

# FEDERAL GOVERNMENT SUBSIDIZES NUCLEAR POWER

## HOW MUCH MONEY HAS THE GOVERNMENT SPENT ON NUCLEAR POWER?

A recent Department of Energy report estimates that the Federal government has spent \$37 billion in tax money on commercial nuclear power in the last thirty years. The report focuses on subsidies "critical to the development of the private nuclear power industry and critical to its continuation."

## WHAT WAS THE MONEY FOR?

The subsidies include research and development for fission and fusion reactors, government promises to take care of nuclear wastes, and providing cut-rate enriched uranium from government-run enrichment plants. The subsidies also include benefits for uranium mining interests, such as import controls and price guarantees that made uranium mining profitable.

## WHAT WASN'T INCLUDED IN THE 37 BILLION?

The report didn't include nuclear weapons development, which led to nuclear power under the "atoms for peace" program. It also didn't include federal clean-up of nuclear accidents, such as at Grand Junction, Colorado, and Buffalo, New York.

The Price-Anderson Act also wasn't included. The Act was originally passed in 1957, and it has been re-passed twice since then. The Act is meant to make up for the fact that insurance companies won't cover nuclear accidents (look at the "fine print" on your policies). Instead, the government uses tax money to cover up to \$560 million in damages from an accident, and the people who are hurt and/or lose property can't claim any more than that. Since the government estimates that a nuclear power plant meltdown could cause \$17 to \$280 billion in damage to property alone, the victims must make up the difference of from \$16.5 to \$279.5 billion.

## WHAT DOES THIS MEAN FOR TAXPAYERS?

First, if you're the victim of a nuclear accident, you will not only pay for the damages you suffer, but you'll also pay under the Price-Anderson Act. The main effects, though, of government subsidies have been to make nuclear-produced electricity seem cheaper than it really is and to allow the nuclear power industry to operate outside the free-market system.

# UNION CARBIDE IS ON WELFARE

## HOW MUCH MONEY IS UNION CARBIDE GETTING FROM THE U.S. GOVERNMENT?

Union Carbide Corporation's Nuclear Division has been allotted over \$10 billion by the Department of Energy (DOE) from 1978 to 1983. The money is for a variety of nuclear activities, including exploring for uranium in South Dakota and 15 other states, making weapons parts, doing research on nuclear processes, producing "nuclear and source materials" (this can include uranium mining), and running uranium enrichment plants in Kentucky and Tennessee.

## WHAT DOES THIS MEAN TO UNION CARBIDE?

Union Carbide Corporation (UCC) is among the 25 largest industrial corporations in the United States. The DOE contract is worth about \$2.3 billion a year, or 25% of the company's total sales in 1979.

UCC also manufactures Glad bags and straws, Prestone and Simoniz car products, electrical parts, seed and agricultural chemicals (including Amchem, Sevin, Temik, Amiben and Ethrel), EverReady batteries and flashlights, plastics, medical products, ethanol, and Linde industrial gases. The company mines uranium, vanadium, asbestos, chromium, manganese, and tungsten and makes metal alloys.

In fulfilling the DOE contract, the company can use these materials it produces, and the products of its subsidiaries, thus bringing more profits to the company. In addition, the government pays for nuclear accidents that result from UCC's activities for the contract — up to \$500 million per "incident" in the U.S. and up to \$100 million per "incident" outside the country. Union Carbide has major operations in 39 countries. This means taxpayers not only pay the company to do nuclear work, but also pay for resulting accidents around the world.

## WHAT'S UNION CARBIDE'S ROLE IN URANIUM EXPLORATION?

As part of the DOE contract, Union Carbide is doing surveys in 16 states as part of the National Uranium Resource Evaluation (NURE), a government program to look over the entire U.S. for uranium deposits. Union Carbide does NURE work in Texas, Oklahoma, Kansas, Nebraska, the Dakotas, Minnesota, Wisconsin, Michigan, Indiana, Illinois, Iowa, Arkansas, Missouri, New Mexico and Ohio.

For fiscal year 1979, UCC's NURE tests cost \$4,638,000, and for fiscal year 1980 the budget was \$2,776,000. In South Dakota, two detailed uranium resource surveys have been done, in addition to regular NURE work. One covers the area around Edgemont, where Union Carbide has a number of uranium claims and two uranium exploration permits. The other covers parts of Harding County. These two studies cost \$189,000.

—The DOE study and documents on Union Carbide's work for the DOE are in the Black Hills Alliance Research Center.

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