

Interview: Spokesman for Japan's Premier Suzuki

by Pakdee Tanapura from Paris

Among the participants at Versailles, Japan was the only country that put forth some sane proposals to get out of the world economic depression. Although Japan has accepted the idea of the "right to survey" by the IMF, the Japanese delegation has pointed out that only a study group has been set up to work out the mechanism of control and it would be implemented within one year, i.e. after the next summit in Washington. Contrary to slanders coming out of the Anglo-American media, the Japanese position at the summit shows that Japan is not merely an "economic animal."

Japan's main concern is not only its own economic interests but also the mutual interests of the industrial nations as well as those of the developing countries. Japan's opposition to the atmosphere of trade war is based on the current world strategic consideration, as Prime Minister Suzuki stated:

"The current world economic situation is extremely serious. We cannot hope for its recovery unless we strongly rally the power of our will. In particular, the mounting protectionist pressures against the background of low growth and increasing unemployment, bring to us the memories of the bitter experiences in the past."

One of the most important issues Mr. Suzuki has raised is the fact that Japan's scientific and industrial experience is exemplary for the world economy. "Science and technology," he said, "make possible the development of our economies and industries and contribute in a variety of ways to the progress of mankind. . . . Naturally, science and technology cannot control mankind. Our ultimate objective is for us to master our human wisdom." He continued, "I wish to point out that this is taking place against the background not only of the use of robots creating more new jobs than those it saves, but also of the active efforts on the part of both management and labor. Both parties are making smooth adaptations on the basis of the shared recognition of the need for increased productivity though the use of new technologies as well as the need for the continued stability of employment."

Furthermore, Mr. Suzuki proposed joint international research and transfer of technology to the developing countries as the basis for North-South dialogue. He stated "Japan, on its part, intends actively to contribute to such work with its knowledge and experience. We can

think for example of life science, atomic energy, development of space, and new renewable energies as areas worth our consideration."

Prime Minister Suzuki indicated that at this summit Japan had taken up the defense of ASEAN countries because Japan considered these countries its economic partners, and the Europeans should regard this as an example for North-South relations in the future.

Taizo Watanabe, Deputy Director-General of the Public Information and Cultural Affairs Bureau of Japan's Ministry of Foreign Affairs, was designated by the Japanese delegation at Versailles to give the following interview to EIR and Fusion magazine. At the summit, Mr. Watanabe acted as the official spokesman of Japanese Prime Minister Zenko Suzuki. This interview was conducted by Pakdee Tanapura.

Tanapura: What effect do the U.S. high interest rates have on the international economy and the U.S. economy?

Watanabe: Yes, high interest rates have certainly had an impact on the world economy, especially the industrialized countries. If the United States wants to revitalize its own economy, one of the most important things is to suppress inflation. For that reason, it is important to keep demand at a certain level. In order to do that, interest is used as one of the effective means, but it also affects the economy. Therefore, there should be a compromise between the need to keep the price rise at a moderate level and the interest rate not too high.

One of the problems that we have with the United States is the balance of trade. This trade imbalance is caused to a certain extent by the artificially low level of the parity of the yen. This value of the yen does not really reflect the fundamentals of the Japanese economy. However, this is not only the responsibility of Japan. Japan is not intervening into the currency markets. But because of the high interest rates in the United States, there is a lot of capital flight from Japan to the U.S. As a result, the value of the yen is weakened. Therefore, the par value is kept low, lower than it ought to be. The Japanese government is now trying its best to keep the value as high as possible, but because of the high interest rates in the U.S., this is not possible. High U.S. interest rates distort the normal flow of capital and balance of trade.

We know that the inflation rate is already lowered in the United States. The purpose of keeping high interest rates was achieved to a certain extent. Therefore, it is time that the United States think seriously about lowering the interest rates. Of course, there may be other considerations such as the budget deficit, but other countries are suffering from similar difficulties. In Japan, the budget deficit is 21 percent lower than that of last year, yet higher than that of other countries. We should think

of coordination of policies. There should be more consultations and talks.

