TRILATERAL MEETING IN BONN

• DISCUSSES EAST-WEST RELATIONS AND STRATEGIES TO INCREASE FOOD PRODUCTION IN LDCs

• ASSESSES NUCLEAR ENERGY AND NON-PROLIFERATION POLICIES

The eighth meeting of the Trilateral Commission opened in Bonn on October 22, 1977. Gathered for this plenary conference, which came to a close on October 25, were some 150 Commission members and distinguished guests from North America, Europe and Japan, who enjoyed throughout the meetings the particularly vigilant hospitality of the Federal Republic of Germany. Terrorism and the dramatic events of the past week—the rescue of hijacked Lufthansa passengers in Mogadishu and the murder of Hanns-Martin Schleyer—loomed large in the background of the debates. Indeed, in the words of Georges Berthoin, who chaired the meetings, the fresh plight of Germany seemed to add “a special significance” to the holding of the meetings in the federal capital.

These words of the Commission’s European Chairman were addressed to Chancellor Helmut Schmidt, the host of a dinner for the participants on the closing night of the conference—the culmination of three days filled with discussions and special speakers from all three regions. Addressing special sessions of the conference, in addition to the Chancellor, were former Chancellor Willy Brandt, Chairman of the German Social Democratic Party (S.P.D.) and of the Socialist International; Zbigniew Brzezinski, Assistant to the U.S. President for National Security Affairs (formerly Director of the Trilateral Commission); Henry A. Kissinger, former U.S. Secretary of State (now a member of the Executive Committee of the Commission); Otto Graf
Lambdorff, the newly appointed Minister of Economics of the Federal Republic of Germany (formerly on the Commission's Executive Committee); Frans-Josef Strauss, leader of Germany's Christian Social Union (C.S.U.); and Bunroku Yoshino, Deputy Minister of Foreign Affairs of Japan.

One recurrent theme in the Bonn meeting was the need to strengthen trilateral cooperation—the raison d'être of the Commission's work since its creation in 1973. Such cooperation is of crucial importance if the trilateral countries are to deal with the global problems born of growing interdependence, and to address constructively their relations with both the communist nations and the third world. The working sessions in Bonn addressed each of these aspects, as the participants explored several major problem areas:

— Energy and nuclear weapons proliferation: This discussion occupied much of the last day of the meeting. It was opened by Ambassador Gerard Smith, Ambassador Kinya Niizeki and President André Giraud.

— Food production in the developing countries: The discussion focused on a trilateral task force report entitled "Expanding Food Production in Developing Countries: Rice Production in South and Southeast Asia," presented to the Commission by Dr. Saburo Okita, Professor D. Gale Johnson and Dr. Umberto Colombo.

— East-West relations: The participants discussed another report, from the Commission's East-West task force, written by Professor Richard Löwenthal, Professor Jeremy R. Azrael, and Ambassador Tohru Nakagawa.

— Current developments in the trilateral regions: a series of seminars on the opening day were devoted to a review of present conditions and trends in Germany, and in the three regions more generally.

1. Nuclear Proliferation: Dilemmas of the "Plutonium Economy"

Keeping in mind vital energy needs and the crucial problem of nuclear weapons proliferation, how can the trilateral countries approach the divisive issue of the prospective use of plutonium as a commercial fuel? Such is the primary focus of the discussion which opens the last day of the Bonn meeting, with introductory remarks by Gerard C. Smith, U.S. Ambassador at-Large for Non-Proliferation Matters, Kinya Niizeki, Commissioner of Japan's Atomic Energy Commission, and André Giraud, Director of the French Atomic Energy Commission.

In their addresses, which present their personal views, the speakers emphasize the "two sides" of the use of plutonium—its "potential for upheaval" as well as its possible "benefits for mankind." They agree as one on the urgency of an effective control of reprocessing on an international basis. All three observe, however, the differences in energy requirements among trilateral countries and the present difficulties of reaching a consensus on the use of plutonium. Ambassador Smith, recalling the U.S. "temporary deferral" of its fast breeder program, insists on the need for "a pause" before our countries enter the "plutonium economy." In order to study its costs and risks and to examine other options. Kinya Niizeki, while reaffirming Japan's readiness to cooperate, stresses also his country's lack of alternatives, and its commitment to reduce a dependence on energy imports which makes Japan an "extreme case" among the trilateral countries. André Giraud calls for a "realistic" non-proliferation policy—one which takes into account the amount of investments already committed and the legitimate national interests of all the countries concerned.

The controversial and, at times, highly technical debate which follows these presentations centers on two key questions, at the heart of most interventions:

- Is the use of fast breeders consistent with a rational policy for non-proliferation? Several participants answer this question affirmatively, contending that fast breeders are indeed, on both economic and safety grounds, an "essential component" of such a policy. One of the keys to today's

(Continued on p. 5)

1. Before his confirmation by the U.S. Senate in June, 1977, Gerard C. Smith was Chairman of the North American group of the Trilateral Commission. In his new capacity, he recently headed the U.S. delegation negotiating with Japan on the Tokai-Mura issue.
REMARKS ON NON-PROLIFERATION

GERARD C. SMITH

U.S. Ambassador-at-Large
for Non-Proliferation Matters

I.

It was apparent in 1945 that atomic energy faced the world with an unprecedented dilemma: how to harness it for worldwide peaceful purposes without spreading the deadliest instrument of war conceivable.

Since then the world has made slow progress in dealing with this question. The Baruch plan, representing the first and very comprehensive approach, failed. But more modest and practical steps have followed in the field of non-proliferation and arms control which after some squirming we have come to realize are tightly linked. The IAEA* was established in 1956, the NPT** signed in 1968, and a variety of arms control agreements were negotiated in the 1960's and early 1970's, including limits on nuclear tests and on strategic delivery systems.

Two recent events highlighted the dangerous dilemma presented over thirty years ago.

- The oil crisis of 1973 reminded us that nuclear power must play an increasing role in meeting energy needs. The crisis may be past, but the prospect of diminished oil supplies remains.
- In 1974, India exploded a nuclear device, demonstrating that nuclear explosive proliferation is a real, not a theoretical, peril. The recent South African episode suggests that proliferation remains a clear and present danger.

No two issues are of more common concern to the trilateral countries or more naturally suited to trilateral cooperation than energy and proliferation.

The further spread of nuclear explosives poses the same threat to all of us. Each additional weapon state diminishes the security of our three areas and jeopardizes regional stability. The trilateral community has worked on vital security issues not merely by establishing various formal alliance ties, but also by cultivating a shared sense of common interests. We should thus be able to work together to prevent further nuclear spread. We must if this effort is to succeed.

II.

But I am bound to say that suspicions and policy differences among us persist. Some Americans think that other countries may be more interested in economic advantage from exports than in containing the security dangers associated with nuclear energy. Some of our friends abroad think that resource-rich Americans are cavalier about foreign energy needs and seek to dictate solutions to the quite different problems facing some other countries.

Non-proliferation and other nuclear issues cannot be settled by any one nation or even by any one regional group. Failure to contain the spread of nuclear weapons capabilities will at the very least damage the ability of all our countries to reap the larger and longer-term benefits of nuclear power. It is not extravagant to suggest that, unless present trends are changed, countries may conclude that nuclear energy material and facilities are becoming just too dangerous for international commerce. Fortunately, we believe that effective measures can still be taken to curb proliferation and need not slow down the efficient use of nuclear material and equipment to generate energy.

The IAEA and the NPT in combination represent a good start on an international regime made up of political commitments against nuclear weapons and international controls to deter their spread. But the U.S. believes that this regime must be strengthened and expanded as new types of nuclear technology come into use.

The London Suppliers Group working on export controls has demonstrated that countries can respond effectively to the challenge of applying nuclear power in safe ways. Strengthened and standardized guidelines have been established to help remove controls as a factor in nuclear commercial competition.

Proliferation has recently been raised to the highest political level. It is now dealt with by Presidents, Prime Ministers, and Foreign Ministers as a priority part of our basic relationships and our common security concerns. Several countries beside the U.S. now have special diplomatic representatives for non-proliferation matters.

III.

One issue especially continues to create obstacles to trilateral nuclear cooperation: There are sharply differing views on the prospective use of plutonium as a commercial fuel. Should it be recycled in present generation reactors? When will it be economic and safe to use in the breeder reactors of the future?

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*International Atomic Energy Agency (Vienna).
**Non-Proliferation Treaty.
The U.S. has somewhat belatedly realized that, even if international safeguards work perfectly, in a "plutonium economy" where bomb-grade material in large quantities will be produced it will be vulnerable to national diversion or terrorist seizure, with virtually no advance notice to permit effective diplomatic or other countermeasures. We have come to believe that, at least in the U.S., nuclear energy can safely and efficiently meet needs for some time to come by the use of material, not of bomb-grade, in facilities using natural or only slightly enriched uranium (LWR's). This gives us time to work for solutions to the plutonium problems that will face us in the future. Nations not so well endowed with uranium feel they cannot pause as we have in the march toward a plutonium economy. We have decided on a temporary deferral of commercial reprocessing in the U.S. I would emphasize the words temporary and deferral. This is a policy of stop, look, and listen. It is not based on any dogmatic faith, but rather on a cautious agonistic uncertainty about the future.

