

CounterPunch

OCT. 1-15, 2007

ALEXANDER COCKBURN AND JEFFREY ST. CLAIR

VOL. 14, NO. 17

Israel's Very Dangerous Gamble

By Stephen Green

In the days after Israel's September 6 air strike into northeast Syria at what may or may not have been a nuclear or strategic weapons facility, I read the major papers and followed serious news broadcasts, waiting for the warning from the military intelligence "experts," looking and listening for the key word: "SS-21."

On September 20, 2007, the Washington Institute for Near East Policy issued a "Policy Watch/Peace Watch" paper by Michael Eisenstadt, titled "Syria's Strategic Weapons Programs". Near the end of the piece, after mentioning Syria's arsenal of Scud-Bs, Cs and Ds, Eisenstadt adds, almost as an afterthought:

"Syria also possesses the Soviet SS-21 missile with a 70-kilometer range, as well as a large number of domestically produced... artillery rockets... Should deterrence fail, Syria's rocket and missile forces would likely play a major role in any major confrontation with Israel, as a means of deterring further escalation or disrupting Israeli mobilization and military operations."

Eisenstadt got that right. If anything, he understates the risks to Israel, should it continue to attack Syria's strategic military installations. The general problem is that, since the early 1980s, offense beats defense. As Israel has proved repeatedly and often all over the Middle East, state-of-the-art fighter-bombers with advanced avionics, electronic countermeasures, chaff dispensers, smart munitions, computerized fire-control systems, and well-trained pilots can finesse virtually any air defense system, currently deployed in the region. [Although Israel's misfortunes last year in its attack on Lebanon showed

GREEN CONTINUED ON PAGE 2

Whatever its motivation, the U.S. federal government is doing everything in its power to revive atomic power.

Nuclear Renaissance

By Peter Montague

The long-awaited and much-advertised "nuclear renaissance" actually got under way this fall. NRG Energy, a New Jersey company recently emerged from bankruptcy, applied for a license to build two new nuclear power plants at an existing facility in Bay City, Texas – the first formal application for such a license in 30 years. NRG Energy has no experience building nuclear power plants, but they are confident the U.S. government will assure their success. "The whole reason we started down this path was the benefits written into the [Energy Policy Act] of 2005", NRG's chief executive, David Crame, told the *Washington Post*. In other words, the whole reason NRG Energy wants to build nuclear power plants is to get bundles of free money from Uncle Sam. Who could blame it?

Other energy corporations are nuzzling up to the same trough. The federal Nuclear Regulatory Commission (NRC) is expecting to receive applications for an additional 29 nuclear power reactors at 20 sites. The NRC has already hired more than 400 new staff to deal with the expected flood of applications.

But the question remains, can investors be fooled twice? Financially, the nuclear power industry has never stood on its own two feet without a crutch from Uncle Sam. Indeed, the nuclear power industry is entirely a creature of the federal government; it was created out of whole cloth by the feds in the 1950s. At that time, investors were enticed by offers of free money – multibillion-dollar subsidies, rapid write-offs, special limits on liability, and federal loan guarantees. Despite all this special help, by the 1970s the industry was in shambles. The British

magazine *The Economist* recently described it this way: "Billions were spent bailing out loss-making nuclear power companies. The industry became a byword for mendacity, secrecy and profligacy with taxpayers' money. For two decades, neither governments nor bankers wanted to touch it".

Now the U.S. federal government is once again doing everything in its power to entice investors, trying to revive atomic power. First, Uncle Sam is trying hard to remove the financial risk for investors. The Energy Policy Act, which Congress approved in 2005, provides four different kinds of subsidies for atomic power plants:

1. It grants \$2 billion in insurance against regulatory delays and lawsuits to the first six reactors that get licenses and begin construction. Energy corporations borrow money to build plants, and they must start paying interest on those loans immediately, even though it takes years for a plant to start generating income. The longer the licensing and construction delays, the greater the losses. Historically, lawsuits or other interventions by citizens have extended the licensing timeline, sometimes by years, costing energy corporations large sums. Now Uncle Sam will provide free insurance against any such losses.

