

create new possibilities of investment for the surplus countries and contribute to establishing a better structuring of the assets and debts of the financial markets.

The Mexican proposal was approved in view of the consideration that for the industrial countries, it means the creation of jobs and stimulus to a stagnant sector; for the financial markets and the surplus nations, the possibility of carrying out a profitable investment; and for the many poor countries, the reestablishing of a pattern of firm growth and reconstituted financing.

Mexican Finance Minister David Ibarra Munoz told

reporters as he left the meeting that the Mexican proposal was based on the unfortunate fact that the international community, up to the present, has not been able to establish a recirculation mechanism that offers long term financing. This financing will be taken advantage of by developing countries to acquire capital goods. In our judgment the perspectives of the world economy justify our adopting this focus, and we believe that the provisional committee, the Development Committee, and the World Bank should study the problem and take measures without delay in order to bring about an appropriate long-term recirculation fund.

## Japan Invites U.S. Nuclear Imports: Fukuda Calls For Joint Fusion Research

*Following are excerpts from an address given by Japanese Prime Minister Takeo Fukuda at a luncheon hosted by Japan Society and Foreign Policy Association May 4 in New York City:*

... Japan and the United States conducted the series of economic consultations which began last fall and resulted in the Joint Statement of Minister Ushiba and

theless, the fact that U.S. economic power outrivals all others is unlikely to change in the foreseeable future. I count therefore on continuing U.S. leadership in such areas as the maintenance of free trade, stabilization of international currencies, and efficient utilization of energy resources.

The world economy is in the doldrums. The developing countries are suffering particularly severely. Never before has there been such urgent need to strengthen international cooperative efforts to resolve the economic difficulties facing the developing nations, and to promote their economic and social development. Both Japan and the United States, individually and in concert, must play increasingly important roles in this enterprise....

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### ENERGY

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Ambassador Strauss last January. The results were gratifying in that both countries, in a spirit of cooperation, reaffirmed our joint commitment to work together, each from its own position, for stabilization of the world economy.

It is important to note that the Ushiba-Strauss statement was based on the concept that these problems can be resolved, not through protectionism and the contraction of world trade, but through liberalism and world trade expansion . . .

Our target of 7 percent real growth this year is far higher than the growth target of any other developed economy. The Bank of Japan has reduced the discount rate to 3.5 percent to help stimulate domestic demand, and we are endeavoring to expand imports by slashing tariffs, liberalizing quota controls, expanding quotas on a number of products, liberalizing foreign exchange controls, expanding import financing, and related measures.

... The import-promotion mission we sent to the United States last March achieved considerable success by seeking out and buying substantial amounts of American products. I hope the United States will respond with a redoubling of your efforts to promote American exports to Japan. . . .

As a matter of practicality, the world economy should not depend for its health and stability on the United States alone, since this is a responsibility that must be shared among all the major developed countries. None-

#### *Technological Development Key*

From this perspective, I should like to explore with you briefly the area of science and technology as a most promising opportunity for cooperation between Japan and the United States.

Modern science and technology, as our generations know very well, can either contribute immeasurably to human comfort and convenience, or can be the servant of war and destruction. Science can provide impetus to new productive activities, and serve as a prime mover in the future expansion of the world economy, or can waste our resources and threaten our survival.

Exactly because of this dual character of science and technology, I believe it is the duty of Japan, a nation dedicated to peace, to participate vigorously in cooperative international efforts to utilize science and technology solely for improving the standard of living of the world's peoples.

In the course of my discussions with President Carter, I made some specific proposals for scientific and technological cooperation.

Japanese-American cooperation is most urgently required in pursuit of the technical feasibility of developing nuclear energy for peaceful purposes, without the risks of proliferation of nuclear weapons. The importance of peaceful nuclear energy cannot be overemphasized, especially for a country such as Japan, which has no

significant energy resources of its own, and ranks second only to the United States as an importer of oil

Japan, which experienced untold suffering brought about by the use of nuclear weapons, is deeply committed to the three non-nuclear principles — not possessing, not producing, and not permitting nuclear weapons to be introduced into Japan, and as a signatory to the Treaty, cooperates with the United States in international efforts to establish firmly in the world a nuclear non-proliferation regime....

When we consider the peaceful uses of nuclear energy, to secure safety is the indispensable prerequisite. Especially, as we realize that both Japan and the United States use the same type of nuclear power reactors, for Japan and the United States to cooperate together in the research for nuclear safety, so as to improve the safety and reliability of nuclear reactors, will indeed serve the common interest of both peoples.

From a longer-range point of view, the development of new alternative sources of energy invites expanded Japanese-American cooperation. Since world oil reserves

of this century, both our countries should strengthen our cooperative efforts for energy conservation and the development of new energy sources . . . . I should like to suggest nuclear fusion and solar energy as particularly useful areas for joint R & D, since both are considered to be ultimate energy sources for the future.

#### *U.S.-Japanese Fusion Project*

Fusion involves harnessing almost unlimited energy from a man-made process which employs the same principle by which the sun creates its heat and light in nature. It is, in effect, the creation of a miniature sun on earth. Japanese and American experts are already exchanging technical information in this field, but I should like us to take a step further, pooling our human and financial resources in a joint effort to realize an ultimate dream of mankind . . . .

Colossal investments in human and material resources are needed for research and development in all these areas. With a view to making more efficient use of limited resources available, and to make Japan-U.S. cooperation more meaningful, I wish to propose that Japan and the United States seriously study the establishment of a joint fund for the advancement of science and technology, to serve as a framework for international cooperation in these areas. I hope to pursue this idea with our American colleagues concerned, and I trust you and your countrymen will be responsive to my proposal.

Needless to say, there is no reason to limit respect to our partnership in scientific and technological cooperation to Japan and the United States alone. The door could be open for participation in these projects by all countries which wish to cooperate with Japan and the United States to put science and technology to work for the well-being of mankind....

## Book Review Part II

# 'A Tool Of Power: The Political History Of Money'

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### A Tool of Power: The Political History of Money

by William Wiseley

John Wiley and Sons, New York, 1977.

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by David Goldman  
USLP Director of Financial Intelligence

#### *The Cold War and the Monetary Mess*

Why, despite upwards of \$50 billion of postwar expenditures, did the United States find its economy and the dollar slipping by 1958? Most Americans still recite nursery rhymes about the "business cycle," including former Federal Reserve Chairman Burns and the Federal Reserve staff. But the RIIA and its tool, Dr. Wiseley, don't believe in such myths circulated for the benefit of the credulous, any more than trade war specialist Adam Smith believed in "Free Trade." These events in the economic sphere occurred, the RIIA says plainly, because Britain persuaded the United States to enter a Cold War against its best national interests.

Secondarily, they occurred because the U.S. adopted a rentier, or financial investment, approach to European recovery, not a capital-goods export approach.

Who is responsible for this? Wiseley brags that Churchill and the Kissinger circuit sold that package to the dumb Americans, as this publication has also argued. In his words:

Since 1949 the British Foreign Office has been ruled by Lord Strang. As Permanent Under Secretary he had persuaded himself that British power could be perpetuated by maintaining appearances long after the realities had departed. Strang and the Foreign Secretaries for whom he served as "eyes and ears" shared the belief that their unique inheritance, centuries of experience with Europe and its colonies overseas, had somehow endowed them with a wisdom the United States would respect. In their schemes for the future, British leaders would provide the tutelage and policy guidance, which Americans would pay the costs in men and money to defend Western Europe and its empires. Persuasively Winston Churchill and Lord Strang had