional cuts in funding (nearly 30 percent in fiscal 1976; for example) which have produced a delay in estimated completion time for the project of 15 months, during a period when inflation has hardly been absent.

When these arguments proved insufficient, Schlesinger et al. added a third: that the U.S. should not "move so hastily" to a plutonium breeder because alternate breeder cycles, the thorium breeder for example, were the subject of heavy investment. The thorium breeder, however, is far less efficient than the plutonium breeder, producing enough fuel for a new reactor only once every 300 years. Moreover, industry sources report that government funding for all alternate breeder development is now scheduled for major new cutbacks by Schlesinger's Energy Department.

Unfortunately, Congressional opponents of the Administration have largely confined themselves to answering these arguments "on their merits," instead of sharply and publicly questioning the patriotism of James Schlesinger. It is clear enough that Administration opposition to the breeder is based wholly in a calculated attempt to rob the United States of a valuable advanced technology, not in accounting and environmentalist fairytales.

The Fight on Capitol Hill

Last year, the Carter Administration's budget for Clinch River was pegged at \$33 million "to terminate the project." After a year-long fight, a House-Senate conference committee approved an \$80 million author-

ization, barely enough to maintain the capability of continuing its existence; far less than the amount required to allow construction to begin. It was this authorization, which passed both Houses, which Carter vetoed.

Probreeder forces were aware, however, that since the Clinch River project was originally established by a separate act of Congress years ago, an act of Congress is required to terminate the program. A General Accounting Office report supports this position.

Thus they maintain that the authorization bill is not necessary to fund the breeder; an \$80 million appropriation contained in a supplemental appropriations bill which has not yet reached the floor can be passed for that purpose.

In an effort to judo the Administration, the probreeder Congressmen attached the breeder appropriation to the appropriations bill which contained the termination funds for the B-1 bomber, calculating that if Carter vetoed this bill, B-1 funding would revert to its original higher level and that Carter might be unwilling to face that prospect. Since that time, however, the House has apparently decided to vote not to terminate the B-1. If the Senate agrees, the bill which arrives on Carter's desk will contain two appropriations objectionable to the Administration, and is a sure candidate for another presidential veto.

Even if a veto is subsequently overridden, the Administration can defer or rescind funds unilaterally, subject to an override by a majority vote in one Congressional chamber.

Thus, with the prospect, at best, of further parliamentary battles ahead and more costly delays, the nuclear industry and utility companies are considering lawsuits against the government to regain the millions they have invested in the project, but appear no nearer to a political mass mobilization of the U.S. population behind nuclear development.

— Don Baier