We are not alone in taking a deadly serious view of proliferation. Other countries are equally concerned and have developed comprehensive policies reflecting that concern. And segments of the public in a number of our countries are increasingly apprehensive about the problems and dangers presented by nuclear power. While we may feel that concern to be emotionally based, it is not entirely irrational.

It is as important to know what U.S. policy is not as to know what it is. It is not anti-nuclear power. That form of energy remains an important element in our planning. Nor is it anti-breeder. This year the U.S. plans to spend nearly one-half billion dollars on research into various forms of breeder technology. Nor are we opposed to reprocessing for all time. We believe that at present, commercial scale reprocessing is not economically warranted. We also worry about how such plants will be adequately safeguarded. Before we, and we hope other nations, decide irreversibly to enter a "plutonium economy," we want to carefully examine what other options are available and what the costs and risks will be.

IV.

As a result of decisions taken at the London, May 1977 Summit of seven of the tri bilateral countries, these countries together with a number of developing nations and international institutions (44 in all) have just launched an International Nuclear Fuel Cycle Evaluation (INFCE).

- This study will not only investigate new types of "proliferation-resistant technologies," but will also consider new institutional arrangements that can help the world to rely increasingly but safely on nuclear energy in the future.
- We approach INFCE with an open mind, but with the hope that our pause will "give pause" to other nations before they commit themselves to a plutonium economy.
- The Federal Republic of Germany, France, Britain and Japan are among the major countries participating in INFCE (in spite of obvious differences in policy from ours). The first two of these states have agreed to suspend, at least for a while, further exports of facilities for reprocessing and enrichment.

V.

In the course of our recent negotiations with Japan, developing a satisfactory solution to the thorny reprocessing Tokai issue, consistent with seemingly divergent Japanese and U.S. interests, demonstrated that we can move forward cooperatively. The agreement to employ a limited amount of U.S. origin fuel in the Tokai facility for conventional reprocessing coincident with the two-year period of INFCE will permit testing of advanced safeguards and of a co-processing technique designed to avoid the production of plutonium. In the Tokai communiqué, Japan and the U.S. expressed the shared view that plutonium poses a serious proliferation danger and their common intent to defer decisions to recycle plutonium in light water reactors during INFCE. Japan also agreed to defer other plans looking toward plutonium production. I like to believe that my experience on this Commission gave me a better understanding of Japanese concerns and perhaps helped in the working out of this very difficult issue.

VI.

The United States in good measure is to blame for uncertainties which now surround the fuel supply aspect of the nuclear cycle. But we are trying to regain our former place as a reliable supplier.

- We are going to enter into new bilateral undertakings and try to develop new international machinery to give greater assurance of fuel supplies. The President has authorized consultations with other countries and organizations as to the desirability and feasibility of an international fuel bank to be available for countries which accept mutually agreed non-proliferation constraints. If such a bank can be established on acceptable terms, the President will be prepared to allocate a significant amount of enriched fuel to it.

- We also will be prepared to accept for storage limited amounts of foreign spent fuel to relieve pressure in other countries to reprocess.

*Gerard Smith headed the U.S. delegation at these negotiations.
• Pending U.S. legislation supports such uranium fuel policies. The Congress recognizes the link between assured "front-end" fuel supplies and the need to deal with the difficult "back-end" (reprocessing and storage) problems we all face.

VII.

There is no question that the third world, in addition to some of our friends in the developed countries, is troubled by some aspects of our non-proliferation policy. These nations are concerned by "double discrimination." Under the NPT they have accepted a different status from the weapons states. Now they see recent non-proliferation efforts as aimed at depriving them of the full range of fuel cycle technology which they had believed was guaranteed to them under this very same NPT Treaty. This perception is sharpened by other South-South tensions and widespread concern in the third world about having to remain in a dependent status in regard to nuclear technology.

We want to continue to help these states in the energy field. We also plan to increase cooperation in non-nuclear energy technology. As nuclear power becomes economical on a scale suitable for the lesser demands of many LDC's, we are prepared to provide low-enriched uranium and reactors under appropriate safeguards. But we do not believe that proliferation of national enrichment and reprocessing plants, for example, make economic or security sense at this time.

In the future, we hope to see a reduction in North-South tensions on the proliferation issue and to work out acceptable solutions. INFCE should contribute to that process through its broad membership and its effort to develop international consensus about fuel cycle problems. Institutional arrangements such as international and regional fuel services and fuel cycle centers also may prove to be a fruitful approach.

Trilateral cooperation is essential to make non-proliferation policy workable and we should continue to work with the Soviet Union and interested East European countries as well as the developing countries.

VIII.

In conclusion, I think it is time for us to raise our sights from the immediate pressing proliferation problems that preoccupy our energies. We must begin to spell out specifics of a new international framework for nuclear energy and non-proliferation suited to the circumstances of the future, and serving our national and collective interests.

We are, perhaps, inching towards a new comprehensive program for the international control of atomic energy. We most likely will never get back to the radical scope of the Baruch proposal, but the insights and ideals underlying that early and original concept could profitably guide our more limited approaches today.

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proliferation problem, a British speaker emphasizes, is the "necessity to retrieve the spent fuel—not to leave it lying around." Reliance on the current generation of thermal reactors implies that "we will continuously be storing plutonium." The opening of the INFCER as a result of the London, May 1977 Summit Meeting is welcomed by most as a promising international initiative—particularly since INFCE includes not only the trilateral countries, but also the Soviet Union and a number of developing nations. Some participants doubt, however, that this joint program can provide adequate alternatives to the current fuel cycles; they emphasize that innovation is a slow process and favor "going ahead with the technology which we have"; the fast breeder, some note, can also be seen, after all, as "a means to get rid of plutonium."

The economic advantages of the fast breeder are also invoked in favor of its use: Given the present uncertainty on the available reserves of uranium, conservation and the use of spent fuels are imperative. Furthermore, in the absence of a fast breeder program, a heavy reliance on coal would entail very serious environmental consequences. An American economist suggests that the technology of fast breeders takes a long time to develop and to make operational, and that such a program should be started now.

Recalling that the U.S. Administration is not opposed to the use of plutonium per se, some American participants emphasize, however, the remaining dangers of the fast breeder: Whereas the present generation of reactors is submitted to adequate IAEA safeguards, fast breeders of the new generation use large quantities of plutonium, which have to be produced and stored in advance, and are immediately usable. The elimination of this "time-buffer," they stress, presents a major danger—one for which "we are not yet prepared." In the words of a former U.S. energy official, this lack of a proven process to control the plutonium required in the breeders justifies the "pause" suggested by the American Administration, in order to "study what can be done to control the new technology, rather than developing this technology immediately and worrying later about the controls."

• Can a non-proliferation policy accommodate the national interests of energy-poor countries? As is repeatedly pointed out by a number of European and Japanese participants, the essence of today's nuclear problem lies in the critical dependence of many countries on imported energy supplies: The "formidable economic threat" of a generalized oil shortage "for tomorrow" and the ensuing danger of international instability make it vital for these countries to rely on secure supplies. Although the fast breeder is not yet completely safe, a German speaker stresses, it is "the only option to avoid being submitted to a possible cartel of uranium suppliers." As summed up by another German participant, the trilateral countries are faced with a breakdown of the old consensus on nuclear non-proliferation as it emer-

ENERGY AND NUCLEAR WEAPON PROLIFERATION
A Japanese Point of View
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It has become clear that the energy resources of the world are very limited. The contribution of oil to the supply of the world's energy is diminishing rapidly. I should like to point out that recent studies show a rather gloomy picture of the energy situation. According to the CIA report which has been made public some time ago, global oil supplies will begin to fall short of world's demand by 1985. This means that the problem of oil shortage will arise earlier than previously expected. I would therefore like to emphasize that it is a categoric imperative for us that every effort should be made to conserve energy resources, making the best use of what energy is available.

The United States is, I should say, unique among the industrialized countries of the Free World for its possession of energy resources. The United States still has an impressive production of oil and gas. Besides, the United States is extremely well-endowed with coal that can be easily obtained by strip-mining. Therefore the U.S. has energy options which are unfortunately not available to most other industrialized nations. Even with respect to the nuclear option, the U.S. has major uranium resources—nearly half of the known resources of the Free World.

In this connection, it is to be pointed out that the countries which lack domestic supplies of energy resources are facing a much more serious problem than the U.S. in securing for themselves diversified energy sources. Those countries are compelled to rely on world markets for fuel supplies. And the need to substitute fossil fuels by uranium is urgent and critical for them, because no other resources offer so great a potential for filling the gap between the fall of oil and the rise of some alternative sources such as solar energy, geothermal energy and fusion.

I should like to make clear at this point that Japan is the extreme example of an industrially most advanced country with a relatively large population that has no indigenous energy sources. That is to say, we are entirely dependent upon energy imports to sustain our national economy. For Japan, a shift of energy supplies from oil to coal means heavy reliance on imports from the U.S. and Eastern Europe. Therefore, we ascribe very much importance to the use of nuclear energy. Here again, as Japan has no domestic uranium supplies, it has to depend totally on imports. And this causes many serious problems in Japan.

