

The World Requires Uranium: By Malcolm Gissen, Co-manager of the Encompass Fund (ENCPX)

It is predicted by the International Atomic Energy Association (IAEA) that world energy demand will increase 50% by 2030 with 70% of that demand coming from developing nations. 60 countries have come to the IAEA seeking nuclear power because it is a stable, predictable supply of energy for decades that emits few pollutants or greenhouse gases. We believe that industrialized nations have no choice but to develop nuclear power and that is incumbent upon them to improve the safety of these nuclear facilities in order to regain the confidence of their citizens in nuclear power.

The media will always focus on the dangers of nuclear power, sensationalizing any mishaps. We can agree that the Fukushima reactors should not have been located along a fault line in an area that experiences tsunamis; that the plant was built using old and outdated technologies; that back-up systems were inadequate; that adequate safety precautions were not taken; that warnings about all of the above were ignored; and that the response to the earthquake and tsunami and their effect on the reactors was wrong and ineffectual. But the only impact that the above errors should have on a nation's decision whether to build nuclear reactors is to make safety a much higher priority. That nuclear technology has progressed tremendously over the last 30 years making reactors much safer and human error less likely is reason why governments should ignore the emotion and the political pressure from unknowing but vocal citizens and build nuclear power plants. This is what most nations are doing.

The media has carried stories about the decision of President Merkel to phase out nuclear power in Germany by 2022. What they have not emphasized in their stories is where Germany will get the energy to replace nuclear reactor-generated electricity. Alternative energy will certainly not be sufficient. Ironically it is expected that some of the replacement energy will come from France. How does France generate over 80% of its electricity? You guessed it – nuclear power! Some German business leaders recently urged Merkel not to phase out nuclear power because industry will not get all the power it needs and have to move manufacturing outside Germany. Further, they do not want to rely on Russia for natural gas and France for nuclear power.

Talking about Russia, the media has not widely reported that the Russians have 11 nuclear power plants under construction and has embraced nuclear power since the Fukushima tragedy. The Russian President and the Turkish President recently announced that the two nations are preceding full speed ahead with development of nuclear reactors, including a reactor under construction in Turkey that is approximately 20 kilometers from a fault line. The two Presidents pointed out that because of new technology; they are not concerned about the site of this reactor.

Finally let's look at China, where 25 reactors are under construction and at least another 70 reactors have been reported to have been approved for construction. China has consistently experienced power outages in the last few years and is committed to developing nuclear power to meet their energy needs and to replace their old, polluting coal plants. China currently gets 80% of its energy from coal and as a result, is the most polluted nation in the world. The Chinese understand that clean, reliable nuclear power is a solution to their energy needs. Why can't the United States understand this? Also, keep in mind that building \$5 to \$10 billion nuclear power plants also provides a few jobs. The US needs jobs!