2. The 2005 law extends the older Price-Anderson Act, which limits a utility's liability to \$10 billion in the event of a nuclear accident. A serious accident at a nuclear plant near a major city could create hundreds of billions of dollars in liabilities. Uncle Sam has agreed to relieve investors of that very fear.

3. The 2005 law provides a tax credit

MONTAGUE CONTINUED ON PAGE 3

Launch-to-target time from southern Syria to northern Israel would be 3-5 minutes: Israeli pilots would not even have a chance to get their helmets on.

GREEN CONTINUED FROM PAGE 1 that “mastery” of this sort has its limitations. Editors.]

The problem with the game of offense, however, is that both sides can play it. As I indicated in *Living by the Sword*, published in 1988, some Arab governments have learned that while they may not be able to defend themselves against the Israeli Air Force, they can obtain and deploy weapons against which Israel has virtually no defenses ... such as the Soviet SS-21.

In the late 1970s and early '80s, SS-21s were installed by the Soviets across Eastern Europe, and this fact gravely concerned the U.S. and its NATO allies. The effective range of the weapon is a little more than Eisenstadt indicated in his Washington Institute policy paper – about 80-100 miles, in fact, or enough reach all of Israel to points just south of Tel Aviv.

Unlike the Scuds and the multiple-launch rocket systems, which the Soviets sold to many of their client states across the globe in the period, the SS-21 is a tactical ballistic missile, and carries a payload of around one ton. It is not a Scud.

At impact, it is traveling at over 2,000 mph. Launch-to-target time from southern Syria to northern Israel would be 3-5 minutes: Israeli pilots would not even have a chance to get their helmets on. And anti-missile systems, like the Patriot, would be about as effective as they have been to date.

Moreover, Syria has for decades been developing radiological and chemical and biological agents, which could be carried in the SS-21 warheads, and these could render Israel's main air bases uninhabitable for many, many years. In the 50-year history of Arab-Israeli conflict, the moments when Israel did not have total air superiority on the battlefield have been so few and so localized as to be not worth mentioning. That's what could change in 3-5 minutes.

I first learned of the deployment of the SS-21s to Syria in the summer of 1982. At the time, I was researching the Six Day War at the State Department in Washington, in its Bureau of Political and Military Affairs. It was difficult, however, to get anyone at “pol-mil” to focus upon the 1960s, or to focus, in fact, upon anything other than the devastating news just received by policy and military analysts at State that the SS-21 was coming to the Middle East. And there was anger – bitter anger – at the Israelis.

Beginning in 1981, the Israeli government had announced and the Israeli Air Force had carried out a policy of preemptive attacks against the PLO and in support of the Christian Phalangists in the on-going Lebanese Civil War. Originally, the air operations focused upon south Lebanon around the Zahrani and Litani Rivers. Bridges, water installations, the American Medreco oil refinery, and Palestinian refugee camps were targeted.

In fact, the Israeli Air Force was busy all over the Middle East in the period 1981-1985, attacking the Osirak nuclear facility in Baghdad and the PLO offices in Lebanon in 1981, Syrian airfields and defensive missile emplacements in 1982, and PLO offices in Tunisia in 1985. During the Osirak raid, there were overflights and suppression of the air defenses of Jordan and Saudi Arabia.

All of these operations were carried out without the loss of a single plane.

In most (though not all) of them, U.S.-made and supplied offensive systems were overcoming Soviet defenses. In the international arms trade business, buyers were taking notice, and the Soviet Union was becoming concerned, embarrassed and angry.

This was the background to the discovery in Washington, in the summer of 1982, that the Soviets had finally agreed to supply Syria with SS-21s. Moreover, at the State Department's Bureau of Political and Military Affairs, it was learned that the missiles had already been installed; the Syrian Air Force had been trained to operate and maintain them; and the Soviet technicians had already gone home. The Syrians had the keys. Militarily, a new regime, a new status quo existed between Israel and Syria.

So, when about three weeks ago, for the first time since the SS-21s were installed 25 years ago, Israeli planes apparently attacked a Syrian strategic arms facility, my antennae were up and running. They still are. CP

Stephen Green is a freelance journalist in Vermont.