Fast Breeder Reactors and Plutonium Recycling

For a resource-poor or resourceless country like Japan, the fast breeder reactor presents the opportunity of lessening, if not eliminating, the dependence on external supplies of uranium. It goes without saying that we have strong incentives for proceeding with the most effective utilization of nuclear energy. We must make full use of what uranium is available to us and this inevitably involves the reprocessing of spent fuel. In other words, for Japan, the breeder is not only a question of economics. It represents the only practical way to decrease its energy dependence to a tolerable level. And it is to be added that the fast breeder is the only practicable technology which gives the promise of relieving us of our dependence on foreign fuel supplies, because the breeder would produce more energy than it consumes.

The need for reprocessing is based on this long-term requirement to conserve energy resources. The energy potential of uranium will be fully realized only if the uranium and plutonium present in spent nuclear fuel is recovered and recycled. Without this, in my view, uranium will be another energy source which will run out of stock. That is, if we use uranium wastefully and throw away spent fuel, the nuclear industry of the world will sooner or later find itself in a situation as difficult as that of the industry today.

In other words, in order to use the uranium resources most efficiently, fast breeder reactor programs must be adopted on a wide scale; and in order to provide the plutonium which is needed for fast breeder reactors, reprocessing technology must be thoroughly developed on an appropriate time scale. I should like to emphasize again that we must take the earliest possible advantage of the potential energy output of the fast breeder reactor and make a material contribution to energy conservation.
For Japan, in particular, an effective reprocessing system will greatly reduce the pressure on scarce uranium ores, and we have gone already a long way in our commitment to the development of fast breeder reactors. For us, reprocessing and breeder are more than just an option. Therefore, we cannot consider setting aside the breeder program unless there are absolutely convincing reasons to do so.

Avoiding Proliferation

The main arguments put forward by those who wish to delay or even to forego the reprocessing, plutonium recycling and breeder, and to seek some other alternatives are based on the risk of proliferation of nuclear weapons associated with the production of plutonium.

We must, of course, admit that plutonium is dangerous and that there is a potential risk that plutonium may be misused for weapon purposes. Certainly there is a strong fear of the spread of nuclear weapons capability through plutonium economy because of the existing political instability in the world.

Plutonium, however, has two faces. It has a potential for evil as well as a potential for the benefit for mankind. The risks of plutonium economy should be taken seriously, but this should not hamper peaceful uses of nuclear energy. It is my firm belief that we can reap the benefit of fast breeder reactors without increasing the risks of proliferation of nuclear weapons. It is generally recognized that reprocessing presents a special challenge in the nuclear fuel cycle from the standpoint of safeguards. Therefore, we must adopt a policy which will seek to control reprocessing effectively on an international basis, instead of trying to bar it straight away.

Japan was the first country to accept the safeguards of the International Atomic Energy Agency and has always faithfully fulfilled its obligations with respect to the safeguards jointly agreed with the government of the United States and the IAEA.

In the Joint Communiqué issued after the recent Japan-U.S. agreement on reprocessing, Japan has expressed its willingness to improve the safeguardability and physical security of the Tokai Reprocessing Facility. And for this purpose Japan is prepared not only to cooperate further with the IAEA but also with the U.S. in the testing of advanced safeguards instrumentation. Moreover, the IAEA will be accorded full opportunity to apply safeguards at the facility, including continuous inspection. In short, we have done everything we can to support the IAEA in its effort to develop an effective safeguards system and we should continue to do so. I am convinced that the operation of the Tokai Reprocessing Facility will contribute to improve the effectiveness of safeguards measures of sensitive nuclear materials such as plutonium that might reduce concerns related to the proliferation of nuclear weapons.

On the other hand, countries which are rich in uranium resources should refrain from suspending their supplies to consumer countries in order to impose more stringent safeguard measures, however, commendable may be their intention to strengthen safeguards system. Any principle on safeguards should be based on an international consensus and applied without any discrimination.

We all consider the risk of proliferation will be reduced if the dissemination of plutonium can be prevented. But there is no international consensus yet on the best way to develop nuclear energy while preventing such dissemination. The problem of non-proliferation is very serious and we should support President Carter’s efforts to ensure that international controls are made most effectively. However, it is our basic position that our energy concerns should not be overlooked in the name of non-proliferation. The disagreement among us relates to the means and not to the goal of non-proliferation—and we must jointly try to find a common language. I think that the International Fuel Cycle Evaluation (INFCE) which has just started with the participation of forty nations, is an important step in this direction. And the work of the INFCE should be aimed at advising an economically viable nuclear technology that minimizes the risk of proliferation of nuclear weapons. We are prepared to consider carefully any proposal in an effort to harmonize the two imperatives—namely: energy requirements, and non-proliferation needs.
ENERGY AND NUCLEAR WEAPON PROLIFERATION
A European Point of View
ANDRÉ GIRAUD*

President,
French Atomic Energy Commission

During the recent London "Summit" meeting, the heads of States and Governments of the seven main industrialized countries have thus defined their policy in the final communiqué:

"Increasing reliance will have to be placed on nuclear energy, to satisfy growing energy requirements and to help diversify sources of energy. This should be done with the utmost precaution, with respect to the generation and dissemination of material that can be used for nuclear weapons. Our objective is to meet the world's energy needs and to make peaceful use of nuclear energy widely available, while avoiding the danger of the spread of nuclear weapons. We also agree that, in order to be effective, non-proliferation policies should as far as possible be acceptable to both industrialized and developing countries alike."

You will notice that, in so doing, our Governments have committed themselves to select a policy fostering at the same time the aims of non-proliferation and the development of nuclear energy. For us, it is out of the question to jeopardize this development, for two reasons:

- The first one derives from the energy supply situation of most European countries, which cannot accept to see their economy become increasingly dependent upon oil producing countries, and risk to face first an unbearable unbalance of their external trade, and then strangulation when oil will no longer be produced in sufficient quantities either because of normal exhaustion of natural resources, or due to insufficient investments, or to the decision of a cartel or even of a single country.
- The second reason is linked to our concern about world stability. The experts recently assembled in Istanbul have unanimously agreed that the comparison between provisions on oil demand and supply demonstrates that an unprecedented world energy crisis is due for tomorrow, and not for the day after.

To overcome that crisis, the world must urgently mobilize all its means of action, among which nuclear energy must play an essential and large part. Our world, where ideologies, racisms, rich and starving populations are face to face, is not organized to afford, in peace, an energy rationing—and it would be useless, in order to preserve this peace, to have reduced the risks of proliferation, by means which would simultaneously increase the risks of tensions and world conflagration.

We have even the duty—the European countries are unanimous on this point—to prepare without any delay the conversion to fast breeder reactors in order to avoid the waste of uranium reserves. The energy policy of the next 20 or 50 years cannot rely on a mere gamble. The reserves taken into account must certainly be estimated at a level widely superior to the quantities discovered until now. But in this respect, we have to limit our wishful thinking to what is estimated by the majority of experts. One must remember that the construction of fast breeder reactors can only follow by several years the construction of the first generation reactors, which supply them with the necessary plutonium. Their development is the responsibility of the industrialized countries in which they will normally be built for many years.

This obligation to develop nuclear energy and, consequently, an international trade of materials, equipment and techniques, must lead the countries most advanced in the field to realize the extent of their responsibilities, and promote the best suited provisions to avoid the proliferation of nuclear weapons.

Two paths have been followed towards such weapons, the material utilized being either enriched uranium (Hiroshima bomb) or plutonium (Nagasaki bomb). Both must be closed. A third way, that of uranium 233, would be opened only if it were decided to resort to thorium.

We consider that a non-proliferation policy to be efficient must be realistic, or more precisely that it must not be unrealistic. It cannot be based on the fact that only the big industrialized countries control or will control uranium, know-how and money. Nor is it realistic to imagine that the considerable investments which have been made already to develop a certain cycle of nuclear energy will be abandoned without at least major and agreed upon reasons. Neither is it realistic to

*Monseur Giraud spoke in a personal capacity.
imagine that certain countries will jeopardize their vital interests (such as, in the case for Europe, the concern about energy supply) or even, more generally, their dignity and the marks of their present or future sovereignty.

The fight against proliferation of nuclear weapons must, on the contrary, respect if possible these factual elements, and rely on a combination of technical, institutional and political provisions.

- **Technical provisions:** It is obvious that the risks of proliferation would be considerably reduced if the production of civilian nuclear energy was based on products and techniques different from those which are used for military purposes. This is already partly the case. Civilian fuels are not highly enriched uranium; for fast breeder reactors, the fuel is mixed uranium and plutonium oxide. Therefore, an effort could be made on the techniques utilized, so that, when a choice is possible, one would avoid, in as much as possible, those which could be easily used or converted towards military uses. This appears possible for enrichment and, to a certain extent, for the choice of reactor types as well as for the reprocessing of irradiated fuel elements. If we must resign ourselves to the fact that it is impossible or very difficult to exert a strict surveillance upon uranium and even slightly enriched uranium, the situation is not the same concerning plutonium, produced and used in locations which are limited in number, and for which efficient measures can be taken, so that its diversion during transportation can be rendered impossible. In that respect, we expect interesting results from the INFCE organized through the initiative of President Carter.

