

obtained thanks to the concessions of three countries mainly: the United States, Japan and West Germany. The action of Chancellor Schmidt seems to have been particularly determinant. Yesterday, he momentarily abandoned the presidency of the summit to meet with his principal ministers and submit to them the concessions he was envisaging. The most positive aspect of the final communiqué is its precision and the fact that it is quantified...The precision of the commitments permits new hope for restarting international growth, and as a consequence, a reduction of unemployment.

### London's View: "Between Bremen and Bonn"

*Excerpts from The Economist's "Financial Report," July 13, 1978:*

The German-Franco greyprint for currencies, hatched at the Bremen meeting of European heads of state, will be discussed briefly at this weekend's Bonn summit. The Americans will neither endorse nor discourage it. But the European plan virtually assures that nothing new on the currency front will come out of Bonn.

...In not too many months' time, Helmut Schmidt might

be thanking cautious Jim Callaghan for slowing down EEC moves. They think that the Schmidt-Giscard plan, if put into operation too hastily and without the participation of Britain, Italy and Ireland, would be just the job to guarantee currency dealers what they have been missing these past few months — turmoil.

...The present snake has failed to shackle even the small Scandinavian currencies to the strong mark. So a fat lot of chance any new system would have in roping in the larger, more wayward and more speculative-prone pound and lira.

#### *A Threat to the IMF?*

But officials in Washington worry that the European fund might reduce the International Monetary Fund's ability to impose conditionality on surplus and deficit countries alike, and also go against the spirit of the IMF's Article 4, which governs exchange rate policies.

The American Treasury remains committed to a flexible exchange rates system and worries about any move to rigidity. On the other hand it recognizes that the European plan is not designed to hurt the dollar and that, indeed, it would be highly desirable to reduce the volume of central bank intervention in dollars alone...

But, for better or worse, a scheme seems destined to get off the ground. In a telephone call on June 22nd, Giscard assured Jenkins that even if the British did not agree to join, the French and Germans would go ahead.

## Bonn: The Nuclear Energy And Antiterrorism Accords

The final communiqué issued from Bonn and signed by government leaders from the United States, France, West Germany, Italy, Japan, Canada and Great Britain states unequivocally that "the further development of nuclear energy is indispensable and the slippage in the execution of nuclear power programs must be reversed."

The Soviet Union and Japan have already made concrete proposals for global collaboration in the development of nuclear fusion and other technologies, necessitating only a "go-ahead" from the U.S.

The commitment to ensure the development of nuclear power and to end the meddling of U.S. Energy Secretary Schlesinger and other zero-growth advocates in U.S. energy policy, was made explicit by the energy section of the communiqué. Contrary to misleading U.S. press coverage, the intent expressed in the communiqué was most definitely *not* to force an absolute reduction in U.S. energy consumption, but to ensure that any reduction in consumption of imported oil must be compensated for by increased production of nuclear energy.

#### *Antiterrorism Collaboration*

The Bonn summit also accomplished an important agreement by unanimously adopting an emergency resolution presented by West German Chancellor Helmut Schmidt to "combat international terrorism" by cutting off all air traffic to and from countries which fail to act against airline hijackers or refuse to extradite terrorists.

The resolution, which reflects the close coordination agreed upon by Schmidt and Soviet President Brezhnev during the latter's early May visit to Bonn, will function to curtail the opportunities of the British to jinx the new monetary system which they have openly opposed from the start. The Bonn summit itself, as well as the individual protagonists of the "Grand Design," have been threatened by an escalation of British intelligence-masterminded "last resort" assassination and terror operations.

Even the *New York Times* was forced to concede that the surprise antiterror initiative involved East-West collaboration — a key component in making the Grand Design work both politically and economically. On the second day of the Bonn meetings, the *Times* prominently published a report citing a high West German government official to the effect that the Soviet Union has tacitly agreed to cooperate with the West in the fight against terrorism.

Official sources quoted by the *Times* admitted that recent moves by Bulgaria to extradite four suspected West German terrorists were made "in accordance with Moscow."

With cooperation on containing terrorism underway, the Bonn meeting shifted toward teaching President Carter the basics of industrial policy, that is, the need for nuclear power.