CounterPunch

EDITORS

ALEXANDER COCKBURN
JEFFREY ST. CLAIR

ASSISTANT EDITOR

ALEVINA REA

BUSINESS

BECKY GRANT
DEVA WHEELER

DESIGN

TIFFANY WARDLE

COUNSELOR

BEN SONNENBERG

CounterPunch

PO Box 228

Petrolia, CA 95558

1-800-840-3683

counterpunch@counterpunch.org

www.counterpunch.org

All rights reserved.

Subscription Information

Subscription information can be found at www.counterpunch.org or call toll-free inside the U.S.

1-800-840-3683

Published twice monthly except July and August, 22 issues a year.

1-year hardcopy edition \$45

2-year hardcopy edition \$80

1-year email edition \$35

2 year email edition \$60

1 year email & hardcopy edition \$50

1 year institutions/supporters \$100

1 year student/low income, \$35

Renew by telephone, mail or on our website. For mailed orders please include name, address and email address (if applicable) with payment.

To renew by phone 1-800-840-3683 or 1-707-629 3683. Add \$17.50 per year for subscriptions mailed outside the U.S.A.

Make checks or money orders payable to:

CounterPunch

Business Office

PO Box 228, Petrolia, CA 95558

MONTAGUE CONTINUED FROM PAGE 1

of 1.8 cents per kilowatt-hour for the first 6,000 megawatts, generated by new plants. Free money, plain and simple.

4. Most important, the law offers loan guarantees to fund new atomic power reactors and other power plants using “innovative” technology. Investors need no longer fear bad loans. One obvious conclusion from all this is that, more than 50 years into the nuclear enterprise, atomic power still cannot attract investors and compete successfully in a “free market.” This industry still requires an unprecedented level of subsidy and other government support just to survive.

An energy corporation’s motives for buying into this system are clear: enormous subsidies improve the chance of substantial gain. However, the federal government’s reasons for wanting to revive a moribund nuclear industry are not so clear. If the “free market” won’t support the revival of nuclear power, why would the federal government want to pay billions upon billions of dollars to allay investors’ fears?

It certainly has little to do with global warming. A careful life cycle analysis by the Institute for Applied Ecology in Darmstadt, Germany, concludes that a 1,250-megawatt nuclear power plant, operating 6,500 hours per year in Germany, produces greenhouse gases equivalent to 250,000 metric tonnes of carbon dioxide per year. In other (unspecified) countries besides Germany, the same power plant could produce as much as 750,000 metric tonnes of carbon dioxide equivalents, the Institute study shows.

The study concludes that, in the emission of greenhouse gases (measured per kilowatt-hour of electricity made available), nuclear power compares unfavorably to:

- Conservation through efficiency improvements.
- Run-of-river hydro plants (which use river water power but require no dams).
- Offshore wind generators.
- Onshore wind generators.
- Power plants run by gas-fired internal combustion engines, especially plants that use both the electricity and the heat generated by the engine.
- Power plants run by biofuel-powered internal combustion engines.

A study completed this summer by the Institute for Energy and Environmental Research (IEER) in Takoma Park,

Maryland, concluded that it is feasible, within 35 to 60 years, to evolve an energy system to power the U.S. economy without the use of any nuclear power plants or any coal plants. See the IEER study “Carbon-Free and Nuclear-Free: A Roadmap for U.S. Energy Policy.” So, the rationale for the U.S. government’s Herculean efforts to revive a decrepit nuclear power industry cannot be based on concern for global warming or energy independence. The facts simply don’t support such a rationale.

Whatever its motivation, the U.S. federal government is doing everything in its power to revive atomic power. In addition to removing most of the financial risks for

One senior environmental manager inside NRC complained in an email that NRC’s redefinition of “construction” would exclude from NRC regulation “probably 90 per cent of the true environmental impacts of construction”.

investors, Uncle Sam has removed other obstacles like democratic participation in siting and licensing decisions.

