

# Japan's Nuclear Meltdown, the Economic Meltdown, and the Gulf Oil Meltdown All Happened for the SAME REASON

By [Washington's Blog](#)

Theme: [Environment](#)

Global Research, April 08, 2011

[Washington'sBlog](#) 8 April 2011

*Apologists for the nuclear power industry pretend there are no better alternatives, so we just have to suck it up and suffer through the Japanese nuclear crisis.*

*But this is wholly illogical. The truth is that we can store spent fuel rods in dry cask storage, which is much safer than the spent fuel rod pools used in Fukushima and many American reactors.*

As the Nation [pointed out](#):

Short of closing plants, there is a fairly reliable solution to the problem of spent fuel rods. It is called "dry cask storage." Germany adopted it twenty-five years ago. Instead of storing huge amounts of spent fuel in pools with only roofs over them, small amounts of spent fuel rods are surrounded with inert gas inside large steel casks. These casks are quite stable and secure. At Vermont Yankee one of them was mistakenly dropped a yard or more when a crane malfunctioned—and the cask was fine.

But there is a problem with dry cask storage: it costs money. The track record of the atomic energy industry in the United States—less so in Japan—is to spend as little money as possible and extend the life of old plants for as long as possible, no matter the risks.

We could build a new, safer generation of nuclear power plants which have inherently safer designs, such as low-temperature reactors and thorium reactors.

But the owners of the nuclear plants can make more money with the ridiculous designs and cost-cutting measures used at Fukushima and elsewhere.

As the Christian Science Monitor [notes](#):

Just as the BP oil spill one year ago heaped scrutiny on the United State's Minerals Management Service, harshly criticized for lax drilling oversight and cozy ties with the oil industry, the nuclear crisis in Japan is shining a light on that nation's safety practices.

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Russian nuclear accident specialist Iouli Andreev, who as director of the Soviet Spetsatom clean-up agency helped in the efforts 25 years ago to clean up Chernobyl ... said the sequence of events at Japan's Fukushima I suggested that the plant's owner, Tokyo Electric Power Company (TEPCO), may have put profit before safety. The fire that broke out Tuesday in reactor No. 4's fuel storage pond may have been caused by a desire to conserve space and money, he suggested.

"The Japanese were very greedy and they used every square inch of the space. But when you have a dense placing of spent fuel in the basin you have a high possibility of fire if the water is removed from the basin," Andreev told Reuters.

TEPCO has come under fire in the past for falsifying safety records at the Fukushima Daiichi plant. In 2002, according to [The Wall Street Journal](#), TEPCO admitted to the Nuclear and Industrial Safety Agency that it had falsified the results of safety tests on the No. 1 reactor.

This was only one in a string of scandals and coverups to mar the Asia's biggest utility company. In 2007, the company initially said there was no release of radiation after an earthquake damaged its Kashiwazaki-Kariwa plant, but later admitted that radioactive water spilled into the Sea of Japan.

And less than a year ago, on June 17, a reactor at Fukushima I lost electricity and saw a [dangerous drop in cooling water, Bloomberg reported](#). TEPCO's president failed to adequately investigate to prevent the current crisis, said Iwaki City council member Kazuyoshi Sato ...

Indeed, Tepco has covered up [cracked reactor core containment vessel](#) and [other serious problems](#) for decades.

And this is not limited to Tepco. As one commentator [writes](#):

Back in the late 80's, when I was working for an environmental firm in New Jersey, one of the temps who came through said he'd just come from working at a nuclear plant. He said that his design, as delivered, had sufficient margin and backups to take care of whatever could possibly happen.

The owners thanked him for his work, then sent it to other engineers who cheapened down the whole design. Thinner walls in the pipes, fewer fasteners in the connections, less mass in the building walls, the whole bit. Saving money on the build to pay for higher profits, higher interest to the backers, and generally harvesting the value that should have been spread over the plant's lifetime. He just shook his head.

The nuclear accident was largely caused because of Tepco's penny-pinching, just as the Gulf oil spill was caused by the fact that BP cut every corner in the book ( see [this](#), [this](#), [this](#), [this](#), and [this](#)).

And just like BP captured the agencies which were supposed to regulate it, nuclear agencies have been wholly captured by the nuclear power companies. For example, as the above-quoted Christian Science Monitor article notes:

Andreev, the Russian scientist, has also accused the IAEA of being too close with corporations. "This is only a fake organization because every organization

which depends on the nuclear industry - and the IAEA depends on the nuclear industry - cannot perform properly.”

And the same is true of the economic crisis. As I’ve [extensively documented](#), the crisis was caused by big banks and other financial players taking irresponsible and speculative gambles, committing fraud and fudging the numbers, using too much leverage, and other dangerous behavior. See [this](#) and [this](#). And - just as with the nuclear and oil industries - the government “regulators” have all be captured by the big companies they are supposed to police, helped the bank robbers pull off the heist, and then [helped cover it up afterwards](#).

### Stiglitz Speaks Truth to Power

Nobel prize winning economist Joseph Stiglitz has been speaking out on this same theme this week.

As Linda Keenan and Janine R. Wedel [note](#):

Stiglitz describes well the intertwining of state and private power... :

The personal and the political are today in perfect alignment. Virtually all U.S. senators, and most...[House] representatives...are members of the top 1 percent...are kept in office by money from the top 1 percent, and know that if they serve the top 1 percent well they will be rewarded by the top 1 percent when they leave office. By and large, the key executive-branch policymakers on trade and economic policy also come from the top 1 percent. When pharmaceutical companies receive a trillion-dollar gift-through legislation prohibiting the government...from bargaining over price-it should not come as cause for wonder....Given the power of the top 1 percent, this is the way you would expect the system to work.