To these technical measures provisions can be added concerning the international organization. For a specific country, unless its aims are actually military, the desire to develop sensitive technologies will be obviously the least if this country is offered alternate solutions, at least as attractive, after taking account of all economic and political factors. Therefore, we must favor the development in the world of industrial solutions which meet such a requirement while providing for a reduction in the risks of proliferation. This is the case of the realization, in adequate locations and under the forms allowing for the best guarantees, of uranium enrichment plants and of irradiated fuel reprocessing facilities, providing worldwide utilities with such services, under political and economic conditions which the customer countries could deem at least equivalent to those which they could otherwise realize. Provided that this condition is fulfilled, and only if it is fulfilled, restrictions on the exports of materials and techniques can be adopted, since they will be deemed politically acceptable by the third world countries, and since they will not lead, as a substitute, to the proliferation of uncontrolled national technologies and plants. The world is very suspicious of advantages which the industrialized countries, and even more so, the nuclear countries, could gain through their denials of sensitive plants and techniques. We observe that the countries which have signed the NPT (which France has not signed for reasons it has many times explained) and chiefly the European countries, essentially value the observance of the obligations entered into in the frame of article IV of the NPT to favor research, production and utilization of nuclear energy for peaceful purposes, subject to appropriate safeguards and with respect to other obligations provided by the Treaty.

- **These technical or industrial provisions must be completed by political provisions.** The most important of them is the existence of a system of safeguards on the peaceful uses of atomic energy, in which the IAEA has played, until now, a decisive role. These safeguards can still be improved and international cooperation can be strengthened, but it is essential, here again for reasons of efficiency, that objectivity and honesty prevail in those fields. This means that in such a field, there is no room for political preoccupations and, all the more so, for political passions.

Generally speaking, we consider that a non-proliferation policy can succeed only in an atmosphere of mutual confidence between the countries concerned.
Practically all the countries interested in nuclear energy would willingly adhere to a non-proliferation policy, if they had the certainty that it respects now and will respect in the future their vital interests, if not their mere interest. In order to accept restrictions on facilities and technologies, the interested countries, and specifically the European countries demand to decide themselves such restrictions, and cannot accept that they would be imposed upon them.

In that respect, the European countries consider as unacceptable the recent demands of certain uranium producing countries which seem to have flirted with the idea of forming a political cartel. Not because they require commitments on peaceful utilizations (this is quite natural) but because they want beyond the international rules of non-proliferation to decide, in place of the European governments concerned, the use that will be made of uranium in the energy balance of their countries. How is it possible not to see that such a blackmail on uranium—if I may say so—would constitute the most decisive incentive, if it was needed, towards reprocessing and fast breeder reactors? Similarly some countries, among which France, feel that the system called "full fuel cycle safeguards" which uses nuclear cooperation as a means to oblige a country to put under international safeguards even the activities it has developed by itself will lead such a country to develop its whole program on a purely national basis, that is, free of any safeguards; this will increase the risk of proliferation in that country and in others.

Finally, one cannot hope that the countries will accept some restrictions and let their vital interests depend on a foreign country or on an international organization, if they do not have the absolute certainty that promises made to that effect will be fulfilled. They will not trust promises for the future if promises made in the past are not respected. The success of a non-proliferation policy requires that agreements are not "renegotiated," or at least, that they are not renegotiated under pressure. The present evolution of the international situation does not appear to us, from that point of view, quite encouraging.

(Continued from p. 5)

ged in the Sixties. Despite encouraging signs, such as the launching of INFCE, some profound dilemmas remain—most of which result from differences in interest and in resource situations. The long-term investments which have been made and some of the legal provisions attached to the licensing of future breeders make it "impossible for the countries engaged on this road to stop now." In the case of Germany, a pause would mean "to stop building nuclear reactors altogether."

Although recent initiatives to address this problem on a truly international basis have helped to clear the prevailing "atmosphere of antagonism," this speaker stresses, much of the remaining uncertainty results from "misperceptions"—particularly between the United States and the other trilateral countries: The impression has been given that "international agreements were replaced by unilateral policies"; and that the cautiousness of the U.S. policy "amounted to a denial of nuclear energy as such." A considerable effort of clarification is needed, in particular with respect to some of the "interim solutions" proposed by the U.S. Administration—namely, the location of regional reprocessing centers, the creation of a "nuclear fuel bank," and the possible storing of spent fuels in the United States.

In the words of a European member of the Commission, the notion of a nation dependent on the assurance of others for its supplies is "no longer viable in today's world," and past U.S. embargoes have contributed to this evolution. As a result, some of the recent proposals, although useful, are likely to be misinterpreted if they are not promptly clarified. Some European participants even describe these proposals as "discriminatory towards non-nuclear states" and, in some cases, as "leading to an unacceptable monopoly situation."

In this respect, it is consistently retorted on the U.S. side that it is "no part of the Administration's policy" to try to prevent any country from building its own reprocessing plants; that the "nuclear bank" was conceived rather as a "fall-back instrument," addressed mainly to smaller, often developing, countries which can be the victims of a sudden embargo by another nation; and that the proposed storage of spent fuels in the United States, far from being mandatory, is "only one of many possible solutions."

This need for clarification, however, applies "both ways," as emphasized by a Canadian participant. Recalling the "profound shock" in Canada's public opinion after the Indian nuclear explosion, he stresses the high sensitivity of the public in most Western countries to proliferation issues. Canada, for its part, although it does not support all the aspects of the U.S. policy, has made its own contribution to non-proliferation: It insists on controlling the reprocessing of its uranium in importing countries; furthermore, the absence of EURATOM safeguards on transfers of technology has led to the suspension of Canada's uranium sales to Europe. Nuclear materials, however, circulate freely within Europe while France is not a signatory of the NPT—"a subject of great concern to the Canadian opinion." This speaker concludes, an all-out effort is needed to clarify and explain publicly our nuclear policies.
2. **Food Report: How to Double Rice Production in South and Southeast Asia**

The draft report presented in Bonn by the trilateral task force on food production—probably the most specific and technical of all the reports written under the auspices of the Commission so far—proposes a concrete plan to double the production of rice in thirteen countries of South and Southeast Asia by the year 1993. The report was prepared over the past year by Toshio Shishido, President of the Nikko Research Center, Umberto Colombo, Director-General of the Research and Development Division of Montedison, and D. Gale Johnson, Provost and Professor of Economics at the University of Chicago. In the course of their work, the authors not only drew considerable advice from a number of consultants in the trilateral regions—especially Japan; they also engaged in a particularly fruitful dialogue with a group of experts from South and Southeast Asia, who met with the task force in Manila in July, 1977.

Entitled "Expanding Food Production in Developing Countries: Rice Production in South and Southeast Asia," the draft report was presented in Bonn by both Colombo and Johnson, and by Saburo Okita, until June the Chairman of Japan's Overseas Economic Cooperation Fund and co-author, in 1976, of a study on rice production in Asia which served as the starting point for the work of the task force.

As emphasized by Colombo, Johnson and Okita, the urgency and the specific problems of increasing food production in South and Southeast Asia motivated the choice of this area and the choice of rice for particular emphasis by the task force. Asia has the largest number of the world's malnourished people; in the countries concerned, some 1,300 million people depend on rice for more than half of their caloric intake. In these countries, by contrast with some other developing areas, the potential arable land is already largely in cultivation: Intensifying production by increasing the output per unit of land is therefore the only way to significantly raise production.

**Increasing the Rate of Irrigation**

The report's proposed program to double the production of rice in the area over the next fifteen years is centered on irrigation. It stresses the major deficiencies of the existing irrigation and water control systems, the need to expand the amount of irrigated land, and the significant increase in productivity (in particular through double cropping) which could derive from improved control and storage of water and the associated use of modern high-yielding varieties of rice. As was stressed by Okita, the program recommended by the task force stems from a detailed study of the correlation between irrigation and rice yields per unit of land, showing the potential for doubling output through a comprehensive and concerted irrigation plan as outlined in the report. The total cost of such a program is estimated by the task force at some $54 billion, to be disbursed over fifteen years. Funds would be provided, it is proposed, by the trilateral countries, by the OPEC countries (20 percent of the trilateral share) and by the developing countries of the region.

Although emphasizing irrigation, the report makes a number of broader, complementary recommendations which are essential to the success of its plan—the relevance of which extends far beyond the particular case of rice in Asia. The task force stresses, in particular, the much needed improvements in the use of machinery and fertilizers, and in the harvest systems. It emphasizes the need to strengthen agricultural research and development efforts and related services, and the importance of coordination of all these factors at both national and international levels. It also reviews the often inadequate government policies of both the developed and developing countries and some of their adverse effects on productivity and output.3

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At the outset, the concrete means of implementing the report's program come to the fore of the discussions in Bonn. The plan offered by the task force is "refreshingly explicit", one Commission member, soon echoed by many others, emphasizes; it is "solid" and "convincing" and it rests on proven technology; the Commission should now concentrate on the further steps needed to "take the plan forward . . . ."

Participants also direct their initial comments and suggestions to the substance of the report, elaborating on various aspects of the proposed program.

--- Looking at the economics of the food problem, some stress the "vicious circle" characterizing the situation in Asia, with no effective demand for food at adequate prices making food production there a sector with low or non-existent profitability, which generates low incomes and, in turn, compounds the "ineffective demand" for food. Only an "analysis of land tenure" in countries involved can indicate solutions to break this circle.