Throughout the 1970s, energy corporations complained that getting a license took too long. In response, the Nuclear Regulatory Commission has spent more than a decade “streamlining” the process for building nuclear plants. Most of the “streamlining” consists of new ways to exclude the public from information and decisions. For example, members of the public used to be able to question witnesses during licensing hearings. No more. There used to be two sets of hearings – one for siting the plant, and another for constructing the plant. No more. These two sets of issues have been rolled into a single license and a single hearing. The purpose is to accommodate the needs of the nuclear industry, to help it survive. As attorney Tony Roisman observed recently, “The nuclear industry has come to the agency [the NRC] and said, ‘If you don’t make it easy for us to get a license, we are not going to apply for one.’” So the agency is making it easy.

Perhaps it is natural for NRC commis-

sioners to justify a strong bias in favor of keeping the nuclear industry alive, even if safety and democracy have to be compromised. After all, if there were no corporations willing to build new nuclear power plants, soon there would be no need for a Nuclear Regulatory Commission. So NRC commissioners know in their bones that their first priority must be to keep the nuclear industry alive. Every bureaucracy’s first priority is self-perpetuation. Furthermore, a position as an NRC commissioner can lead directly to a high-paying job, often in the nuclear industry itself.

To grease the skids for a nuclear revival, the NRC’s most significant move has been to redefine the meaning of the word “construction.” This change was enacted in April 2007, with lightning speed – six months from initial proposal to final adoption. By way of comparison, it took the NRC eleven years to adopt regulations requiring drug testing for nuclear plant operators. “Construction” has traditionally included all the activities undertaken to build a nuclear power plant, starting with site selection, evaluation, testing and preparation, construction of peripheral facilities like cooling towers, and so on. Even the earliest stages of siting are crucially important with a facility as complex and dangerous as a nuclear power plant.

In April of this year, the NRC officially redefined “construction” to include only construction of the reactor itself – excluding site selection, evaluation, testing and preparation, construction of peripheral facilities, and all the rest. At the time, one senior environmental manager inside NRC complained in an email that NRC’s redefinition of “construction” would exclude from NRC regulation “probably 90 per cent of the true environmental impacts of construction”. Under the new rules, by the time the NRC gets involved, a company will have invested perhaps a hundred million dollars. Will NRC commissioners have the backbone to toss that investment into the toilet if they eventually find something wrong with the site? Or will they roll over for the industry and compromise safety?

The lawyer who dreamed up the redefinition of “construction” is James Curtiss, himself a former NRC commissioner, who now sits on the board of directors of the nuclear power giant, Constellation

MONTAGUE CONTINUED ON PAGE 6

How To Make a Term Meaningless Devaluing "Anti-Semite"

By William Blum

"The cleanliness of this people, moral and otherwise, I must say, is a point in itself. By their very exterior you could tell that these were no lovers of water, and, to your distress, you often knew it with your eyes closed. ... Added to this, there was their unclean dress and their generally unheroic appearance. ... Was there any form of filth or profligacy, particularly in cultural life, without at least one Jew involved in it? ... Nine-tenths of all literary filth, artistic trash, and theatrical idiocy can be set to the account of a people ... a people under whose parasitism the whole of honest humanity is suffering, today more than ever, the Jews."

Now, who can be the author of such abominable anti-Semitism? a) Hasan Nasrallah, leader of Hezbollah in Lebanon; b) John Mearsheimer and Stephen Walt, authors of *The Israel Lobby and U.S. Foreign Policy*; c) Osama bin Laden; d) Jimmy Carter; e) Mahmoud Ahmadinejad, president of Iran; f) Norman Finkelstein, author of *The Holocaust Industry*.

Each one has been condemned as anti-Semitic. Are you having a problem deciding? Oh, excuse me, I forgot one – g) Adolf Hitler. Does that make it easier? I'll bet some of you were thinking it must have been Ahmadinejad.

The Webster's Dictionary defines "anti-Semite" as "One who discriminates against or is hostile to or prejudiced against Jews." Notice that Israel is not mentioned. The next time a critic of Israeli policies is labeled "anti-Semitic," think of this definition, think of Adolf's charming way of putting it, then closely examine what the accused has actually said or written.

