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POWER AND PLENTY IN NORTHEAST ASIA: THE EVOLUTION OF U.S. POLICY

Bruce Cumings

American policy in Northeast Asia cannot be understood without grasping the nature of American hegemony in the region—a mingled conception of power and plenty forged by American statesmen in the late 1940s. The strategy growing out of this conception continues to define the regional setting four decades later, even as the mix of power and plenty has changed. In the real world, as in the realm of the abstract, the element of power is consistently ignored, soft-pedaled, denied, or forgotten. This has resulted both from the shroud of secrecy that surrounds power generally and from the fact that power politics cannot be dignified in the liberal theory that America's Northeast Asia policy is based on. Yet only an understanding of power—especially American power—can tell us why, with economic forces constantly straining the 1940s system, at times to the breaking point, it still remains in place.

Japan was the centerpiece of American policy in the late 1940s, and has remained so during the Reagan years. Yet the role of power in the U.S.-Japan relationship has generally remained obscure. One observer recently remarked, "Since U.S.-Japan relations rest fundamentally upon economic interdependence and strategic dependence, they will survive current and future storms." This formulation, bland and optimistic as it is, nonetheless discloses the essential elements of an inherently unequal relationship—economic interdependence (and rivalry) and security dependence. Yet it fails to convey the fact that these elements are crucial to the

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relationship's survival. A more accurate statement would read: the relationship "will survive current and future storms" if economic interdependence and strategic dependence continue.

American hegemony in Northeast Asia in the early postwar period involved setting outer limits in economics, politics, and international security relationships, the transgression of which carried grave risks for any nonhegemonic nation. In other words, the United States defined a "grand area" within which nations oriented themselves toward Washington rather than Moscow. Though the United States preferred nations within this area to espouse free trade, open systems, and liberal democracy, some of the states clearly fell short of U.S. economic and political ideals—Japan and South Korea, for example. U.S. methods for dealing with nations within its "grand area" ranged from classic negotiations and trade-offs, in the case of states sharing Western traditions or American levels of political and economic development, to wars and outright intervention in the case of Third World states. Whatever the methods, the goal was to ensure these countries' continuing orientation toward Washington.

The very breadth of this international system—its nonterritoriality, its universalism, and its open systems (within the grand area)—made for a style of hegemony that was more open than previous imperialisms to competition from below. In other words, although this form of hegemony established a hierarchy of nations, the hierarchy has not been frozen: it has been open to rising talent from below; and within it, dependent nations have had a certain amount of leverage and maneuvering room. This aspect of the system may have proved to be its undoing.

In the formative stages of this general type of hegemonic system, as the lines are drawn that mark the system's outer limits and territorial boundaries, military and strategic considerations are paramount. But over time the system matures; indeed, the sign of a mature hegemonic system is ongoing, automatic interaction and mutually reinforcing orientation among its members, based not upon military force but upon complex relations—primarily economic. One might say, then, that the American hegemonic system has matured. Yet although relationships between the member states are still evolving, no fundamental overall change has occurred; we have not moved into the realm of what has been called "after-hegemony," but remain at the level of interaction characteristic of a mature hegemonic system.

This form of hegemony fuses security and economic considerations so inextricably that the United States has never been sure whether economic competition from its allies is good or bad for grand-area security: should
the Japanese stoke their industries, or spend more on defense? Furthermore, national economic decisions often cannot be understood apart from regional security relationships. For example, although South Korea's external debt has for most of the 1980s been one of the largest in the world, it has had little trouble servicing it. One reason is that in early 1983 Japan, under intense behind-the-scenes U.S. pressure, provided Seoul with a $4-billion package of loans and credits—about 10 percent of South Korea's outstanding debt. The package was justified by references to Korea's integral role in the defense of Japan and was essentially an attempt by Tokyo to compensate for its inability to sharply increase its own defense spending.