(Continued on p. 14)

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3. The spring 1978 issue of Trilogue will be devoted to a series of reactions to this task force report, from both the trilateral and the developing countries.
Zbigniew Brzezinski, President Carter’s Assistant for National Security Affairs, was in Bonn on October 25 to address a special session of the Commission’s conference. In a major statement on American policy and global change (which was released and subsequently echoed by the press) he elaborated on four “basic priorities” of the U.S. Administration—namely, “to overcome the crisis of the spirit,” to “help shape a wider and more cooperative world system,” to “resolve conflicts which, if left unsolved, are not likely to be contained,” and “to engage governments and peoples in responding to new and key global dilemmas . . .”

On the subject of East-West policies—one of the major themes of the meetings in Bonn—Dr. Brzezinski emphasized in particular the Administration’s efforts to “seek to engage the Soviet Union in wider forms of cooperation”—in the Indian Ocean, in the Middle East, in Europe, as well as on the containment of the arms race and on wider global issues. In a relationship which involves both competition and cooperation, stressed Brzezinski, the Administration is “quietly confident about our ability and determination to compete economically, politically and militarily,” and it seeks a detente “that will be both comprehensive and reciprocal.” However, in a “complex world” assailed by global challenges, there is no such thing as a “realistic choice between an approach centered on the Soviet Union, or cooperation with our trilateral friends, or on North-South relations.” In his words, “the objective is to assimilate East-West relations into a broader framework of cooperation, rather than to concentrate on East-West relations as the decisive and dominant concern of our time . . .”

In a subsequent interview, the former Director of the Trilateral Commission reflected upon the diagnosis and some of the fundamentals underlying his views on East-West relations. Some excerpts from this conversation:

• On the cohesion and intrinsic strength of the West and of the East:

I do not think that the West is confronting any kind of inevitable decline. It is quite clear that the Western political system and the Western economy have been going through a time of crisis which is a product of many factors: some are associated with the increase in the oil prices; some are associated with social and political changes in the West; but in the longer run, it seems to me that what is essential about the West is its pluralism and the concomitant opportunity for innovation and creativity. This is what made the West vital historically and this condition, it seems to me, makes one justified in being optimistic about the future. After all, what are the alternatives? The only alternative is the stagnant and bureaucratized system in the East, and that is hardly an appealing or a relevant one.

As far as Europe is concerned, one could characterize the present situation as one which involves competitive decadence. In the East, on the other hand, we have stagnation associated with bureaucratization and the loss of any revolutionary zeal or ideological fervor. The West is dynamic, volatile and subject to evident strains. The East is metastable. “Meta-stability” is a condition of rigidity, which fractures when all of a sudden that rigidity is challenged by dynamic processes. It is hard to predict which is more dangerous; but the basic point is that, even if the West is undergoing internal strains, these strains involve a search for new answers. In the East, stagnation involves bureaucratization and rigidity, and that is a very significant difference.

• On Eurocommunism:

Clearly, on the whole, Eurocommunism has two sides: One is its impact on the acceptability of communism in the West, which has certain dangers. The other side, of course, is the impact on the East and the effect it has in legitimizing pluralism and variety, not dogmatism. Just as Eurocommunism in the West may be, to some extent, a danger and in some places a considerable danger, in the East it may be a source of change.

Analytically speaking, I see Eurocommunism as a catchword which inadequately defines a very complex and manifold process of change within the West European communist parties. In my view, the nature of this change involves essentially a stage of relative de-Stalinization and a stage of relative de-Leninization, both of which vary widely from one party to another. It seems to me that one cannot be too sanguine as to how most of these communist parties would behave if in power. If minor partners in coalition governments reasonably insulated from general leverage of power, they might behave in a fashion which would not be disruptive nor dangerous. But, if exercising more direct access to the levers of power and confronted with difficult domestic circumstances, the flight of capital, instability, some reactions from the right—real or imagined—the residual attractions of Leninism and Stalinism could throw these parties back towards their more instinctive or traditional behavior.

Insofar as our own policy is concerned, it has been stated several times by the President himself. We do not favor the communist parties participating in governments, but we will not engage in public statements designed to prevent this from taking place, because we feel that this is a blunt instrument which has the effect of making these parties more the spokesmen of national sensitivity; we feel that we can rely on the good judgment of the democratic forces and of
POST-BONN THOUGHTS

the electorates in Western Europe to make certain that this doesn't happen. If it should happen, however, we hope that this participation can be as limited as possible—and we feel, in any case, that it is preferable to deal with governments that contain communist parties while striving to insulate them, than to ostracize them.

• On the attitude of Congress vs. East-West trade:

All depends very much, I think, on the general unfolding of the American-Soviet relationship. If there is progress in SALT and in related security matters; if there is progress in some of the regional arms control negotiations; if the Soviet Union restrains itself in regard to some of the regional conflicts; and, finally, if there is a Soviet willingness to eliminate some of the specific irritants that cause the restraints on trade—then I can see congressional opinion moving rather rapidly towards accommodation. But the fact of the matter is that in the area of trade, the executive branch of the government doesn't have too much direct control. Congress is much more directly involved through legislation and therefore congressional attitudes will have to be altered before much change takes place.

• On human rights:

It is important to realize that our commitment to human rights involves a broad affirmation of certain basic values which, we believe, have become historically right. It is not the condition sine qua non for bilateral relationships or specific arrangements. Rather, it is an effort to sensitize governments and peoples in the world to the fact that we are now at a stage in history at which different peoples, in different places and in different ways, are likely to assert their human rights—and that the United States would be sympathetic to this effort. In other words, we think of human rights as being to a much greater extent the historical inevitability of our times than such vague concepts as world revolution. World revolution is essentially an eschatological and an escapist concept. Human rights is a tangible idea; it simply means that, because of social change, of literacy, urbanization and intensified communications, peoples in different parts of the world are to assert certain fundamental human rights. That is all there is to it. We want to encourage this, and this is why we will support human rights whenever we can, within the limits of practicality, and without prejudice to other relationships which are also important.

• On the role of the balance of power:

There is certainly a great deal of place in world affairs for balance of power; in particular in contentious areas, the regional balances of power are very important. In a larger historical sense, however, I think that it is essential to realize that we live today in a phase of very dramatic and intense change, and therefore that preoccupation with balance of power per se, instead of an effort to channel constructively that change, can in the long run be counterproductive. Balance of power assured peace to Western Europe, but at a time of much slower change. Today, given the unprecedented political and social awakening of mankind, being preoccupied purely with the balance of power, as in southern Africa for example, to the exclusion of social or moral concerns would probably become quite counterproductive.
(Continued from p. 11)

— From the financial point of view, a participant emphasizes the need for drastic improvements in local credit delivery mechanisms as an absolute prerequisite for an irrigation program to be implemented—a "key-issue," into which the World Bank is currently looking.

— Other participants insist on the role of communications and of the means of transportation of food as crucial to solving the problems of nutrition and starvation. A Japanese participant sees this aspect as vital for the success of a plan such as proposed in the task force report.

— An American participant underlines strongly the importance of the population factor and the need for a population program; he sees no hope of achieving any result in the area of food and nutrition without a strong commitment to such a program from the governments involved.

— Finally, some of the specific targets put forth in the report are described as overly optimistic. One participant believes that the investment needed, for both India and Southeast Asia, will have to be much greater to obtain the expected results, and stresses the risk of dispersion and the problems of regional distribution of this investment. Others question the credibility of some of the production targets as presented in the report. Acknowledging in this regard the singularity of the Japanese situation, where high yields result from the country's very high rice prices, one of the rapporteurs observes, however, that the other countries involved can reasonably be expected to achieve the target of 6 million tons per hectare per year since they will utilize double-cropping.

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Turning their attention to the practical implementation of the task force plan, a large number of Commissioners suggest ways of assessing further and pushing forward the proposed program. Such a program, notes a French Commissioner, "requires comprehensive action" and "massive efforts in many centers of decision." As "next steps," a variety of measures are suggested, ranging from the creation of a special "follow-up" committee, to further studies of the economic and financial feasibility of the program.

Prelude to Action

Some participants particularly insist on the need to look further into the plan in terms of opportunity-cost, recommending—as an intermediary stage before action—that the project be critically assessed in connection with other priorities and other ways of tackling food problems. Stresses an American Commissioner, it has to be ascertained whether "spending the money involved on rice is indeed the most economic solution"; this money could conceivably be better spent on "some export industries," yielding the foreign currencies needed "to buy food from countries with a surplus" in food production.

Also requiring a more specific assessment, in the view of some participants, are the financial provisions of the proposed plan: the extent to which a $54 billion expenditure would result in a self-sustained project, the respective shares of funds to be contributed by governments and the private sector, and the ways in which the overall program will affect already established priorities need further investigation; similarly, a specific program must be designed to involve the OPEC countries.

As a useful preliminary step in this assessment process, an all-out effort is recommended to investigate the possible contribution of the private sector and to contact international organizations and agencies dealing with food problems. Several business leaders among the participants emphasize the success of some of the programs launched by international companies; they suggest that, parallel to government actions, significant and rapid contributions could be obtained from the private sector and recommend an individual effort in this direction on the part of the members of the Commission. Similarly, exploratory contacts with international agencies are strongly recommended—in particular with the World Bank, the Asian Development Bank and the OECD, as fora to initiate a debate on the project and possibly lead to "a commitment for action."