It may, however, be past the time for such a rational, intellectual pursuit; ultraheated polarization reigns supreme with anything concerning the Middle East, particularly Israel. In March 2007, at a conference of the American Israel Public Affairs Committee (AIPAC) in Washington, one of the speakers, an American "Christian Zionist", asserted: "It is 1938, Iran is Germany and Ahmadinejad is the new Hitler." The audi-

ence responded with a standing ovation, one of seven noisy acclamations during his talk.

Then, in May, former Israeli prime minister and current Likud leader Benjamin Netanyahu declared that "it's 1938, and Iran is Germany. And Iran is racing to arm itself with atomic bombs. ... [While Ahmadinejad] denies the Holocaust, he is preparing another Holocaust for the Jewish state."

So, why hasn't Iran at least started its Holocaust by killing or throwing into concentration camps its own Jews, an estimated 30,000 in number? These are

So, why hasn't Iran at least started its Holocaust by killing or throwing into concentration camps its own Jews, an estimated 30,000 in number?

Iranian Jews who have representation in Parliament and who have been free for many years to emigrate from Iran and head for Israel but have chosen not to do so.

For your further apocalyptic enjoyment, here is Norman Podhoretz, apex neocon, editor of *Commentary* magazine, in an article entitled "The Case for Bombing Iran": "Like Hitler, [Ahmadinejad] is a revolutionary whose objective is to overturn the going international system and to replace it in the fullness of time with a new order dominated by Iran and ruled by the religious-political culture of Islamofascism. ... The plain and brutal truth is that if Iran is to be prevented from developing a nuclear arsenal, there is no alternative to the actual use of military force – any more than there was an alternative to force if Hitler was to be stopped in 1938."

Ahmadinejad arrived in New York on September 24 to address the United Nations. At Columbia University, he was introduced by the school's president, the ineffable Bollinger, as a man who appeared to lack "intellectual courage", had a "fanatical mindset", and may be "astonishingly undereducated". How many people in the audience, I wonder, looked

around to see where George W. was sitting.

"If I were the president of a university, I would not have invited him. He's a Holocaust denier", said Hillary Clinton, once again fearlessly challenging the Bush administration's propaganda.

The above is but a small sample of the hatred and anger spewed forth against Ahmadinejad for several years now. A number of people on the American left, who should know better, have joined this chorus.

Mahmoud Ahmadinejad is a man seemingly custom-made for the White House in its endless quest for enemies with whom to scare Congress, the American people, and the world, in order to justify the unseemly behavior of the empire. The Iranian president, we are told, has declared that he wants to "wipe Israel off the map". He has said that "the

Holocaust is a myth". He held a conference in Iran for "Holocaust deniers". And his government passed a new law requiring Jews to wear yellow insignia, as the Nazis did. On top of all that, he's aiming to build nuclear bombs, one of which would surely be aimed at Israel. What right-thinking person would not be scared by such a man?

However, as with all such designer monsters made bigger than life during the Cold War and since by Washington, the truth about Ahmadinejad is a bit more complicated. According to people who know Farsi, the Iranian leader has never said anything about "wiping Israel off the map". In his October 29, 2005, speech, when he reportedly first made the remark, the word "map" does not even appear. According to the translation of Juan Cole, American professor of Modern Middle East and South Asian History, Ahmadinejad said that "the regime occupying Jerusalem must vanish from the page of time." His remark, said Cole, "does not imply military action or killing anyone at all", which of course is what would make the remark sound threatening.

At the December 2006 conference in Teheran ("Review of the Holocaust:

Mahmoud Ahmadinejad is a man seemingly custom-made for the White House in its endless quest for enemies.

Global Vision”), the Iranian president said: “The Zionist regime will be wiped out soon, the same way the Soviet Union was, and humanity will achieve freedom.” Obviously, the man is not calling for any kind of violent attack upon Israel, for the dissolution of the Soviet Union took place relatively peacefully.

Moreover, in June 2006, subsequent to Ahmadinejad’s speech, Iran’s supreme leader, Ayatollah Ali Khamenei, stated: “We have no problem with the world. We are not a threat whatsoever to the world, and the world knows it. We will never start a war. We have no intention of going to war with any state”.

