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Money and Monetary Policy in Interdependent Nations

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that the raids not only jeopardized the Live and Let Live System, because they necessarily invited counterattack by the enemy, but that they were even more detrimental to morale and the fighting spirit as no man could withstand constant harassment in the trenches for long.

Ashworth's study is unique, and interesting because it focuses on such a little-known side of the history of WW I. In part it reminded this reviewer of personal experiences with the River Patrol Force in the Republic of Vietnam in the late 1960s when we had our rivers and the Vietcong had theirs. To choose to enter "their" rivers was to invite retaliation. Whether we did or did not was remarkably like the Live and Let Live System.

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Bryant, Ralph C. *Money and Monetary Policy in Interdependent Nations*. Washington: Brookings Institution, 1980. 606pp.

Economic instability is not the least of the threats facing the Western World, and the last 10 years have been marked by particularly baffling problems posed by rising prices and fluctuating exchange rates. In such a situation the importance of economists, with their claims to be able to diagnose, and prescribe for, the ills of economies, has naturally increased. Yet much economic theory, for all its sophistication, is inappropriate for a world of increasingly interdependent economies, for economists have traditionally divided their discipline into its domestic and international aspects, all too often with inadequate regard for the interactions between these aspects.

The disadvantages of habits of thought that keep domestic and international economics apart become apparent as soon as one attempts to define the quantity of money in any one country, for to what nation's money supply would one allocate, say, a West

German firm's call deposit, denominated in U.S. dollars, in a London bank, when the firm's business is trade with Argentina? Conventions can be developed to deal with such cases but, as Bryant points out, national governments do not, as a matter of fact, all employ the same concepts or statistical practices. Moreover, the most appropriate concept of money supply may vary according to whether one wishes to stress the causal effect of various forms of financial assets on the economy, or the monetary authorities' power to control something called "the money supply."

Bryant has set himself an integrationalist role in presenting a common-sense analytical framework within which policymakers may work out options. He eschews unnecessary theoretical controversies among economists, and refuses to place himself either in the Keynesian or monetarist camp. He admits that academics in the social sciences have tended to isolate themselves from policymakers and laymen as a result of increasing use of "technical languages" (less politely called jargon), and he has attempted to write for both policymaking and academic communities. Nonetheless, while his prose is unusually lucid for an economist he cannot avoid extensive use of mathematics, and one can only say that a nation all of whose policymakers (as opposed to specialists in its central bank) could follow his arguments would be indeed fortunate.

The policymaker who comes to Bryant seeking some simple monetary rule-of-thumb will (rightly) be disappointed. Nevertheless the book does suggest some basic guidelines to which those responsible for national monetary policy would do well to pay heed. He stresses that monetary policy should not be conducted in isolation but should be integrated with fiscal and other policies (this seems to argue against the independence of central banks). He urges that

policy instruments should not become ends in themselves and that, in particular, policymakers should not specify targets for some definition of the money supply, and then use the instruments of monetary policy with the object of minimizing deviations of the money supply from these targets. These are not views that will endear him to the more dogmatic (or simplistic) monetarists.

His main message, however, is the integration of domestic and international economics in a way that makes clear that a nation's policymakers can only secure autonomy in monetary policy at the expense of sacrificing the benefits of the interdependence of nations—that is, the more efficient allocation of resources through trade and international capital movements. Attempts to insulate a national economy from the world economy, for example, by exchange-rate flexibility are likely, in the case of major economies, to have an influence on the world economy that will have inevitable feedback effects on the national economy. The case of collective action by national governments, and for the promotion of supranational institutions that can assist that collective action, is strengthened by this book. The world is too complex for major nations to be able to act profitably in isolation from their partners in economic policy, as in other matters relating to national security.

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"Cincinnatus." *Self-Destruction: The Disintegration and Decay of the United States Army during the Vietnam Era*. New York: Norron, 1981. 288pp.

As this issue goes to press (4 May), news accounts have identified "Cincinnatus" as Cecil B. Curran, a professor at the University of South Florida, who was commissioned as lieutenant in the Nebraska National Guard in 1965. He remains in the Army Reserve, attached to the Office of the Chief of Chaplains.

A pseudonymous author self-styled as "Cincinnatus" has written a book about the Army entitled *Self-Destruction*. The author's thesis is in the title. It is his

or her view (the author claims to be a professional Army officer, about which more later) that the numerous problems afflicting the Army during and since the Vietnam era are of its own making, and that they persist to the present day.

There is not much new here. Most of the author's criticisms have long since been put forth with greater force, credibility and immediacy by others, most notably the Army's own general officers, as reported years ago in Douglas Kinnard's book *The War Managers*, which this author quotes extensively, and by others of the officer corps in such landmark works as the 1970 Army War College *Study on Military Professionalism*. Whatever original research underpins the present work seems to consist largely of some interviews the author says he has conducted with people, also anonymous, that he asserts know something about the matters under discussion. He does not identify his sources, nor give even a statistical profile of their qualifications or demographics, thus diminishing the force and credibility of whatever new material he may have been able to uncover. The result is a very slender volume (some 170 pages of text, fleshed out with a series of appendixes including such diverse and dubiously relevant material as the text of the Declaration of Independence of the Democratic Republic of Vietnam, the dates on which major Army units arrived in Vietnam, and a two and a half page quotation from an unnamed lieutenant colonel) that adds little to the body of scholarship on the Army in Vietnam and since.

The text itself reads like a student research paper recycled (far too late to be pertinent) as a book. In seeking to make his own case the author grabs various published sources seemingly at random, certainly without any apparent discrimination, to establish one point or another. The government is criticized, for example, for having failed to heed the advice of a writer named Robert