

INVESTORS CHRONICLE

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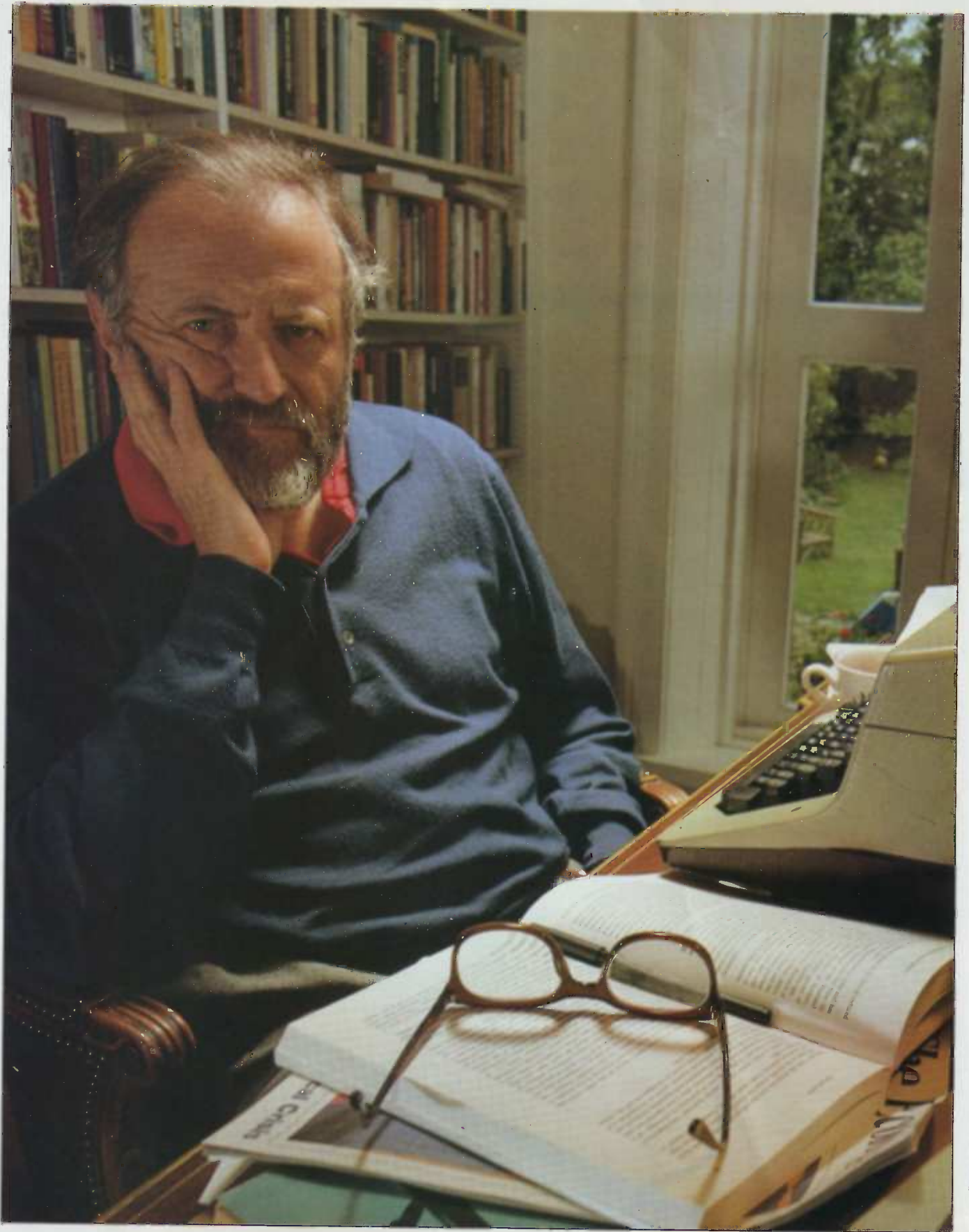
News that Barbara Cartland had given up royal jelly was a blow for its best known commercial manufacturer, Regina Health & Beauty. But the sacking of the company's founder, Irene Stein, was even harder to swallow.

16 Western business leaps the Wall

East European economic reform is proceeding at breakneck pace. Is British business losing investment opportunities to its EC rivals? We talk to some of our modern merchant venturers.



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Teddy Goldsmith's actual words on nuclear power are unprintable

Sir James Goldsmith's elder brother explains how growth is bad for the economy, why nuclear power is a white elephant, and why it makes sense to insulate your loft.

Green sheep of the family

Mention the name "Goldsmith" in financial circles and most people will instantly think of Sir James, one of the country's top businessmen. But Sir James has a big brother. Edward "Teddy" Goldsmith is no stranger to high finance himself, having graduated in economics as well as politics and philosophy.

Big brother Edward, now a youthful 61, lives in a vast, rambling house in affluent Richmond, but ecology rather than economy is his forte. And, if he is to be taken seriously, the green movement has more relevance to economics than does the City of London.