As for the Holocaust myth, I have yet to read or hear words from Ahmadinejad saying simply, clearly, unambiguously, and unequivocally that he thinks that what we know as the Holocaust never happened. He has instead commented about the peculiarity and injustice of a Holocaust which took place in Europe resulting in a state for the Jews in the Middle East instead of in Europe. He asks, why are the Palestinians paying a price for a German crime? He argues that Israel and the United States have exploited the memory of the Holocaust for their own purposes. And he wonders about the accuracy of the number of Jews – six million – allegedly killed in the Holocaust, as have many other people of all political stripes, including Holocaust survivors like Italian author Primo Levi. (The much-publicized World War One atrocities which turned out to be false made the public very skeptical of the Holocaust claims for a long time after World War Two.) Which of this deserves to be labeled “Holocaust denial”?

The conference gave a platform to various points of view, including six members of Jews United Against Zionism, at least two of whom were rabbis. One was Ahron Cohen, from London, who declared: “There is no doubt whatsoever, that during World War II there developed a terrible and catastrophic policy and action of genocide perpetrated by Nazi Germany against the Jewish people.” He also said that “the Zionists make a great issue of the Holocaust in order to further their illegitimate philosophy and aims”, indicating as well that the figure of six million Jewish victims is debatable.

The other rabbi was Moshe David Weiss, who told the delegates: “We don’t want to deny the killing of Jews in World War II, but Zionists have given much higher figures for how many people were killed. They have used the Holocaust as a device to justify their oppression.” His group rejects the creation of Israel on the grounds that it violates Jewish religious law in that a Jewish state can’t exist until the return of the Messiah.

Another speaker was Shiraz Dossa, professor of political science at St. Francis Xavier University in Canada. In an interview after the conference, he described himself as an anti-imperialist and an admirer of Noam Chomsky, and said that he “was invited because of my expertise as a scholar in the German-Jewish area, as well as my studies in the Holocaust. ... I have nothing to do with Holocaust denial, not at all.” His talk, he said, was “about the war on terrorism, and how the Holocaust plays into it. ... There was no pressure at all to say anything, and people there had different views.”

Clearly, the conference – which the White House called “an affront to the entire civilized world” – was not set up to be a forum to deny that the Holocaust literally never took place at all.

As to the yellow star story of May 2006 – that was a complete fabrication by a prominent Iranian-American neoconservative author Amir Taheri.

Ahmadinejad, however, is partly to blame for his predicament. When asked directly about the Holocaust and other controversial matters, he usually declines to give answers of “yes” or “no”. I interpret this as his prideful refusal to accede to the wishes of what he regards as a hostile Western interviewer asking hostile questions. The Iranian president is in the habit of prefacing certain remarks with “Even if the Holocaust happened...”, a rhetorical device we all use in argument and discussion, but one which can not help but reinforce the doubts people have about his views. However, when Ahmadinejad himself asks, as he often has, “Why should the Palestinians have to pay for something that happened in Europe?” he does not get a clear answer.

In any event, in the question and answer session following his talk at Columbia, the Iranian president said,

“I’m not saying that it [the Holocaust] didn’t happen at all. This is not the judgment that I’m passing here.”

That should put the matter to rest. But of course it won’t. Two days later, on September 26, a bill (H.R. 3675) was introduced in Congress “To prohibit Federal grants to or contracts with Columbia University”, to punish the school for inviting Ahmadinejad to speak. The bill’s first “finding” states that “Iranian President Mahmoud Ahmadinejad has called for the destruction of the State of Israel, a critical ally of the United States”.

How long before we get the first linking of Iran with 9/11? Or has that already happened? How long before democracy and freedom bombs begin to fall upon the heads of the Iranian people? All the charges of anti-Semitism and Holocaust denial, along with other disinformation, are of course designed to culminate in this new crime against humanity.