This system's success and longevity cannot be attributed to any single individual, nor can it be ascribed to any particular plan, let alone conspiracy. Instead, it grew out of America's unprecedented power in the prostrate postwar world; the pursuit of classic internationalist, free-trade policies for getting the world economy moving again, combined with a sleight of hand by which power politics came in the side door, served as the system's underpinning. Because the architects of this hegemony preferred to remain quiet about American power while trumpeting the virtues of grand-area plenty, we must see this system not for what its creators claimed it to be, but for what it is.

The system also had to account for the antisystem—the Soviet Union and its allies. Security in Northeast Asia meant guarding the Cold War fault lines that bisected Korea and then arced down through the Japan and Taiwan straits and through Southeast Asia. But clearly anti-Sovietism was not the only thing this hegemonic system was about. Consider how much the ostensibly formidable Cold War barriers have been eroded by the mature system's economic interaction—for example, the billions of dollars in informal trade now taking place between China, Taiwan, and South Korea, in spite of the absence of political relations and the continued existence of military conflict. To a considerable extent, economic forces are driving the region.

The 1940s Settlement in Northeast Asia

U.S. policy toward Japan provides a particularly revealing example of how the hegemonic system functions. When Ezra Vogel began a Harvard seminar on Japan by saying, "I am really very troubled when I think through the consequences of the rise of Japanese power," Samuel Huntington responded that Japan has "these really fundamental weaknesses—energy, food, and military security." It is, he said, "an extraordinarily weak country." The
paradox of the postwar Northeast Asian settlement is that both assessments are correct.

Since 1952, Japan has had political independence, generally liberal and stable politics at home, and extraordinarily rapid economic growth rates. Yet Japan is remarkably dependent upon the United States for its security and for essential resources—mainly oil and food—and for its access to advanced-country markets. The United States has maintained a light hold on the Japanese jugular, possessing but never exercising a capacity to squeeze Japan economically and dominate it militarily.

Japan's strong economy and weak defense capabilities were great virtues in the 1950s and 1960s: Japan's economy helped fuel the postwar economic boom, and the United States could easily pay defense costs. By the 1970s, the virtues had begun to look like vices, with Japan devastating American home industries and the United States increasingly unable to pay for its far-flung military commitments.

Despite this shift, the structure of U.S.-Japanese relations has remained essentially the same since 1950. Though Washington has recently pressured Tokyo to increase its defense spending, the United States still provides for Japanese security. It also shapes the flow of resources to Japan—the U.S. Navy's recently expanded presence in the Persian Gulf, the source of 60 percent of Japan's oil, being the best contemporary example.

The economic basis of the relationship has shifted as the Japanese economy has developed. Initially, it was hoped that Japan would manufacture those products no longer produced efficiently by U.S. industries—textiles, autos, and, at least until recently, steel. Japan moved from textiles and light-assembly industries in the 1950s, to cars and steel in the 1960s and 1970s, to electronics, computers, and "knowledge" industries in the 1980s. Although this international division of labor has been opposed in the United States by declining industries and advocates of protectionism, it has had the support of internationalists, free traders, and those high-technology industries that compete well in world markets. Japan's economic evolution has been replicated in Taiwan and South Korea in a somewhat different form and at a lower level in the product cycle.

The original conception of the U.S. hegemonic system was a product of Dean Acheson's architecture and George Kennan's engineering. At the global level, Acheson wanted to see the world economy revive and flourish. In the Asian region, Japan was to be the engine of growth, shorn of military and political power but gaining a powerful (even if second-rank) industrial position in the world economy. This, however, necessitated a hinterland that could provide raw materials, labor, and markets. Therefore,
Acheson and others developed what has been called a "great crescent" strategy as part of the overall plan of containment, linking an offshore island defense with a Japanese hinterland. This would include Japan's former colonies, to the extent that they were available; in particular, it would encompass Southeast Asia and Indochina.

The great obstacle to this attempt to establish U.S. hegemony was socialist control of the Eurasian land mass, "from Berlin to Canton, from Murmansk to Tirhana." The feasible and practical remedy was to draw lines of containment around its periphery, revive the industrial economies of Western Europe and Japan, link up the underdeveloped hinterlands, and seek to split the Russians and the Chinese.

