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As moldy as these ideas are, it is true that the French and West Germans have adopted a tolerant attitude towards Jenkins and Callaghan's intentions to use every moment until the July summit to organize for "their" solution to the crisis, namely getting rid of U.S.-dollar-financed trade. Commenting on the Copenhagen meeting, the *Handelsblatt* European affairs correspondent stressed that the internal deliberations of the EEC are not really the forum where the fate of the world economy will be decided. Rather, the private consultations, particularly the Washington meeting of Carter and Schmidt, and France's approach to Africa, will form the arena for the key battles.

—Renee Sigerson

British 'Must Appear To Be In Control'

Despite the fact that British Prime Minister Callaghan got nowhere with his design for "concerted economic action" at the Copenhagen meeting of Common Market leaders last weekend, and that Jenkins's plan for European monetary union received a cold rebuff, the British are trying to maintain the illusion that they are running the show. Following the meeting, Callaghan proudly told the British Parliament that the Bonn economic summit now scheduled for July 16-17 will definitely include discussion of the five-point plan which he has been urging on Western leaders for the past month. Though Callaghan admitted that the participating countries were "a long way from agreement," the present British strategy, he said, is based on maintaining the fraud that everything is under their control. Other European newspaper coverage was more accurate, as the following press excerpts indicate:

Times, London, April 10:

Mr. Callaghan told journalists after the meeting that while he and his colleagues had a shared diagnosis of what was wrong with their ailing economies, they were still a long way from agreeing on the most effective remedies. "We have to look as if we are trying to get control of the situation," he said.

...By far the most optimistic public assessment of the meeting came from Roy Jenkins, the President of the Commission. He said at a press conference that he had come away from his discussions with the heads of government confident of a "summer of decisions" on closer monetary cooperation. He had been "encouraged, even excited" by the reception given to his ideas.

Times, London, April 11:

In a statement to the Commons, Mr. Callaghan announced proudly that it (the Bonn economic summit) would include discussion of the 5-point plan for "concerted and mutually supportive action" which he had been urging on leaders, including President Carter.... It was not claimed to be "Mr. Callaghan's summit" in so many words but after his recent diplomacy it was asserted that the other six Western governments had

accepted his proposals for a "world economic package."

Guardian, April 11:

British Ministers were last night congratulating themselves on a major breakthrough in world economic cooperation based upon the announcement of the date of the world economic summit... Signs are that agreement has been reached on a cooperative approach to world problems based upon proposals put to Chancellor Schmidt and President Carter by Mr. Callaghan last month. The Bonn summit seems sure to mark a major watershed in postwar economic development, whether it succeeds or fails.

New York Times, April 10, by Flora Lewis:

In a meeting here last week, the leaders of the European Common Market resolved to start a recovery plan that would reduce the community's vulnerability to the fluctuations of the dollar and to what government leaders now consider the unpredictability of American policy. And while European hopes have yet to be translated into concrete decisions, they reflect a turning point in attitudes that Roy Jenkins, the president of the community's executive commission, called "very exciting" for the long-term implications of European unity.

Le Monde, April 17, by Pierre Drouin:

To get out of the tunnel, the efforts must converge in two directions: (1) The Europeans must still agree among themselves on the conjunctural measures to be taken. This was not the case, as we saw, at the second meeting of the Finance ministers; (2) The Americans must accept a policy of rigor. William Miller, the new president of the Federal Reserve Board, recently drew up a list of remedies to dam the inflationary pressures, aggravated by the depreciation of the dollar... the deduction of the budget deficit... a brake on wage increases... the reduction of the volume of oil imports... Very unpopular measures.

Journal of Commerce, "Europeans Eyeing Enlarged Float," April 7:

The new proposal, which is to be presented to the European Summit meeting in Copenhagen, would apparently allow countries with high inflation rates (i.e., Britain — ed.) to let their currencies fluctuate by wider margins than those with lower inflation rates. This is similar to the "can of worms" idea presented some years ago by French President Giscard d'Estaing. Spokesmen for some of the European countries here were highly skeptical of the whole idea. Even if the French decided to formalize their currency links with other European countries, one such spokesman said, there doesn't seem any reason for the British to do so.

Les Echos, April 7:

More than anyone, Schmidt wants the success of the Bonn summit in July which he took the initiative for. But by July, the stage of declarations of intent can only be gone beyond if the Europeans have something to offer the United States in exchange for a monetary accord aiming at the stabilization of the dollar. And, it is already clear that the Carter Administration, in a difficult position in its own country, will not be satisfied with half measures: the new blackmail on enriched uranium supplies is per-

haps only the first manifestation of a policy of harassment aimed at making the Europeans pay dearly for eventual American concessions.