One final thought, on the Democratic Party’s failure to stand up to the Bush fascist tide. Here, from the first-person account of a German living under Hitler in the 1930s, is his observation about the leading German political party, the Social Democrats, the Democratic Party of its time: The Social Democrats, Sebastian Haffner wrote in his book *Defying Hitler*, “had fought the election campaign of 1933 in a dreadfully humiliating way, chasing after the Nazi slogans and emphasizing that they were ‘also nationalist’ ... In May, a month before they were finally dissolved, the Social Democratic faction in the Reichstag had unanimously expressed their confidence in Hitler and joined in the singing of the ‘Horst Wessel Song,’ the Nazi anthem. (The official parliamentary report noted: ‘Unending applause and cheers, in the house and the galleries. The Reichschancellor [Hitler] turns to the Social Democratic faction and applauds.’)” CP

William Blum is the author of *Killing Hope: U.S. Military and CIA Interventions Since World War II*, *Rogue State: A Guide to the World’s Only SuperPower*, and *West-Bloc Dissident: A Cold War Political Memoir*. He can be reached at BBlum6@aol.com.

MONTAGUE CONTINUED FROM PAGE 3

Energy Group. This revolving door pathway from NRC to industry is well worn. One NRC commissioner who voted in April to change the definition of construction is Jeffrey Merrifield. Before he left the NRC in July, Mr. Merrifield's last assignment as an NRC commissioner was to chair an agency task force on ways to accelerate licensing. In April, while he was urging his colleagues at NRC to re-define construction, Mr. Merrifield was actively seeking a top management position within the nuclear industry. In July, he became senior vice president for Shaw Group, a nuclear builder that has worked on 95 per cent of all existing U.S. nuclear plants. Mr. Merrifield's salary at NRC was \$154,600. Bloomberg reports, "In Shaw Group's industry peer group, \$705,409 is the median compensation for a senior vice president."

No one in government or the industry seems the least bit embarrassed by any of this. It's just the way it is. Indeed, Mr. Merrifield points out that, while he was an NRC commissioner providing very substantial benefits to the nuclear industry by his decisions, his concurrent search for a job within the regulated industry was approved by the NRC's Office

of General Counsel and its inspector general. From this, one might conclude that Mr. Merrifield played by all the rules and did nothing wrong. Or, one might conclude that venality and corruption reach into the highest levels of the NRC. Or, one might conclude that after NRC commissioners have completed their assignments inside government, everyone in the agency just naturally feels they are entitled to a lifetime of lavish reward from the industry on whose behalf they have labored so diligently.

As recently as this summer, Uncle Sam was still devising new ways to revive nuclear power. In July, the U.S. Senate allowed the nuclear industry to add a one-sentence provision to the energy bill, which the Senate then passed. The one sentence greatly expanded the loan guarantee provisions of the Energy Policy Act of 2005. The 2005 Act had specified that Uncle Sam could guarantee loans for new nuclear power plants up to a limit set each year by Congress. In 2007, the limit was set at a paltry \$4 billion. The one-sentence revision adopted by the Senate removed all limits on loan guarantees. The nuclear industry says it needs at least \$50 billion in the next two years. Michael J. Wallace, the co-chief executive

of UniStar Nuclear, a partnership seeking to build nuclear reactors, and executive vice president of Constellation Energy, said, "Without loan guarantees, we will not build nuclear power plants".

The Senate and the House of Representatives are presently arm-wrestling over the proposed expansion of loan guarantees. In June, the White House budget office said that the Senate's proposed changes to the loan-guarantee program could "significantly increase potential taxpayer liability" and "eliminate any incentive for due diligence by private lenders". On Wall Street, this is known as a "moral hazard" – conditions under which waste, fraud and abuse can flourish.

Meanwhile, investors should think twice before buying into the "nuclear renaissance" because there's another "renaissance" under way as well: an anti-nuclear movement is growing again, and they will toss your billions into the toilet without hesitation. Indeed, with glee. CP

Peter Montague co-edits the excellent *Rachel's Democracy & Health News*. For a free email subscription to *Rachel's*, send a blank email to join-rachel@gseelist.org.

CounterPunch

PO Box 228

Petrolia, CA 95558

Phone 1-800-840-3683 for our new T-shirts and to purchase CounterPunch's new book *How the Irish Invented Slang* by Daniel Cassidy.

1st Class
Presort
U.S. Postage
PAID
Permit No. 269
Skokie, IL

First Class