To call Edward Goldsmith's house a home is misleading. In reality it is a library where he lives with his young family. There are books in the hall, up the stairs, in the basement and lining every wall. Nearly all the books are on ecology and related subjects; it is quite possibly the largest such collection in private hands in the world. Copies of a certain magazine are also spilled liberally about the place: that magazine is *The Ecologist*, which he founded in 1970.

Hunched over a micro cassette in a downstairs cubby hole, and later over a breakfast of bananas, natural yoghurt, muesli and herbal tea, the grand old man of all things green explained his philosophy of Gaia and the "real economy." Whether or not you agree with him to the extent of abandoning Indian tea for nettle brew; whether or not you see eye to eye with his seemingly weird theory of development, you will have to concede that he makes some startling observations about energy generation and consumption, in particular nuclear power. And that the questions he raises about conventional economics should give every government minister and thoughtful investor food for thought.

According to Goldsmith, the conventional wisdoms are wrong. Anything which develops the Earth's resources is a form of plunder rather than economic growth. The society we live in is totally unnatural and is wrecking the real economy, the flora and the fauna. He realised this when he was at university, and has been campaigning against development ever since.

As well as editing *The Ecologist* for two decades he has written several books and campaigned for, amongst other things, the abolition of the World Bank. It is the World Bank, the IMF and other "aid" agencies which have financed the devel-

opment of natural resources in Third World countries, building huge, environmentally destructive dams and motorways, driving tribespeoples away from the land into insanitary, poverty stricken cities, and replacing traditional subsistence farming with export-oriented monocultures. Third World countries have at first received "aid", then loans with which to develop. The aid is tied, the loans are repayable at money market rates. In order to repay the loans, the debtor nations have to develop more and more resources, which means producing more crops for export rather than for home consumption, tearing down more of the rain forests and ploughing up more of the arable land. This is a vicious circle which can end only in disaster.

"No one's ever proved . . . that the nuclear industry actually produces any net energy".

Deforestation for example has ramifications which extend far beyond ruining the local beauty spot. Fell one tree and nothing much happens; fell ten million and you create a desert. A recent report in the *London Evening Standard* claimed that the rain forests are being cleared at the staggering rate of six football pitches, (equivalent area) per minute. Desertification and famine, global warming and rising sea levels are all interlocked with this.

If Teddy Goldsmith has strong views about the World Bank, his actual words on nuclear power are unprintable. Nuclear power stations, all nuclear power stations, are potential disasters like Chernobyl, because a machine the size and complexity of a nuclear reactor cannot function faultlessly forever.

The link between cancers, especially leukaemia, and nuclear power has been well documented since the 1930s, yet still we are being lied to. All nuclear reactors make spontaneous emissions (gases), and all pour "low level" waste into the sea. But if you are undeterred by the thought of having a potential cancer factory in your back yard, there is still another very good reason why you should think twice

before buying shares in British Nuclear Fuels PLC.

The editor of the world's premier conservationist magazine concludes that nuclear power isn't just a high risk investment, it is a guaranteed loser. His actual words are: "No one's ever proved to my satisfaction that the nuclear industry actually produces any net energy." He backs up this extraordinary claim with a report he and his team produced as long ago as 1982. The report, which is concerned solely with the economics of nuclear power, cost several thousands of pounds to produce and was ignored by the government.

According to Goldsmith's team, energy input consists of prospecting for pitcheblende, mining and refining the ore, storage, transport, a construction phase lasting up to ten years, cooling and heat transfer systems, expensive safety and monitoring equipment, highly paid technicians and finally decommissioning the reactor at the end of its working life. The only practical way to dispose of high level waste is to dig vast repositories and dump it in them, a process which itself consumes massive amounts of energy.

Nuclear energy is the cloud, but energy conservation is the silver lining. According to Teddy Goldsmith, British industry could cut its energy consumption by up to 50 per cent now without any loss of efficiency. At first glance this claim sounds just as dubious as the one he made about nuclear power; his suggestions that we switch off the lights along the M1 and restructure our lives so that we don't need cars hardly enhances its credibility. But, he points out, when OPEC began flexing its muscles back in '73, the US, faced with an imminent oil crisis, reduced its total energy consumption by 25 per cent over a seven year period.

He does not produce an *Ecologist* report to back up this claim, but doubtless it has some substance. The green bandwagon is now well and truly rolling: bottle banks and recycled paper have been with us for a long time; more recent innovations include ozone-friendly aerosols and "green" investment funds. However, one sector of the market which has barely been tapped is that of energy conservation. The now defunct Community Programme included an "insulation squad", teams of youths who were sent out to draught proof old people's homes.

Yet surprisingly, insulation and other conservation ideas have been slow to catch on in the private sector. Walk into any office block or department store from a cold street and the first thing you will notice is a draught of hot air hitting you in the face. The green movement is here to stay; recycling is already a going concern. Energy conservation is still a vast, virtually untapped market. Who will be the first to take the plunge?

Alexander Baron