Such a split could be achieved, Acheson thought, by arousing elemental forces of Chinese nationalism and by using the market to lure China out of isolation and make it dependent on the West and Japan. In the 1940s, China was little more than an agrarian political economy, with a modern fringe stitched along its coast and in Manchuria by the imperial powers; it could not industrialize on its own resources. The Soviet Union, on the other hand, was the largest self-sufficient political economy in the world after the United States. Accordingly, China seemed much easier to enmesh in the Western-dominated market than the Soviet Union did.

In this scheme, South Korea occupied a contingent position. Was it "little China" or "little Japan"? If it was little China, Syngman Rhee just another Chiang Kai-shek, the economy corrupted and inviable, and North Korea an authentic revolutionary nationalist challenge linked to China, then South Korea would just be another domino. If it was little Japan, however, with effective anticommunist leadership, a growing economy with the necessary links to Japan and the United States, and North Korea a mere extension of Soviet power, the whole picture changed: it might be a place to reverse the tide of communist expansion.

Taiwan was a buzzing, irritating fly in this ointment. Without the bizarre influence of the "China" issue in American politics, Acheson might have gotten his way, and a flourishing Sino-American relationship might not have had to await the coming of Richard Nixon a quarter-century later. As it happened, however, right-wingers successfully prevented U.S. recognition of the People's Republic of China.

The Korean War effectively drew the lines of the "grand area" in East Asia. When the war broke out, the Seventh Fleet was interposed between Taiwan and the mainland, making possible the reintegration of Taiwan with the Japanese and the world economy. South Korea was nearly lost
in the summer of 1950, but within a decade of the end of the war it too was reintegrated, and rapidly industrializing.

The peculiar nature of American hegemony, however, readily became apparent. Even though the United States had retrieved South Korea and Taiwan from oblivion in 1950, to invoke the threat of oblivion to keep them in line in later years was unthinkable. Washington keeps Japan dependent on the United States for food, oil, and security, yet to squeeze Japan in these fundamental areas would be disastrous. In other words, outer limits can be invoked only in a crisis: they cannot be used to bring recalcitrant allies to heel under normal circumstances. Furthermore, within those outer limits a dependent but strong state can obtain leverage over the United States, as it contains competing centers of power and economic interest that can be played off against one another. Thus, the postwar settlement gave the countries within the U.S. hegemonic system—particularly Japan—both dependency and autonomous capability.

The Kennan Restoration

All this will become clearer if we look more closely at the Northeast Asian settlement. In the 1930s Japan withdrew from the world system and pursued, with its colonies, a go-it-alone path to development that not only generated remarkably high industrial growth rates but also changed the face of Northeast Asia. This was interpreted in the West mainly in strategic terms, as the Japanese basis for further militarist expansion—power and not plenty. But it was clearly both. In that decade what we might call the "natural economy" of the region was created; its division of labor and set of possibilities have skewed East Asian development ever since. Heavy industries were built in Manchuria and northern Korea, and southern Korea's textile industry began to boom, while Taiwan produced sugar at rates second only to Cuba and by 1945 had a highly developed agrarian economy.

After Japan's defeat in World War II, it took less than two years before the imperatives of this political economy reasserted themselves. As thinking about a revived Japan evolved between 1947 and 1950, two problems emerged. First, how could Japan's vital but second-rate status be assured? Second, how could a prewar political economy that had received raw materials and labor from the Northeast Asian periphery survive in the postwar world without a hinterland?

If Dean Acheson was the architect of American global policy, George Kennan was the engineer, articulating ideas and developing plans that
lent substance and detail to Acheson's architectonic vision. Kennan could never substitute for Acheson and look after the whole, since he lacked Acheson's skills at statecraft, his Wall Street experience, and, fundamentally, his hegemonic conception of the political economy of America's world position. But Kennan was a master at engineering—at placing the blocks in Acheson's world city.

