

## **EIR**SpecialReport

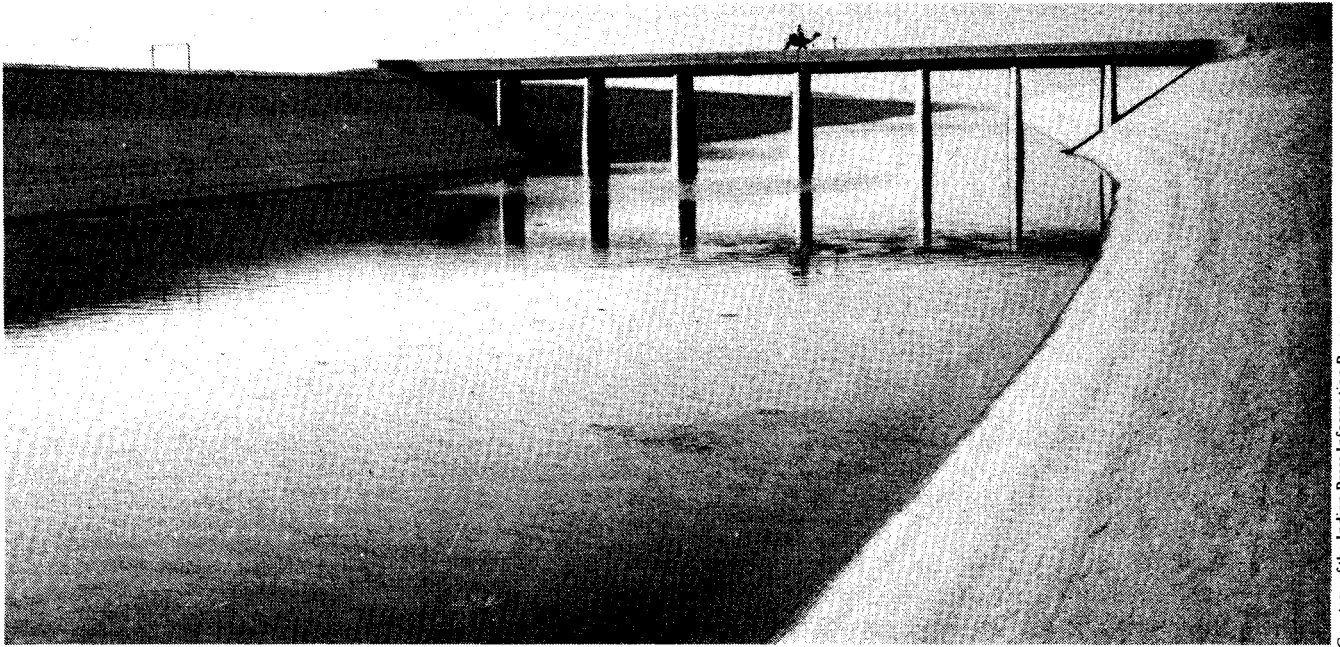
# Japan's \$500 billion plan for reversing world depression

by Daniel Sneider, Asia Editor, in Tokyo

Just before the New Year, one of the most powerful men in Japan summoned 14 of his fellow business and political "elder statesmen" to a special meeting in Tokyo. The convener of the gathering was Toshio Doko, the 81-year-old engineer who formerly chaired the Keidanren business federation. The purpose of the session was to line up support, both in Japan and internationally, for the 20-year, \$500 billion global-development proposal authored by Masaki Nakajima, the founding chairman of the Mitsubishi Research Institute. Nakajima's proposed "Global Infrastructure Fund" (GIF) would finance "super-development projects"—"engineers' dreams" he calls them—particularly in the Third World.