4. 1 hectare = 2.471 acres.
Chancellor Brandt, now Chairman of the German Social Democratic Party and of the Socialist International, was the guest of honor at a special luncheon session of the Bonn conference on October 24, 1977. In his remarks to the Commission, he concentrated on the progress of detente—or, as he prefers to say: "the efforts to reduce tensions between East and West." Detente, he particularly emphasized, "has not remained an abstract notion" and its consequences have been "quite tangible for our peoples." Recalling how the treaties signed by the Federal Republic with the Soviet Union, Poland and Czechoslovakia, and the various agreements between the two German states have "changed the quality of the situation" in Central Europe, the Chancellor also underlined the welcomed intensification of cultural, economic, technological and human exchanges: Although "many of our justified hopes have not been fulfilled," such progress would have been unimaginable ten years ago. Indeed, he noted, it is necessary and worthwhile to continue on this path "with no illusion but with perseverance."

Herr Brandt drew particular attention to the "specific responsibility of Europe" in this continuing process, especially with respect to the Conference on Security and Cooperation in Europe (CSCE) and its first follow-up, then underway in Belgrade: Even if there is no sign of spectacular results in Belgrade, there are nonetheless signs of "further constructive steps which will be to the benefit of the nations." This, he emphasized, is also true of humanitarian matters. On the whole, Belgrade shows that "Helsinki did not lead to a dead end," but that it has marked a transition to a "new phase of detente," in which the nations of Europe, together with the United States and Canada, are endeavoring through joint negotiations to "build the foundations for orderly cooperation in spite of existing differences."

In his address, the Chancellor also stressed the particular importance of the MBFR negotiations* in Vienna, which, in his words, should "soon be brought to a first interim result." He suggested that "high-ranking political initiatives" be taken to avoid a deadlock on technical details and to concentrate on the large political dimension of the negotiation. Noting that the representatives from the West and the East have indeed "moved towards each other in the last few years," the Chancellor emphasized that the MBFR negotiation—if it starts "politically"—must aim at an agreement on real parity based on "collectiveness." He also pointed to the need for concomitant measures, within or outside the CSCE, which would serve to lower the capabilities for a standing attack, extend pre-warning periods and reduce the dangers of incorrect assessments. In his view, a success in the SALT negotiations, although "not a precondition," would clearly constitute a considerable incentive to push forward these talks on force reduction in Europe.

Touching finally upon the "fundamental challenge" of poverty and development, Chancellor Brandt emphasized the responsibilities of all the industrialized countries, "including the communist nations." As chairman of a new, independent commission dealing with North-South problems, he described his coming task as one "not of interfering with negotiations among governments, nor of undertaking yet another broad study of development problems," but rather as one of drawing the attention of governments—and that of the public—to some of the steps which will have to be taken in the next decade if "we are to avoid the risk of these problems slipping from our grasp and producing a worldwide explosion." In the past, Mr. Brandt observed, we have gathered some experience in areas "where the question was one of changing the nature of a conflict. Maybe we can benefit from what we have learned in this respect . . ."

*Mutual Balanced Force Reductions in Europe
3. East-West Report: Controlling a Long-Term Conflict

The East-West relationship involves both conflict and cooperation. While an earlier report to the Commission addressed specific areas of cooperation with communist countries, the draft presented in Bonn by the trilateral “East-West Overview” task force offers a broad political analysis of the long-term conflict which dominates East-West relations. In light of this conflict—not only between the two superpowers, but also between rival political, economic and social systems based on different values—the report focuses on various aspects of the political and military balance and reviews some of the major goals and policies of the trilateral regions. Opening the discussion in Bonn were its three authors: Richard Löwenthal, Professor Emeritus of International Relations at the Free University of Berlin; Jeremy R. Azrael, Professor of Political Science and Chairman of the Committee on Slavic Area Studies at the University of Chicago; and Tohru Nakagawa, former Ambassador of Japan to the Soviet Union.

In the words of Löwenthal, the principal drafter of the report, limiting the forms of the East-West conflict is “vital for our survival”; and limiting its range is indispensable if we are to “reduce the risks and the burdens” inherent in this conflict. Such useful efforts, summarized in the term “detente,” are just as necessary for the West as efforts to “take its stand in the conflict” and “defend its own values.”

The foremost objective of the West, the authors conclude, should be to “attempt to influence the overall direction of change in the world,” and to encourage “peaceful forms of change supportive of our values.” The trilateral countries have an essential role to play in shaping the alternatives which face the Soviet Union and the communist world at large: whether these choices are between “reckless expansion” and a bigger emphasis on domestic welfare; between internal repression and internal relaxation; between isolation and communication with the non-communist world; or between authoritarian, centralized leadership and increased autonomy within the Soviet bloc. In each case, the policies of the West can contribute to “making undesirable options more costly, and desirable options more rewarding, to the Soviet Union.”

Tending to the Cohesion of the West...

Although most participants in Bonn seem to support the basic thrust of the report, sharp disagreements arise as the discussion quickly moves to the task force’s particular assessment of the phenomenon of Eurocommunism.

Löwenthal, elaborating on his estimate of the Western European situation—indeed, in his own words, the report’s “most controversial” section—emphasizes the peculiar vitality of democracy in Europe. This vitality, the authors argue in their report, was recently exemplified by the victories of new, democratic regimes in Greece, Portugal and Spain; furthermore, it is also somewhat reflected, although indirectly, in the advent of Eurocommunism. The threat in communist participation in some Western European governments is not so much to internal democracy, as the Communists are nowhere the strongest party and could only enter coalition governments, internal safeguards of democracy would be in operation. The danger is rather to the very cohesion of the West. The authors argue that communist participation in government cannot be “prevented” from the outside—and that, should it occur, the worst possible policy would be to “isolate” these governments, thereby encouraging them to adopt radical, nationalistic positions hostile to the rest of the West.

A large number of participants—both European and American—sharply question some of the report’s “sweeping statements” on the evolution of the major communist parties of Western Europe. Some speakers find inadequate recognition of the international impact of communist participation in Western European governments—particularly on public opinion in America, where, in the words of a former United States official, the effect of communist participation in a Western European government would be likely to “critically weaken” the U.S. commitment to Europe.

In the eyes of several participants, the communist parties of Western Europe, electoral declarations notwithstanding, have so far shown little evidence of a “reliable commitment to Western democratic principles,” and of a rejection of the Soviet one-party system. In addition, with regard to the military defense of Western Europe, the position of even some of the most “liberalized” of these parties, in the event of an aggression by the troops of the Warsaw Pact, remains altogether ambiguous. It is dangerous, therefore, to “overstate the actual evolution of these parties.”

There is less disagreement on policy toward a government with communist participation than on the points of analysis discussed above. Many participants vigorously support the
The former Secretary of State—a new member of the Tri-National Commission and of its Executive Committee—spoke at the opening dinner of the Bonn Meeting, on October 22, and took part in the discussions of the following days.

Some of Dr. Kissinger’s points in Bonn:

- **On Detente:** Pointing to the impossibility of settling the endless debate on the nature of Soviet intentions, the Secretary stressed that the Soviet Union must never be tempted, by a disparity of strength either strategic or regional, to put to a test the Marxist doctrine of the “predominance of objective facts.” In his view, there is no constructive East-West policy without a balance of power and all of detente has to be seen in this context. In our East-West policy, we should keep in mind the necessity of presenting to our public our commitment to peace—and to the Soviet Union a “rational alternative” to conflict.

- **On the East-West Military Balance:** NATO, Dr. Kissinger recalled, was based, throughout the fifties and much of the sixties, on U.S. strategic superiority, the capacity of the West to launch a plausible first strike attack allowing us to neglect the question of the regional balance in Europe. Today’s strategic balance trends toward parity, and the U.S. cannot regain its strategic superiority of the earlier era. As a consequence, the regional superiority of the Soviet Union in Europe might become, sooner or later, “a significant political factor.” He attacked the myth of “numerical superiority” in any given regional balance, which was proven wrong in Europe during this century’s two world wars: “counting the strength is never enough.” NATO’s weaknesses, which are usually “swept under the rug,” urgently need to be faced and corrected if we are to redress the potentially very dangerous state of the regional balance in Europe.

- **On East-West Economic Cooperation:** The Soviet Union presents the paradox of a strong military power which is somewhat “amorphous” politically; its current inability to meet its economic, nationalities and alliance problems probably explains why it has “backed off crises with such rapidity,” in ways which “did not correspond to the correlation of forces.” As a result of this “systemic crisis” in the Soviet system and especially in its economy, Dr. Kissinger emphasized, technical exchanges and economic cooperation with other countries are of vital importance to the Soviet Union. He stressed the need for the West to find “some political criteria by which these economic relations should be conducted”; on the particular issue of providing credits, he favored long-term credits given for specific projects (instead of on an open-ended basis), and tied to some kind of criteria. These criteria should allow us to ask from the Soviet Union “a certain restraint” in the conduct of its foreign policy, while not being “intrusive” as the Jackson Amendment, and still permitting the free economy to operate.