The core of Kennan's containment vision was a realpolitik conception of national industry. He knew that an advanced industrial base was essential to war-making capacity and great-power status. The West had four such industrial bases—the United States, England, Western Europe, and Japan—whereas the East only had one (the Soviet Union) and things should be kept that way. This was the parsimonious little idea behind containment. Accordingly, while containment meant defending the West's primary industrial bases, it did not mean worrying about every brushfire war or revolution in the pre-industrial underbelly.

Kennan also reversed the classic imagery of the Chinese emperors. For him, Asia was the barbarian periphery of a high civilization that radiated outward from Western Europe. The first drop down was in Eastern Europe, the next was in Russia (most of whose vices were Oriental), and when one reached China and its little brother, Korea, one truly scraped the bottom of civilization's barrel. Japan was the exception in Asia, not because of its culture but because it had an industrial base.

These views remained firmly fixed in Kennan's mind, giving his policy recommendations a prescience founded, curiously enough, in anachronism. Thus on the China issue he arrived at the right conclusions for the wrong reasons: the United States should not intervene in the civil war because China was incontinent and how could you have containment with incontinence? China was in Kennan's view "a country with a marvelous capacity for corrupting not only itself but all those who have to do with it"; he believed that "you can help any government but one which does not know how to govern." The day would come when those Chinese who now revile American "imperialism" would "long bitterly" for its return. In the meantime, the West should keep out. (Kennan's opposition to the Vietnam War drew upon the same wellsprings, although few understood that.)

Then there was the simple fact that China had no integrated industrial base, which Kennan thought basic to any serious capacity for warfare. When David Nelson Rowe argued in 1949 that the United States should intervene to stop the advance of the Communists, Kennan responded, "China
doesn't matter very much. It's not very important. It's never going to be powerful."

Some places in the world, Kennan once remarked, get Russian domination and "deserve it." Most of these places were in Asia. For Kennan, mainland Asia was empty: it contained only people without history, who cannot make history. Yet if China was an opaque miasma for Kennan, too amorphous and corrupting even to make a good colony, Korea was even less capable of acting in history—and, paradoxically, precisely for this reason could make a good colony. In 1949, he outlined his "reverse course," or what we may call the Kennan Restoration.

The day will come, and possible sooner than we think, when realism will call upon us not to oppose the reentry of Japanese influence and activity into Korea and Manchuria. This is, in fact, the only realistic prospect for countering and moderating Soviet influence in that area. . . . The concept of using such a balance of power is not a new one in U.S. foreign policy, and the [Policy Planning] Staff considers that we cannot return too soon, in the face of the present international situation, to a recognition of its validity.

Kennan went on to cite Teddy Roosevelt's letter of 1905 to Senator Henry Cabot Lodge, saying that it is best that Russia "should be left face to face with Japan so that each may have a moderative effect on the other," and Tyler Dennett's judgment that "Japanese ascendency in the peninsula" was preferable to "Korean misgovernment, Chinese interference, or Russian bureaucracy." With American friends like this, Korea hardly needed enemies: here was the author of containment, four years after liberation, arguing for a reimposition of Japanese domination in Korea.

If Acheson wanted Japan revived as a second-rank industrial power, Kennan wanted it restored as a second-rank regional power, hamstrung by the United States but free to dominate its historic territory. Acheson and other internationalists had an economic conception of how Korea and other parts of the Asian hinterland could be harnessed to the revival of Japan and the growth of world plenty. Kennan agreed with these goals, but also wanted the Japanese present again on the mainland, eyeballing the Soviets. This, he hoped, would establish a balance of power such as had existed at the turn of the century, and would avoid needless waste of American lives and wealth.

Kennan also did not shrink from sketching out Japan's presumed need for an economic hinterland. In October 1949, he referred to "a terrible dilemma" for American policy:
You have the terrific problem of how then the Japanese are going to get along unless they reopen some sort of Empire toward the South. Clearly we have got . . . to achieve opening up of trade possibilities, commercial possibilities for Japan on a scale very far greater than anything Japan knew before. It is a formidable task. On the other hand, it seems to me absolutely inevitable that we must keep completely the maritime and air controls as a means . . . of keeping control of the situation with respect to [the] Japanese in all eventualities . . . [It is] all the more imperative that we retain the ability to control their situation by controlling the overseas sources of supply and the naval power and air power without which [Japan] cannot become again aggressive.