The GIF idea is manifestly a product of the spirit and commitment to economic progress and development that transformed Japan in one generation from a backward, feudal nation to the third-largest economic power in the world. The GIF plan proposes to catalyze the growth of the world economy out of its current fundamental "stagflation" and deep recession through the impact of long-term, large-scale capital infrastructure construction projects. Each project is envisioned to take 10 to 20 years to complete—projects like a second Panama Canal, the greening of the Sahara desert, and massive hydroelectric and irrigation projects in the Indian subcontinent, Africa, and Latin America. Mr. Nakajima's view is that no nation-by-nation stimulus program is sufficient to bring about world economic recovery. Only a program that stimulates investment and technological innovation in the advanced sector through tackling the problem of industrializing the Third World will end stagflation. More important in Mr. Nakajima's mind is that these projects would be the concrete foundation for world peace. Their completion would require East-West cooperation, an issue which is at the core of Nakajima's conception. It is indeed a "grand design" for peaceful construction.

Since 1977 this extraordinary man has been traveling to all corners of the globe to talk about his idea. He first presented the proposal at an international conference in Switzerland. By 1979 Nakajima had been invited to speak about the GIF at such varied bodies as the West German parliament's



Courtesy of the Indian Press Information Bureau

*The Rajasthan Canal, built near New Delhi in the 1950s, has turned large portions of the Rajasthan Desert into arable territory, a modest instance of the "greening" projects foreseen by the GIF.*

Committee on Economic Cooperation and Georgetown University's Center for Strategic and International Studies (CSIS).

In addition, the plan has been reviewed in several important publications—including *Executive Intelligence Review*, which published the text of the proposal in September 1978—and by such thinktanks as the Munich-based IFO Institute for Economic Research. Moreover, several developing country leaders, including Indian Prime Minister Indira Gandhi, have praise for the concept, reports Mr. Nakajima.

One cannot but be impressed, as I was in my two-hour interview and discussion with Mr. Nakajima, by the dedication with which he has pursued the realization of this idea, at times single-handedly. His main target is to bring the Japanese government into adopting the GIF as its official policy, and to that end he has acted to generate and demonstrate the interest in the idea *outside* Japan, proving to the skeptics and "practical men" among Japan's political leadership that the GIF idea can indeed work. Slowly he has gained many powerful adherents among the leading circles of Japan's power elite, including former Prime Minister Takeo Fukuda, who discussed the idea with then-President Jimmy Carter.

A turning point came on Jan. 1, when Japan's largest circulation daily, the *Yomiuri Shimbun*, announced on the front page that Toshio Doko had formed a 15-man GIF study group to promote the idea. Not only does New Year's Day have special import in Japan, but also the opinions of Doko, a Massachusetts Institute of Technology graduate and a pioneer in supertanker construction, carry great weight in the so-called practical world

of business, both inside and outside Japan. The committee includes a number of other business and political "heavy-weights," such as former Foreign Minister Saburo Okita, Nippon Steel Chairman Eichiro Saito, former Ambassador to the United States Noboru Ushiba, Nippon Telegraph and Telephone Chairman Hisashi Shinto, and Overseas Economic Cooperation Fund (Japan's foreign aid agency) Director Takeshi Hosomi.

The *Yomiuri* reported that the purpose of the Doko-created GIF Study Group is to persuade Prime Minister Zenko Suzuki to put the GIF plan on the agenda of the Paris economic summit of the seven top Western industrial nations to be held this summer. While Prime Minister Suzuki—a man of consummate political caution—has yet to put his official seal of approval on the venture, sources close to Nakajima feel that a crucial step has been taken in putting the full weight of the Japanese government behind the GIF idea.

In my discussions with Japanese government and corporate officials and policy-makers during my two-week stay in Japan [to be reported on in an upcoming *EIR*—ed.], I found a constant sense of concern over the crisis-ridden state of world economic and political affairs. Like West German Chancellor Helmut Schmidt, Japanese leaders worry that current economic problems and policies, most emphatically including Paul Volcker's high-interest-rate strategy, could send the world into a 1930s-type depression and East-West conflict.

There is a searching debate amongst these leaders on how Japan must act in the world in response to this crisis. Nakajima's GIF is one of the most prominent ideas being discussed as part of this debate.