Stiglitz points out that a system gamed to benefit only that 1 percent is destined to sink us all, eventually, because it means America is squandering its productivity, efficiency, and much-needed infrastructure dollars. We would go a step further and say that this system, of, by, and for the 1 percent, is what paved the way for some of the greatest disasters of the new century. The BP-Transocean Oil Spill and the Wall Street collapse might never have happened without the promotion by shadow lobbyists of loose regulation and/or weak enforcement that benefited themselves and their elite brethren. Japan might not be facing a nuclear crisis, were it not for the fact that the very old reactors at the Fukushima Daiichi plant got an extension to keep operating despite safety concerns. That decision was a byproduct, critics say, of Japan’s own gamed system known as amakudari, or “descent from heaven”, a longstanding, widespread practice in which Japanese senior bureaucrats retire to high-profile positions in the private and public sectors.

A string of smaller, but still terrible disasters can be traced to weak regulation and/or spotty enforcement: the half-billion eggs that had to be recalled last year; a 2009 plane crash that killed 50 people, which Frontline traced back to the “cozy” relationship between the FAA and carriers, allowing some of them to operate flights despite safety violations; and several mine disasters that have killed dozens in recent years. A Washington Post analysis found that more than 200 former congressional staffers, regulators and retired lawmakers work for the mining industry as lobbyists, senior executives, or consultants. Those last

two roles make it possible for top power brokers to shadow lobby – they go unregistered simply by evading formal registration and refusing to accept the title of lobbyist, even if lobbying is essentially what they are doing.

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A signature feature of the shadow lobbyist era is not just a manipulation of public policy, but also an embrace of “failing upward”. No matter the track record, the elite 1 percent seek more of the same. Transocean executives thought they deserved rich bonuses, as did their unabashed, deeply entitled peers on Wall Street, despite their staggering failures.

The CEO of mine operator Massey, who retired a few months back, is due to get a reported 12 million dollars, a year after Massey’s Upper Big Branch mine exploded, killing dozens. And then there’s egg producer Jack DeCoster, who’s been called “Teflon Chicken Don.” For years DeCoster has fought various workplace safety and environmental violations. Yet here’s what one lawyer who sued DeCoster’s company said about him, to Tribune reporter Andrew Zajac: “He gets fined and things happen to him, but he comes back. He always bounces back.”

The insulation from failure is galling, to be sure, but it’s much more than that. It is both an outrage and a clear and present danger. If executives and stealth power brokers face no repercussions for making risky bets or pushing the limits on safety to save a buck or working the system to their advantage no matter the consequences, what incentive do they have to act more responsibly in the future?

As Stiglitz [wrote](#) Wednesday:

The entire financial sector was rife with agency problems and externalities. Ratings agencies had incentives to give good ratings to the high-risk securities produced by the investment banks that were paying them. Mortgage originators bore no consequences for their irresponsibility, and even those who engaged in predatory lending or created and marketed securities that were designed to lose did so in ways that insulated them from civil and criminal prosecution.

This brings us to the next question: are there other “black swan” events waiting to happen? Unfortunately, some of the really big risks that we face today are most likely not even rare events. The good news is that such risks can be controlled at little or no cost. The bad news is that doing so faces strong political opposition – for there are people who profit from the status quo.

We have seen two of the big risks in recent years, but have done little to bring them under control. By some accounts, how the last crisis was managed may have increased the risk of a future financial meltdown.

Too-big-to fail banks, and the markets in which they participate, now know that they can expect to be bailed out if they get into trouble. As a result of this “moral hazard”, these banks can borrow on favourable terms, giving them a competitive advantage based not on superior performance but on political strength. While some of the excesses in risk-taking have been curbed, predatory lending and unregulated trading in obscure over-the-counter derivatives continue. Incentive structures that encourage excess risk-taking remain virtually unchanged.

So, too, while Germany has shut down its older nuclear reactors, in the US and elsewhere, even plants that have the same flawed design as Fukushima

continue to operate. The nuclear industry's very existence is dependent on hidden public subsidies – costs borne by society in the event of nuclear disaster, as well as the costs of the still-unmanaged disposal of nuclear waste. So much for unfettered capitalism!

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In the end, those gambling in Las Vegas lose more than they gain. As a society, we are gambling – with our big banks, with our nuclear power facilities, with our planet. As in Las Vegas, the lucky few – the bankers that put our economy at risk and the owners of energy companies that put our planet at risk – may walk off with a mint. But on average and almost certainly, we as a society, like all gamblers, will lose.

That, unfortunately, is a lesson of Japan's disaster that we continue to ignore at our peril.

The bottom line is that if we continue to let the top 1% – who are never satisfied, but always want more, more, more – run the show without challenge from the other 99% of people in the world, we will have more Fukushimas, more Gulf oil spills and more financial meltdowns.

As one commentator passionately [put it](#):

Make no mistake. Nuclear power can be safe... if designed by honest and prudent people. Make no mistake. The economies of nations and planets can function well, and life can continuously improve... if only real, physical goods (including gold and silver) are exchanged in transactions.

Make no mistake. Life can be good. Life can be efficient. Life can be benevolent. Life can continuously improve as years go by, and as humans learn more about the nature of reality. The reason everything is getting worse can all be traced back to the predators-that-be, the predator-class, and their endless dishonesty.

Honesty => life, health, happiness, success.  
Dishonesty => death, disease, misery, failure.

The dishonest [...] the predators must go.

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