As if the listener might mistake his intent, he went on:

If we really in the Western world could work out controls, I suppose, adept enough and foolproof enough and cleverly enough exercised really to have power over what Japan imports in the way of oil and such other things as she has got to get from overseas, we would have veto power on what she does need in the military and industrial field.

It was a masterful performance, this elaborating in detail the theory that, in the U.S.-Japanese relationship, "remote control is best."8 Kennan's vision of a hegemonic protectorate foretold—in fact, helped determine—the position Japan has occupied in the American realm in the Pacific ever since.

China: The Acheson Artifice

Japan policy, so important in retrospect, never got the attention it merited in the late 1940s. Instead, the China-Taiwan issue was the central foreign policy difference between Democrats and Republicans. Taiwan, with its pretender regime, became the focal point for all the right wing's objections to Truman's policies and their architect, Acheson.

The essence of Acheson's position was to keep Taiwan and the mainland separated, but not to tell anybody, least of all Chiang Kai-shek. The paradox, still so little understood, is that Acheson wanted to retain the island, because of its strategic importance in a general war, but not the regime, since it was volatile, hard to control, and the United States had no role in creating it. At the same time, he wanted to recognize the People's Republic of China. His logic for doing so was linked to his goals of splitting the Soviet Union and China, maintaining good relations with Britain, and enmeshing China in the grand area.

With the complete routing of the Nationalists on the mainland predicted by late 1948 and accomplished by the summer of 1949, American policy
toward China could be conceived simply. As Dean Rusk once put it, "our first choice in respect to Peiping was that it fall . . . our second choice was that, if it didn't fall, it could somehow be separated from Moscow." George Kennan supplied the geopolitical rationale for the second choice: since the Soviet Union had an enormous internal market yet to be developed, and had only tenuous, rather primitive links to the Far East, it was unlikely to be able to give the Chinese what they needed, or "do much in the way of inter-twining its economy with that of China." He recalled a meeting at which Stalin had said, "If anybody is going to give anything to the Far East, I think it's you."9

State Department internationalists tended to agree with British policy—that is, maintaining diplomatic recognition of mainland China, continuing trade, avoiding military skirmishes with the communists, and hoping that at a later point China would turn to the West for technology, financial resources, and expertise. Chinese industrialization "will require foreign capital, foreign capital goods, and foreign technical assistance," the British said, and will be "almost entirely dependent on non-Communist sources for supplies of rubber, oil, and fertilizers." State Department Far East chief Walton Butterworth agreed, and emphasized oil as a means of rendering China tractable, given U.S. dominance of the world oil regime. He and others in the State Department also wanted to see Sino-Japanese trade continue, for similar reasons. This policy was thwarted by American domestic politics and the Korean War, but was revived 30 years later, with energy resources once again used in an effort to place outer limits on Chinese action.10

If these reasons were not enough to convince internationalists that China's revolution was less important than its need for Western help, that most adroit of Chinese internationalists, Chou En-lai, fueled the policy by hinting in 1949 that China wanted a relationship with the United States in order to forestall dependency on Moscow and because the Soviets could not provide the help China needed.11

In March 1949, Acheson responded negatively to a suggestion by the Joint Chiefs of Staff that the United States should deploy forces in or around Taiwan, arguing that this would fuel anti-imperialist sentiments "just at the time we shall be seeking to exploit the genuinely anti-Soviet irreden-
tist issue in Manchuria and Sinkiang." He went on,

It is a cardinal point in our thinking that if our present policy is to have any hope of success in Formosa, we must carefully conceal our wish to separate the island from mainland control... If we are to intervene militarily on the island, we shall,
in all probability, do so in concert with like-minded powers, preferably using U.N. mechanism[s] and with the proclaimed intention of satisfying the legitimate demands of the indigenous Formosans for self-determination either under a U.N. trusteeship or through independence. [emphasis added]12

What this meant was that Acheson's ultimate goal was twofold: to keep Taiwan integrated into the regional political economy, functioning in symbiosis with its former colonial master, Japan; and to bring the mainland into the regional economic equation. The Korean War disrupted all that. But Acheson's vision would not be a bad description of American policy toward China since 1971.