Journal of Commerce, April 12:

There is "no European solution to the weakness of the dollar whose fate can be determined only in Washington," Dr. Wilfred Guth told a news conference here Monday night. Dr. Guth, co-chairman of the Deutsche Bank's management board and widely recognized as one of West Germany's top monetary experts, while "urging closer monetary cooperation within the European Community," warned against the fallacy of considering such action "as a substitute for the indispensable dollar recovery."... He also views mobilization of U.S. gold holdings to prop up the dollar as a part and parcel of an overall stabilization strategy.

Le Figaro, April 9:

"The time has come to demonstrate imagination and organization. We must reconcile stability and growth in a stable system of exchange relations. Europe does not have the rate of growth it should have if it had sufficient monetary cohesion." This is what Valery Giscard d'Estaing declared before going into a meeting with the eight other heads of state who were participating in the European Council at Copenhagen. The statements of the President of the Republic led observers to foresee a French initiative in economic and monetary matters. It should take the form of detailed proposals by Giscard d'Estaing.

Le Figaro, by Alain Vernay, April 10:

If pessimism prevailed very early on Saturday among the press correspondents who came from especially all the European capitals and Tokyo, it is principally because of a meeting, at 3 o'clock in the morning between the German correspondents and an important personality of the same nationality, who went unnamed, of course. According to his statements, authenticated the next morning, all those who thought that the Council would permit some surprising breakthrough were seriously mistaken. Serious structural problems would not be resolved by conjunctural measures... What is necessary would be a fundamental overhaul of the international monetary system.

Süddeutsche Zeitung, by Hans Heigert, April 8:

The EEC governments are becoming more and more ungovernable... but there is a bold plan for European integration, and Roy Jenkins is campaigning for it... the European currency union would be a big step forward to stabilizing Europe... and a European reserve should be established.... It is however uncertain whether any Bonn government, no matter what type of coalition, will ever approve such plans.

Journal of Commerce, "Currency Stability Plan of EC Draws Skepticism," April 13:

The European Community's goal of a wider area of currency stability to allow Europe to deal more effectively with American exchange rate policy has met with mounting skepticism. European Commis-

sion President Roy Jenkins expressed the view Wednesday that the European system of closely linked currencies should be extended and that the European Unit of Account should be used more widely for intervention and payments.... In other developments Wednesday, Lewis T. Preston, President of J.P. Morgan and Co., told stockholders that the weakness of the dollar creates "unusual and unwelcome risks for businesses, for banks and for individuals." The uncertainty in the exchange markets raises the possibility that governments might resort to controls of capital movements and trade. To restore the dollar, the U.S. needs to display credible programs to restrain inflation, to meet a great share of our energy requirements from our own resources and to sell more of our goods to foreign buyers, Mr. Preston indicated. He called on government to take the actions that will give a "convincing signal of intention or resolve." Similar remarks were made by F. Wilhelm Christians, president of the German Bankers Association in Bonn. He called for cooperation between the U.S., Europe and Japan to deal with the fundamental roots of the dollar problem.

Europe Stands Firm On U.S. Nonproliferation Demands

A U.S. State Department spokesman officially announced April 11 in Washington that, according to the terms of the recently passed U.S. Nuclear Nonproliferation Act of 1978, the so-called Percy-Glenn Act, all pending new licensing approval for shipment of uranium to the nine countries that are members of Euratom, the European Common Market nuclear supply authority, are embargoed as of the April 9 deadline specified in that legislation.

The reason? Quite simply, the Europeans, and particularly the French and West Germans, have refused to submit to the terms of what they regard as a bad piece of legislation that unilaterally imposes vast U.S. controls over aspects of those countries' internal and foreign affairs in violation of existing international agreements.

At the April 8-9 weekend Copenhagen summit meeting of European Common Market heads of state, the nine countries drafted a letter to the U.S. government indicating readiness to "talk about" the terms of the 20-year old Euratom treaty, but refusing any formal renegotiation of the treaty terms for uranium fuel shipments, reprocessing and re-export of fuel prior to conclusion of the fuel cycle evaluation study in two years.

The issue around the little-understood Percy-Glenn Act could prove to be most destructive to United States foreign relations, not only with Europe and Japan, but also with countries like India, which depends on U.S. uranium to fuel nuclear power plants that provide electricity to the entire Bombay region.

The controversial trigger for the current showdown over U.S. nonproliferation policy is the portion of the Percy-Glenn Act which specifies that Euratom must notify the United States government, *within 30 days* of the April 9, 1978 enactment, of its initiation of renegotiation talks with the U.S. over the basic U.S.-