

of the burden of having to produce most of the Third World's energy.

Yet, despite the Arab countries' interest in the energy affiliate, problems could still arise because the United States refuses to become involved. A Saudi spokesman at the United Nations said his country would be able to contribute to the program in moral and financial support only. Since his country, like others, imports its oil technology and expertise, it is not likely to supply these to non oil-producing developing countries.

Members of the World Bank discussed the possibility of reducing lending in other priority areas such as health, education and agriculture in order to compensate for the lack of U.S. funding for the proposed energy affiliate. It remains doubtful, however, whether the energy affiliate would be effective without some form of American contribution. Since the American oil

companies are the leading energy technologists, the Bank likely will be forced to solicit their participation, one way or another.

While the Reagan administration has stated it will not contribute to the affiliate, governments have been known to change their positions. As an ardent proponent of the affiliate, Prime Minister Trudeau may attempt to change Reagan's view at the Ottawa economic summit and at the conference between developed and developing countries scheduled to be held in Mexico this fall. In the face of pressure from Trudeau and other Western and Third World leaders, it is possible that the U.S. could eventually relent and agree to make a contribution to the World Bank's proposed energy affiliate. Indeed, some energy analysts predict that, eventually, the United States will be at the helm of such an energy affiliate.

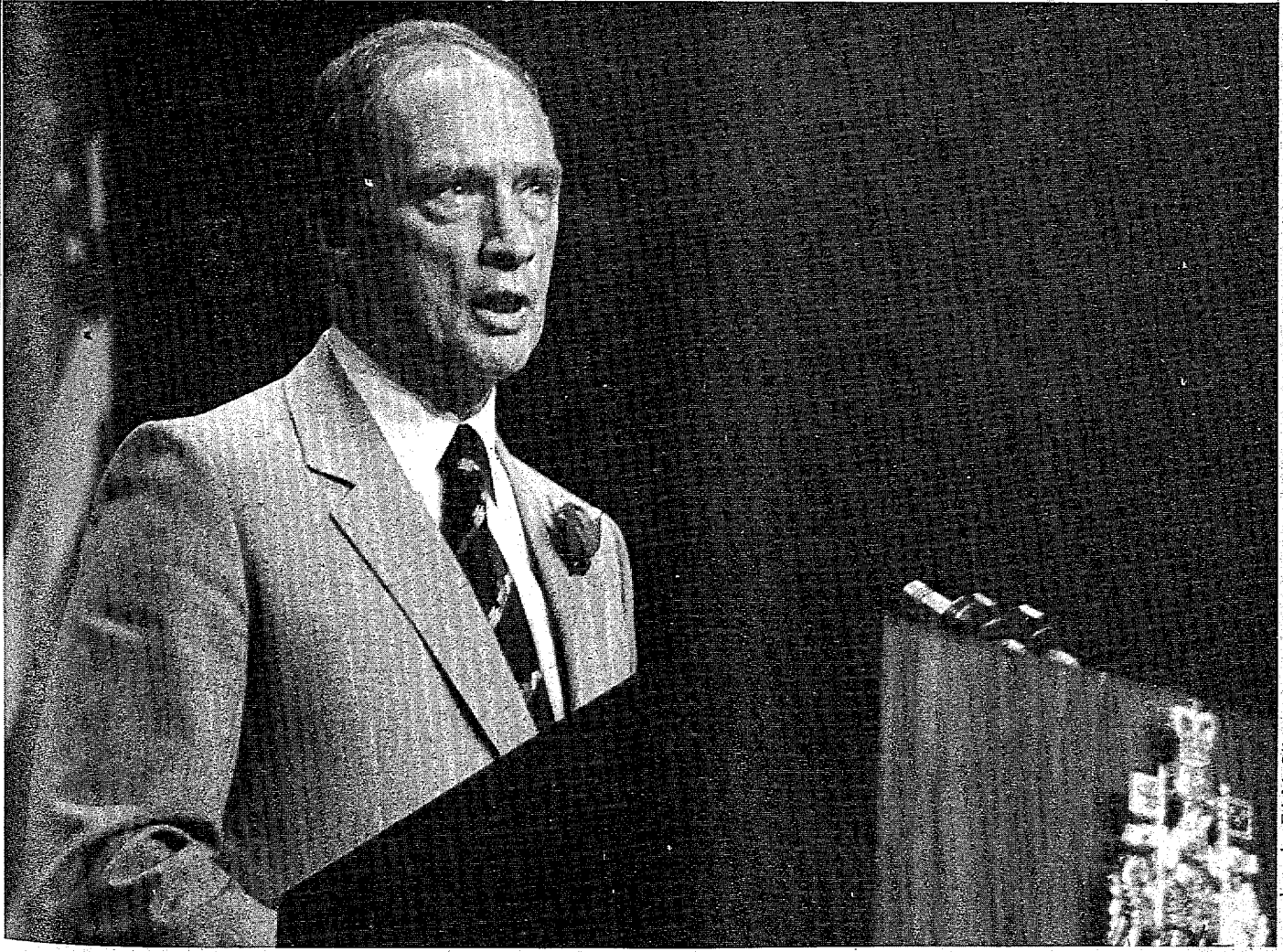


photo by Ed McGibbon

Prime Minister Trudeau talks to the press after the Ottawa Summit. He kept development questions on the agenda but there was no mention of an Energy Affiliate.