Korea: The Assault on the Neo-Coprosperity Sphere

The Korean War was essentially an attempt to break the emerging Acheson-Kennan system. The attempt was made not by Stalin, however, but by the North Koreans.13 In the late 1940s, North Korea watched the recovery of its old enemy Japan with growing alarm. Of particular concern was the revival of Tokyo's economic and military relations with Seoul. This is understandable, considering that Kim Il Sung and his followers came of age politically during the struggle against Japanese imperialism. Despite their incessant denunciations of American imperialism, the North Koreans have always been more worried by Japan.

Throughout 1950, fears of a revived Japanese imperialism were expressed regularly in the North Korean press. For example, after Acheson's famed Press Club speech in January 1950, he was accused in the North Korean press of working to revive Japanese militarism and transform Japan and Okinawa into a military base for aggression in Asia, all to the benefit of "the Wall Street masters." A month later, a North Korean commentary on the Sino-Soviet Treaty quoted only the section dealing with the revival of Japanese militarism, and went on to say that the new Sino-Soviet alliance made for "a tremendous, unbeatable force" to defeat American "plots" in Asia, such as the scheme to use Japanese militarists in a new war. Lurking behind all this, the author claimed, was the common interest of American capitalists and Japanese "profiteers," hiding behind slogans of "free trade," to make Korea once again a "dependency" of Japan.14

Perhaps the most interesting comments came in articles linking American policies in 1950 to those at the turn of the century, when Roosevelt had blessed Japanese control of Korea. One author asserted that although the United States had preached "science and democracy" to Asians, it had
in fact simply followed on the heels of the European imperialists in China and had justified Japanese imperialism. According to the author, U.S. intentions could be clearly read in U.S. actions over the past several decades. The United States had supported the Nationalists’ Nanking government between 1927 and 1937; at the same time, it had strengthened Japan by supplying it with war matériel — right up to the months before Pearl Harbor. Then, the Americans had waited on Japan to weaken it, so that the United States could take Japan’s place as Asia’s leading imperialist. After the war, the United States had sent huge amounts of aid to the Kuomintang in hopes that China would become its great Asian ally. Now, with Chiang Kai-shek’s regime in ruins, Washington was turning to Japan. It was a sophisticated argument.

And in fact, at the time some prominent Americans did not shrink from direct identification with Japan’s imperial policies. In April 1950 Tracy Voorhees, a Wall Street banker who became an undersecretary of the Army, lauded a paper drawn up by Stanley Andrews, the director of foreign agricultural relations in the U.S. Department of Agriculture. Korea used to sell rice and fish to Japan, the paper said, and got back industrial and consumer goods; in the future, 70 percent of what the Republic of Korea would need of these goods could be supplied by Japan; “almost parallel with Korea is Formosa.” Accordingly, the paper urged the integration of production between Japan, South Korea, and Taiwan: “Japan is the biggest and most assured market for Korean rice in the same manner . . . [as] Formosan sugar.” The report referred to all this as “a restoration” that would “gradually provide a market of almost universal magnitude.”

In June 1950, the day before the Korean War broke out, an interview with the veteran South Korean industrialist Pak Hung-Sik was published. In it, Pak said that although since 1945 there had been considerable anti-Japanese feeling in South Korea because of the return of “numerous revolutionists and nationalists,” nevertheless at present “there [was] hardly any trace of it.” Instead, the Republic of Korea was “acting as a bulwark of peace” at the 38th parallel, and “the central figures in charge of national defense [were] mostly graduates of the former Military College of Japan.” Korea and Japan were “destined to go hand in hand, to live and let live,” and thus bad feelings should be “cast overboard.”