- **On North-South Relations:** Dr. Kissinger stressed the “tremendous responsibility” of the tri-lateral countries to develop a just world order. He pointed out, however, that they must achieve a concept of development which includes political as well as economic factors; since “political stability does not grow automatically from economic development.” The tri-lateral countries have the responsibility to be farsighted and compassionate, but also to let the development dialogue turn into “endless self-flagellation of the industrialized world.” In the Secretary’s words, “we are not doing a favor” to the LDCs when we feel that we must adopt the most radical slogans, from the most radical countries, in order to “gain the favor of the third world.” One of our most subtle tasks will be to “find means of rewarding and encouraging moderation and cooperation.

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**HENRY A. KISSINGER**

... and to the Security of East and Southeast Asia

“Nipo-communism,” if indeed such a phenomenon exists, seems to weight much less in Japan’s overall concern for security in East Asia—another issue at the fore of the East-West debate in Bonn. As emphasized by Ambassador Nakagawa, co-author of the task force’s draft report, the Japanese Communist Party, despite its spectacular pledges of “democratization” and its unqualified support of Japan’s ter-
territorial claims in the Kuril archipelago, suffered a major setback in the latest general elections, the chief beneficiaries of which were the parties of the center.

Clearly, in Nakagawa's words, the increased complexity of the security balance in Asia derives from the emergence of the People's Republic of China as "an important factor in world politics," while negotiations between Japan and the Soviet Union remain deadlocked over territorial issues. The return to Japan of the four islands off the northern shore of Hokkaido remains an "absolute prerequisite" to the conclusion of the peace treaty proposed by the Soviet Union, stresses a former Japanese diplomat, who also reaffirms that Japan is "not interested" in any Soviet proposal of a "security arrangement" in Asia which would not include China.

As emphasized by a number of speakers, the political and military balance in Asia is a crucial element of the overall East-West relationship; they particularly draw attention to the security of both the Indochinese and Korean peninsulas. In the former, a Japanese Commission member stresses an economic recovery in Vietnam and this country's potential re-emergence as an important factor in the regional balance would constitute a "major challenge for neighboring ASEAN countries." 6

The particular security problems of Korea illustrate what several Japanese speakers see as a need to "restore trust in the permanence of the U.S. commitment in East Asia." Some view this necessary restoration as depending as much on "the manner" as on the present content of the American policy. Others, however, elaborating on the practical security requirements of South Korea, emphasize the critical proximity of Seoul to the Demilitarized Zone and the Korean capital's special vulnerability to a surprise attack by North Korea; the continued presence of the U.S. Air Force, they argue, assures the stability of the local balance unless "one of the major communist powers decides to assist in a local aggression." Moreover, a Japanese scholar draws attention to the broader political situation of the dimension in Korea—which is far from being "just a military arena"; the most crucial question, he suggests, is the extent to which North Korea can be expected to change its attitude towards the outside world: this speaker sees "less reasons than many others" to be pessimistic in the long run about the "extreme militancy" of the Pyongyang leadership and emphasizes the need to explore more actively "the political ways" in our strategy to deal with the Korean peninsula.

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Throughout the discussion in Bonn, the authors and a number of participants also touched upon other specific points raised by the report. On the issue of China, in particular, a noted British scholar, referring to the advantage derived by the West from the United States' special relationship to China and from the Sino-Soviet conflict, stressed the need to explore ways of "preserving this asymmetrical relationship"; there too, he suggested, the West can greatly help in shaping the alternatives facing the People's Republic, especially by "giving the new Chinese leadership a stake in Sino-American relations."

Other issues skinned during the Bonn debate included:

— The specific vulnerabilities of the Soviet Union—in particular, the Soviet reliance on transfers of technology and wheat sales, and the need for "harmonization of Western policies of economic cooperation with Russia;"

— The vulnerabilities of the West, particularly the dangers of exacerbated competition among tri lateral countries to maintain their national industries; mentioning the Soviet Union's "lesser vulnerability" to energy shortages, a French participant emphasized that the "struggle between the two ideologies" often operates on "sidetracks," with the East "exploiting the South to undermine the position of the West;"

— The crucial importance of the European Community for Western cohesion; in the words of a German speaker, the EEC represents an important "pole of solidarity," helping to "equalize disparities in Europe;" the Community, this speaker concluded, remains a "major bond" which contributes greatly to promote security and free societies in Europe.

(F.S.)

— USHIBA, MIYAZAWA TO SERVE IN TOP ECONOMIC POSTS

On November 28, 1977 Prime Minister Fukuda named Nobuhiro Ushiba, Japanese Deputy Chairman of the Tri lateral Commission, to become Minister for External Economic Affairs—a new cabinet position which underscores the particular importance which Japan attaches to improved economic relations with the other tri lateral countries. Before joining the Commission, Mr. Ushiba had served as Vice Minister of Foreign Affairs and as Japan's Ambassador to the United States.

In the same cabinet reshuffling, Premier Fukuda also appointed Kiichi Miyazawa as Director-General of the Economic Planning agency. Mr. Miyazawa, a former Minister of Foreign Affairs, was a member of the Commission's Executive Committee (and an active participant in recent trilateral meetings). Both have stepped down as Commission members given these government appointments.

N.B. Since the creation of the Tri lateral Commission, the authors of the reports subsequently published under its auspices have been free to present their own views. They report to the Commission, and they assume the responsibility for the content of their final report.

6. Association of Southeast Asian Nations.
Before his recent appointment as Minister of Economics of the Federal Republic of Germany, Graf Lambsdorff was a member of the Trilateral Commission's Executive Committee. In his wide-ranging speech on topical questions and problems of international economic policy, he focused on three major themes: macro-economic policies and the need for international efforts to move out of the recession; international trade; and North-South relations.

The triple objective of economic growth, full employment and price stability was described by Lambsdorff as a challenge to governmental economic policy across national boundaries. The responsibility for moving the world economy out of the slump had to be borne by all countries—a few big economies could not achieve this alone: As the Minister pointed out, an increase of the German GNP of 1% would lead to only 0.05% of GNP-growth in the United Kingdom and 0.15% in Italy. The German government had undertaken various efforts, among them an 11 billion D.M. bill tax cut to stimulate consumption, and thus fully used its possibilities to contribute to an international effort to inflate without undue risks for the relative stability of prices. Germany had its own economic difficulties, not all that different from other countries: unemployment, problems of structural adjustment, a sensitive social consensus. Thus, efforts had to be made by the weaker economics as well—nobody could spare them the painful and slow fight for economic stabilization. Indeed, considerable progress in this direction had already been made recently.

Turning to problems of international trade, Lambsdorff emphasized the fundamental importance of an open world economy and free trade. This system has proven its merits in the past, and has led to remarkable structural advancements such as the growing shares of LDCs in manufactured goods. To give in to pressures of protectionism in order to bring social peace at home was no solution in the longer term. Difficulties in some sectors and countries could, of course, lead to serious problems—but these problems should be countered by measures favoring the basic structure of free trade, so as to promote an international division of labor, and to prevent the conservation of outdated industrial structures. The concept of organized trade did not correspond to these requirements, although some French suggestions (antitrust laws for world trade; dismantling of non-tariff barriers) were worthy of consideration. The German government would not be dogmatic—but any regulation of trade had to be as flexible and temporary as possible.

Finally, Graf Lambsdorff addressed the complex issues of North-South negotiations. The developed countries had to open their markets further to products from the Third World, he stressed, and had to support the weakest countries to enable them to reach the point where they could compete effectively. In the area of raw materials exports, Germany was willing to move towards a compromise on a common fund for raw material-price stabilization, which should be seen, however, as a clearing house, and not as a world raw material authority. The question of buffer stocks had to be considered case by case, before financial commitments were made. And, as in the other areas mentioned, the trilateral world needed common concepts and intensified cooperation to meet the present challenges using fully the possibilities of action between constructive new ideas, and the conservation of fundamental elements of the present order.
DEVELOPMENT VS. STAGNATION

In his address to the Commission in Bonn, on October 23, 1977, Bunroku Yoshino, Japanese Deputy Minister of Foreign Affairs, concentrated on development policies and the adjustment problems posed by the economic situation in the industrialized countries.

Recalling the “extraordinarily successful” visit of Prime Minister Fukuda to the countries of ASEAN (Association of Southeast Asian Nations), Minister Yoshino particularly stressed that Japan “has taken a major initiative in broaching a long-range dialogue with the ASEAN countries; it has also declared its willingness to be involved in the peaceful efforts for development and welfare in Southeast Asia. The mere fact that Japan has doubled its assistance to these countries indicates the degree of our involvement and our determination to pursue this objective.” Following are large excerpts from Mr. Yoshino’s address in Bonn:

Japan has been extending assistance, both technical and financial, to the Philippines, Indonesia and other Southeast Asian countries for over twenty years. Due to geographical and political relationships, Japan’s assistance has tended to concentrate in this area, amounting to an aggregate of $3.5 billion—more than half of the total Japanese assistance. This assistance constitutes a major part of the recipients’ outside finances. Perfection, of course, cannot be expected in the utilization of such financing; yet, I believe that as a whole our assistance has been effectively used for the development of these nations’ economy and the advancement of their political and social environment. To be sure, Japan’s assistance effort did not necessarily follow a constantly rising curve. However, the recent encounter with ASEAN leaders was a refreshing and inspiring experience. Instead of turning our attention to the needs of increasing aid, they emphasized as their first priority the importance of the access to our markets for their products. This is, after all, a well established consensus in the North-South dialogue; they want to see their products, both primary and manufactured, come into our markets without hindrance or barriers, so that they may be able to earn honest money. Trade is far better than aid in terms of economic results for all the parties concerned and it is especially effective in encouraging local industries, increasing jobs and distributing incomes more equitably. I believe that no one dares to dispute this view directly.