According to the Japanese *Daily Yomiuri* of July 15, Prime Minister Fukuda and President Carter held a separate meeting in Bonn during which they worked out

## Japan Continues Push for U.S. Cooperation in Fusion

*Japan's newspapers are giving big coverage to Prime Minister Takeo Fukuda's proposal for a \$1 billion fund for joint U.S.-Japan fusion power research, first made during Fukuda's trip to Washington in May. Both of the country's major dailies, the Yomiuri and the Asahi, reported that the two countries had reached a preliminary agreement during discussions preparing for the Bonn economic summit of this week to extensively cooperate on the development of new energy sources, especially fusion.*

*The energy cooperation plan was to be finalized in a private meeting between Fukuda and President Carter in Bonn, though the details of these talks have yet to be released. Here are excerpts from Japanese news reports of the Fukuda plan:*

*Yomiuri, July 15:*

Japan and the U.S. will reach a broad agreement on cooperation in the development of new energy sources when Prime Minister Fukuda and President Carter hold a separate meeting in Bonn.

A draft of the agreement, a copy of which has been obtained by *The Yomiuri*, has revealed that the two countries will cooperate on an equal footing in the development of nuclear fusion, photo-synthesis and other technologies.

During the seven-nation economic summit to be held in Bonn July 16-17, Fukuda and Carter will appeal to leaders of other advanced countries to join them in their joint energy development efforts.

The scope of the Japan-U.S. cooperation will cover: (1) nuclear fusion; (2) utilization of solar energy, including photosynthesis; (3) geothermal energy; and (4) liquefaction of coal.

Regarding fusion, Japan has proposed joint endeavors for the development of equipment related to the JT60, a nuclear fusion critical plasma testing facility being developed by the Japan Atomic Energy Research Institute (Jaeri), and the TFTR, a similar facility being developed at Princeton University.

*Asahi, July 14:*

Prime Minister Takeo Fukuda will tell President Jimmy Carter in a meeting before the opening of the Bonn economic summit Sunday that Japan is prepared to provide an annual sum of about \$1 billion to carry out joint research and development on nuclear fusion.

Fukuda will also propose to Carter the creation of a Japan-U.S. committee for scientific and technological cooperation to promote the development of future forms of energy.

a draft agreement for cooperation between the U.S. and Japan on an "equal footing" in the development of nuclear fusion, photosynthesis, and other technologies.

In draft form, the agreement calls for the establishment of a joint committee for scientific and technological cooperation with members appointed by the Japanese Prime Minister and the U.S. President to promote the development of future sources of energy and cites specific areas for cooperation in the development of the Japanese plasma testing facility JT60 and the similar Princeton Tokamak. The Japanese government has already pledged to sink more than \$500 million of its own money into the U.S. fusion program in order to help speed up its development.

The July 17 *Christian Science Monitor* let the cat out of the bag on just how receptive U.S. officials have become to the idea of international cooperation in fusion energy development. Titled "Fusion Power Research: World Cooperation Urged," the front page article quoted a U.S. fusion official in the Department of Energy, Robert Mason, as saying his office is "enthusiastic" about following up recent offers of collaboration in fusion research from both the Soviet Union and Japan. According to the *Monitor* and an earlier article in the *Washington Post*, the Soviets have proposed the establishment of a major international research facility with a jointly-built Tokamak machine, possibly in a third country. Although Washington sources close to Schlesinger and Blumenthal were reportedly "upset" by the fact that these offers were made public, according to Mason's office, the focus of the current U.S. program is much too narrow and must be expanded to "determine

the highest potential of fusion as a practical source of power."

Britain is now the only country standing in the way of a brute force commitment to develop nuclear energy as the alternative to continued dependence on shrinking oil supplies — the basis for worldwide economic expansion. Britain has spitefully thwarted efforts by the European Economic Community to agree on a site for the Joint European Torus (JET) experimental fusion program and most recently undermined attempts by the EEC to work out a common policy on fast breeder reactors, reprocessing and the management of nuclear wastes. According to the London *Times*, European initiatives in these crucial areas have been "abandoned indefinitely because of British opposition."

On the other hand, political leaders in France and Italy are openly embracing the summit's commitment to vastly expand and "promote the peaceful uses of nuclear energy." Italian Treasury Minister Pandolfi declared in an article in the financial daily *Il Sole* that Italy "agreed completely" on the results of the Bonn summit, emphasizing that now Italy must go ahead to realize its own nuclear development plan.

Following the visit of Mexican Foreign Minister Roel to Paris for talks on Third World "partnership" with Urenco, the European nuclear consortium behind the West German-Brazil nuclear deal, the French government is reportedly ready to supply Mexico with nuclear technology, machine tools and other advanced technology. A high West German official accurately noted that the issue of world war or peace hangs on the issue of nuclear power development.