The Japanese should buy Korean raw materials, he said, and the Koreans would then buy “as much as possible” of Japanese merchandise and machinery. They would also invite Japanese technical help in Korea’s textile, glass, chemical, and machine industries. Pak himself owned a company that was an agent for Ford Motors: “we are scheduled to start producing
cars jointly in Korea before long.” The problem in 1950. Pak said, was the unfortunate one that “an economic unity [was] lacking whereas in prewar days Japan, Manchuria, Korea, and Formosa economically combined to make an organic whole.”

This concern with economic integration was shared by Acheson and Kennan, who in the late 1940s had concentrated more on establishing an area of free trade than on demarking an area of containment, hoping that the charms of the market would be able to penetrate the “Bamboo Curtain.” The Korean War—itself an attempt to destroy the emerging U.S.-dominated system—reversed these priorities. For the next two decades, power was dominant over plenty, and the system’s outer limits hardened into seemingly impermeable bulwarks. But as time has passed, the imperatives of economic exchange have systematically eroded the edifice of security.

When the Korean War ended, both Taiwan and South Korea had absurdly swollen military machines—about 600,000 soldiers in each army, among the highest military-to-civilian ratios in the world. Both were also authoritarian states with large security and intelligence bureaucracies. These oversized militaries served as a perimeter defense for the hegemonic “grand area”; moreover, the formidable policing agencies quieted labor and the left in both Taiwan and South Korea. In a sense, then, these states represented a completion or extension of the Japanese state under American auspices. Japan had been shorn of its formerly powerful military and internal security apparatuses, but in the region these were replicated where needed, usually at American expense. Without such military machines in Taiwan and South Korea, Japan would have had to spend much more on defense than its traditional outlay of less than one percent of gross national product. In fact, if Korea had been wholly communist, it is questionable that Japan’s postwar democracy would have even survived.

These same militaries had another, secondary function. Millions of young men and women in their formative years underwent military service, which imbued them with virtues of discipline and hard work and established basic literacy. This amounted to a strong but mostly unappreciated contribution to economic development—yet another way in which power has meshed with plenty.

In sum, the postwar (or post–Korean War) settlement created in Japan, South Korea, and Taiwan states that were strong in relation to their own economies or peoples, but weak laterally—penetrated by various military, political, economic, and intelligence agencies of the hegemonic power. One example of this lateral penetration is America’s continued operational
control of the South Korean military—since 1945, the United States has had such control in every year but one. Another illustration is American control of nuclear weapons on Japanese and Korean soil. The United States still maintains some 50,000 troops and 118 military facilities in Japan, creating a historically unique situation in which the hegemonic power provides basic security for the rising power.

Thus, the Kennan restoration made Japan's success highly contingent, dependent on a continued relationship with the United States in which Japan is far from an equal. Japan got autonomy in terms of plenty or prosperity but dependency in terms of power or security. In economic competition, therefore, it has gained rapidly on the United States, but is ever vulnerable to U.S. control by extra-economic levers. This will be true as long as Japan does not provide for its own defense. And at present, the Japanese state is not autonomous enough either to raise a strong defense—which would require entering the nuclear arms race—or to break with the United States. Japan is still stuck somewhere between dependency and great-power status, as it has been since the 1890s.

Competition in the world system might be likened to a long-distance race, in which the United States has remained out front for most of the past 40 years, but now sees other countries gaining on it. Periodically it must kick them in the shins or trip them up (recent U.S. policy on Japan's semiconductors is a good example) or even allow them to fall wheezing to the ground (as South Korea did in the 1979–80 period). At the same time, the United States must also assure that such countries remain in the race. It is not easy, being the hegemon.