Tanapura: At this summit, does Japan have different views from the United States concerning East-West credit?

Watanabe: In principle, we do not differ from the United States. It is necessary for the West as a whole to think in terms of security and strategy when it comes to our economic relations with the U.S.S.R., because the U.S.S.R.'s military build-up is the concern of us all.

At the time of the Soviet invasion of Afghanistan, we boycotted the Olympic Games. We introduced some credit restriction vis-à-vis the U.S.S.R. However, other countries did not go along with these measures, and Japan lost some business projects in the Soviet Union to Western European companies.

Tanapura: And the question of the development of Siberia?

Watanabe: Our fundamental position vis-à-vis the U.S.S.R. is that we would like to keep our relations as stable as possible. The U.S.S.R. is Japan's neighbor and so is China. Of course, the United States is also our key partner. However, we do not like to make trouble with other states for trouble's sake. To answer your question on Siberia, it is possible, if our interests coincide with those of the Soviet Union. But at the moment, several factors prevent us from doing so. First, there is the northern territory issue. Then, there is the invasion of Afghanistan. In other words, we cannot participate in the development of Siberia unless the Soviet Union shows some gesture in the right direction.

Tanapura: According to some French press, Mr. Suzuki has proposed the creation of an institute for research in advanced technologies which is to include the advanced sector countries as well as developing countries. Can you tell us more about this proposal?

Watanabe: That report is a little bit premature. It is not unfounded, but if that report insinuates that Mr. Suzuki is going to propose some concrete proposals, it is wrong. He has the hope of setting a concrete form for cooperation between the industrialized as well as developing countries in the field of science and technology. But first, a study group has to be set up, and out of that we can have some concrete result.

Tanapura: On the question of North-South relations, will the Japanese government take up the idea of Mr. Nakajima, the research director of Mitsubishi, which proposed a \$500 billion fund for the development of Third World countries?

Watanabe: It is being considered on the private level. We understand very well the purpose of such North-

South cooperation. But whether or not the government takes leadership in this project is a different matter. If it is a question of feasibility, the private sector must study that as it was proposed in the private sector. We welcome the purpose and idea of the project, but the government cannot make any comment on it.

Tanapura: Where does Japan stand on the question of exporting nuclear technologies to the developing sector?

Watanabe: We fully support the non-proliferation treaty and we fully support the idea that peaceful atomic energy should be controlled to prevent it being diverted into military use. If Japan were to find herself in the position of exporting nuclear technology, she will make sure that this key clause be observed.

We agree with President Eisenhower's idea of "Atoms for Peace" and peaceful use of atomic energy should be under the control of the International Atomic Energy Agency.

Mitterrand's regal posture among the Group of Seven

by Dana Sloan from Paris

Everything had been arranged for the President of the Republic's moment of triumph. Several hundred journalists from across the world had been made to gather nearly two hours in advance in the large amphitheater of the Palace of Congresses at Versailles to await his entrance. Mitterrand loyalists from Minister of the Interior Gaston Deferre to Foreign Affairs Minister Claude Cheysson were crammed in front and center to better be able to soak up a few moments of the glory. When Mitterrand finally made his royal entrance and began to speak in a monotone that barely woke up the scores of dozing reporters, it should have become apparent to all that the monarch was a tin soldier.

The public address system failed, and the President was barely audible for the duration of a more than one-hour press conference. The irony could not have been more striking at this summit, where the French government's bid for the heads of state to work together to usher in the post-industrial age of *telematique* was made a central theme of the public-relations effort.

Indeed, all the preparations and planning for the Versailles Summit, were carried out by Mitterrand's special adviser Jacques Attali, the man whom some high-ranking members of the U.S. government have been awed into calling a "brilliant utopian." Much more to the point, Attali is acknowledged throughout the ranks of the opposition to be nothing more than a madman.