

# How Denial Imperils America's Future and Ruins an Alliance

### R. TAGGART MURPHY

W·W·NORTON & COMPANY

NEWYORK · LONDON

## Contents

,

Preface	9
Note on Terms	23
Introduction: The West Wing and the MOF	27

### I'' Lender

1	The Japanese Company: Ownership, Control, and		
	Competition .	41	
2	The Credit Decision	61	
3	A Case of National Leverage: <i>The Japanese</i> <i>Economic Miracle</i>	82	
4	Closing the Circle: Exports, Exchange Rates, and	100	
	the 1970s	108	

#### I I Lending

5	Weak Claims: Japanese Finance and the American		
	Deficit	137	
6	Units of Account: The Plaza Accord	165	
7	Coping with Endaka: Japan's "Bubble" Economy	195	
8	Saving the World	219	

I I I Paying the Price

9	Bubble Jeopardy	239
10	The Turn of the Screw	271
	Conclusion: Seriousness and Accountability	311
	Notes	321
	Index	342

. 1

٠

~

r