

difficulty absorbing the increased U.S. Treasury and International Monetary Fund bullion sales. Nevertheless, with the establishment of the European Monetary System, European central banks will probably curb a drastic price fall. According to Jeffrey Nichols, chief economist for Argus research, "Central banks have too much of an interest in sustaining gold's price. If the price goes too low, the banks will intervene." Furthermore, both British and Swiss sources report that the Soviets are reducing their sales until the price improves.

—Alice Roth

COMMODITIES

Bonn raw materials compromise

The West German government announced a raw materials policy the week of April 9 which was the upshot of a stalemated fight. Chancellor Schmidt's allies in the Economics Ministry—who under Hans Matthöfer had spearheaded earlier German efforts to turn the European Community's Lomé trade agreements with the underdeveloped nations into some sort of transfer-of-technology alternative to UNCTAD's "Common Fund"—clashed with Finance Minister Otto Graf von Lambsdorff, who demanded that private raw materials speculation be underwritten through tax breaks.

The compromise provides government authorization for corporations to use the discounting facilities of the Bank for Reconstruction (Kreditinstitut für Wiederaufbau) on an expanded scale to acquire raw materials and bolster their inventories. Traditionally, the notion has been touted in West Germany that the government should not get too deeply involved in Third World economic development, but leave it to industry, and industry was happy not to get dragged into various Common Fund or International Resource Bank schemes.

industry and Washington, so "wait till the facts are in."

Westinghouse Electric Company, which issued a statement on March 29, the day after Harrisburg, on the sufficiency of nuclear safety features, changed its tune 24 hours later, claiming no connection to Three Mile Island and refusing comment on any other matter. Meanwhile, Paul D. Bordwell of Argus Research in New York and Donald Reid of Dominion Securities, Toronto, told the Canadian press that Westinghouse is in trouble because of Harrisburg and its failures to meet its uranium supply contracts, and that depreciated Westinghouse stocks should become a good buy in the future.

According to a preliminary survey by the Fusion Energy Foundation (FEF), a nonprofit organization which is a leading promoter of nuclear power, some corporate leaders know nothing about FEMA and the crisis management reorganization, and don't want to know. A spokes-

man for the Atomic Industrial Forum expressed surprise that he had not been told about the creation of FEMA, especially since FEMA had to be working directly with the Nuclear Regulatory Commission, with whom the AIF collaborates.

According to an FEF staff member, officials of San Diego Gas and Electric, Alabama Power and Light, and Santa Fe Oil were extremely interested in the data assembled by the Foundation on the hows and whys of the Harrisburg sabotage, but told the Foundation that it was corporate policy not to learn anything further from the FEF.

This publication has learned that at a recent New York cocktail party attended by top oil men and East Coast bankers, the FEF was slandered as "receiving funds from the CIA" and "occasionally using a Communist cover to hide the source of funds," as a warning to management not to go anywhere near the Harrisburg story.

Utilities in the South and Midwest however, have evinced a strong "go get 'em" spirit which may result in a media campaign to inform the American public. This means taking on the Carter Administration, important financial interests close to the power industry, and at least one utility engineering firm which is reported to have consciously underdesigned parts of power plants, making them unsafe.

Given the growing belief among Americans that sabotage was involved at Harrisburg—even if the motives are still unclear to them—and the recent Gallup Poll which found, two weeks after Harrisburg, that 63 percent of Americans insist that nuclear power is necessary to the nation's future, corporations have both an obligation and a broad mandate to tell the truth.

—Leif Johnson