Making Way for ASEAN Integration

In practical terms, however, this request from the developing countries to open up our markets and absorb their products in our economy poses, if pushed to the extreme, an embarrassing and most difficult problem: To adjust or restructure our economy in such a way as to make it absorb cheap and highly competitive products from the developing countries is a major task of the modern industrial world. But we also know that concrete action does not necessarily flow from this recognition, particularly given the present sluggishness of our economies and the high rate of domestic unemployment which poses a great political challenge to our politicians.

Imports of manufactured products from the developing countries have had great economic repercussions in Japan—as shown, for example, in the case of our textile industry. Only recently, Japan was engaged in a bitter struggle with the United States while negotiating an arrangement on this matter. Hardly before the ink of the signature was dry, Japan underwent a steady invasion of competitive textile products, including finished goods, from Southeast Asian countries. In 1973, Japan imported almost $2 billion worth of textiles from overseas, of which more than half came from the developing countries. Japan’s only exports of textiles in the same year were somewhat less than half of our imports—and this trend has been continuing. These
inroads of textile products from developing countries happened to coincide with our own structural changes taking place under Japan's rapid economic expansion, when our growth rate exceeded 10% per annum; the accommodation of the industries concerned was therefore relatively less painful. . . .

... In today's situation, the problem of adjusting and restructuring our economy becomes more acute as we turn to the matter of development assistance. The ASEAN countries requested us to contribute to their regional projects no less than $1 billion in the form of either financial or technical assistance. These regional projects include two urea fertilizer plants, one potash plant, one superphosphate plant and one diesel engine plant. These plants will eventually produce goods to replace imports or to be exported to other countries—perhaps in competition with Japanese products. Such goods could also be exported to our own market. Nevertheless, Japan agreed to provide assistance to these plants since they will increase the production of food and grain, which are so important to the survival of Southeast Asia.

Our assistance to these regional projects is a symbol of our support for ASEAN integration. The ASEAN is still extremely vulnerable to external and internal influences and we hope that it will become a strong and resistant economy capable of contributing to the stability of Southeast Asia. However, the trading pattern of the individual members of this organization has been predominantly outside-oriented. The amount of trade of these countries with Japan, the United States or Europe comes to cover about 30 to 40 percent of their total trade, while their trade among themselves amounts to less than 20 percent. There is considerably more potential for them if they increase their mutual trade and create thereby new and additional wealth simply by trading with each other. In this regard, Japan's support of their regional schemes is very important—indeed, it is almost essential under the present circumstances.

Adjusting to the Demands of Development

But what of the future difficulties which our domestic industries may encounter if we do not take adjustment measures in time? As I have already stated, our economic system has been undergoing rapid and sometimes violent structural changes for the past two decades. While our economy was growing at a rate of over 10 percent, before the oil crisis, it could absorb these changes in stride: In fact, changes themselves were necessary in order to allow the economy to grow. Since the oil crisis and the ensuing worldwide retrenchment of the economic activity, the structural changes of our economy have come to assume a different character. It has become more difficult to accommodate competing products from overseas, and corresponding adjustments are very slow in the coming. Under the old economic growth, diverse political and economic groups were more insensitive; they are now prone to oppose even small changes in the status quo. Public financing becomes tighter to accommodate these various interests. Consumption and investment patterns undergo changes in sometimes totally unanticipated directions.

In this fashion, we were confronted with a most serious adjustment problem when we were requested by Singapore to assist in building a petrochemical plant there. Such a plant, when it is completed, would not only pose a formidable problem for our domestic industry in competition for overseas markets; it would also encroach on our very own markets. Should this new plant fail to find an outlet for its products in overseas markets, Japan would have to provide such an outlet with her own market—if only to recover our share of the initial investment. The Japanese industry, however, seems to have crossed the Rubicon when it decided to participate in this scheme. The regional scheme of the ASEAN portends an even greater adjustment requirement.

Except for this area, Japan's economic assistance policies are mainly directed to development projects in eight receiving countries. The fashionable idea according to which aid should be directed to basic human needs or social infrastructure is being accepted today as a matter of theory; but in practical terms, it faces some skepticism in Japan. It is our view that: (1) aid should mainly be directed to the economic development of the receiving countries to help them eventually to take off; and (2) that development assistance has a greater multiplier effect on the receiving economy by helping industrialization, promoting employment and education, whereas basic human-need types of aid tend to perpetuate the poverty and the stagnation of the recipients by stifling their urge to work . . .

Above all, development assistance boomerangs towards donor countries in the form of cheap, competitive manufactured products. We are confronted again, therefore, with a major problem of industrial adjustment or structural change. We are aware that internal industrial adjustments are necessary not only to give access to products from the developing countries, but also to meet the difficulties arising from the competition of exports and from conflicts in the policies of the advanced industrial nations. These nations must start by recognizing the necessity of adjusting their own strategies. We are now faced with mounting export surpluses in some countries and increased deficits in other countries. Several industrial programs, in sectors such as steel, electronics and shipbuilding, need to be adjusted or coordinated. All these immediate problems must first be tackled and resolved to our satisfaction—with an eye on the rising tide of developing countries' claims. Indeed, if the world economy is not to sink deeper into stagnation and eventually disintegrate, it is necessary for us to adjust ourselves at this very stage,
while, from the global point of view, adjustments must be made with the active participation of our southern neighbors and also with a view to building a new framework for the world economic order.

**World Economic Recovery**

... This is no time for despair or despondency, or for mutual recrimination. If we are to overcome the approaching energy and economic crises, we must do so in full cooperation with the developing countries, with a mutual recognition that we are all in the same boat and that we must brave the storm together.

In this regard, development assistance, when directed to countries which really require it, can have a remarkable impact. It transforms the action of subsequent investments, rippling over and penetrating the whole society, and eventually coming back to the developed world in the form of new requirements for equipment, products or investments. One may wonder whether this could be a new form of colonialism; it is up to our conscience to answer this question. My own short answer is that this is a gravitational movement, which contributes to improve the present market economy and to fill up the great gap between developed and developing countries.

As far as Southeast Asian countries are concerned, they are overly eager to obtain increased assistance for their own development—whether it comes from private or public sources. Indeed, looking over the past decade, these countries' performance is impressive. Their growth rates have risen to almost 10 percent per year and are still surging ahead. Their exports and their imports are rising at a rapid pace. They show in fact a real development fever. It is reassuring to see that some of these countries have been taking off, one after the other, in the past decade. It has been the case of Taiwan, Singapore, Malaysia, to say nothing of the Republic of Korea. Other countries are already on the runway: Thailand, the Philippines, Indonesia. These countries need one more small push—and if they join the enlarging ranks of the middle income countries, the new resources which will thus be made available for the entire world will be considerable. I see here new hopes for world economic recovery and advancement.

**SEMINARS**

The morning and afternoon sessions of Sunday, October 23, 1977—the first day of the Bonn conference—were both devoted to a series of seminars on current politico-economic developments in Germany, in Japan, in North America and in the Western European countries at large.

- The discussion of the German situation was introduced by Hans-Jürgen Wischniewski, Minister of State in the Chancellor’s office (and the Chancellor's special envoy in Mogadishu, a few days earlier, to handle the case of the hijacked Lufthansa passengers); Dr. Richard von Weizsäcker, member of the Bundestag (C.D.U.); and Dr. Wolfgang Wagner, Editor of both the Hannoversche Allgemeine Zeitung and Europa-Archiv. In their interventions, the speakers and participants focused on the terrorism issue as well as on Germany’s economic performance and contribution to global recovery in the wake of the London, May 1977 Summit Meeting.

- In his presentation on Japan, Yukio Matsumaya, editorial writer for Asahi Shinbun, concentrated on “continuity and change in the Japanese society and political system.” A number of Japanese participants also elaborated on the principal economic, social and security preoccupations of today’s Japan.

- Domestic economic developments in the United States and their international implications were reviewed by Paul Volcker, President of the Federal Reserve Bank of New York and formerly Under Secretary of the U.S. Treasury for monetary affairs. The political situation of Canada and the particular issue of Quebec were analyzed by Michel Belanger, President of the Provincial Bank of Canada.

- Focusing on current social trends in Western Europe and the evolution of the “European Crisis” as a “point of juncture” of the broader trilateral crisis, François Duchêne, from the University of Sussex, emphasized in particular the significance of the phenomenon of Euro-communism, and the dangers of rising protectionist tendencies in the major European countries.
Trilateral corridors in Bonn.
(Photos: Joseph Pulitzer)
The Trilateral Commission was formed in 1973 by private citizens of Western Europe, Japan, and North America to foster closer cooperation among these three regions on common problems. It seeks to improve public understanding of such problems, to support proposals for handling them jointly, and to nurture habits and practices of working together among these regions.