The 1970s Transition: Nixonian Power and Plenty

Richard Nixon is having a new vogue (perhaps one should say another new vogue). President Reagan turns to him for advice on summitry, baseball teams get him to mediate their disputes, and pundits hang on his every word. A decade ago only the Chinese wanted to resurrect him, but now it is virtually unanimous. One reason for this is that no man understands power and plenty—and America's hypocrisy about them—as Nixon does. In Emile de Antonio's film Millhouse: A White Comedy, Nixon is seen answering a question from an audience: "Will the U.S. invade Vietnam?" Nixon responds, essentially, "No . . . and I might add, we don't plan to invade any other Asian countries, either." The man was all too aware of the sleight of hand by which America exercised its power abroad, and he lacked an Acheson's ability to keep it hidden.
Nixon's policy toward East Asia was, basically, to revive the Achesonian position on China and Korea, and to employ for the first time the levers of power implicit in the U.S.-Japan relationship. The Nixon period was literally pivotal, showing both continuity with past policy and a new willingness to use previously unmentionable means against American allies: plenty and power.

Under Nixon, the world economy was haunted by the specter of American nationalism, as the ostensible hegemon began sticking it to the allies. The best example was Nixon's protectionist New Economic Policy, announced on V-J Day, 1971—what the Japanese called the "Nixon shokku." (Americans got their own brand of Nixon shock a few years later).

Nixon also reaped the rewards of the Moscow-Beijing split Acheson had predicted, and laid the foundations for the economic integration of China with the U.S. and world economies. For Nixon and other conservatives, according to Franz Schurmann,

Peaceful coexistence could be meaningful only if Russia and China agreed to join the world market system. If they did, the conservatives foresaw that conservatizing forces would set in in both countries. The more these militantly revolutionary countries were involved in world trade, the more their barbaric regimes would be civilized under the weight of international responsibility.18

These might as well be Acheson's thoughts, so close were Nixon and Kissinger to the Achesonian viewpoint.

Nixon also made, or attempted to make, changes in U.S. policy toward South Korea. He withdrew one troop division (the first president successfully to do so since the 1953 demobilization). His ultimate goal, never attained, may have been to substitute Japan for the United States as Korea's security guarantor. (It is well to remember that Acheson's original, pre-Korean War policy was troop withdrawal with containment: like Greece and Turkey, South Korea would receive military aid and advice but have no American troops stationed on its soil.) Nixon also pushed the South Koreans on economic issues (mainly textiles), through his somnambulant emissary, Spiro Agnew.

What Nixon did overall was not so much to change the rules of the game as to remind us that the rules included powerful levers that could be used against Japan. Ever since, unease and foreboding have marked Japanese-American interactions. We sense this in the following simple statement by one Japanese commentator: "When Japan is weak and small, the United States is kind and generous . . . and when Japan becomes big and strong, the U.S. gets annoyed and resorts to Japan-bashing."19
The engineer of Nixon's policy was Treasury Secretary John Connally, whose modus operandi was to make nasty comments about Japan ("Don't they remember who won the war?"). In 1979, during a failed campaign for the presidency, Connally was the first to invoke the rhetoric of American nationalism that is now commonplace: if Japan did not abide by "fair trade," well then "they could just sit in their Toyotas in Yokohama and watch their color TVs and leave us alone." Internationalists like Zbigniew Brzezinski and David Rockefeller took a more sophisticated approach, trying to shape the integration of the new Japan into the world economy in such a way as to prevent the "fragile blossom" (as Brzezinski called it) from turning into Tokyo Rose.

Such a turn is a possibility, since Japan's structural dependence makes it subject not just to kicks in the shins but also to blows to the solar plexus. The 1970s made clear that while the United States may be dependent on foreign oil, its relative vulnerability is so much less than Japan's (or Western Europe's, for that matter) that it can benefit from its allies' adversity. Many Japanese still believe the quadrupling of oil prices was abetted by Nixon and Kissinger in an attempt to shift the terms of trade in America's favor.

All things considered, Japan does prefer that the United States be the hegemon — the single world authority that guarantees the large structure within which Japan exists and competes. But the Japanese feel that this should be done as it was until 1971, with Japan's growth understood to be salutary for the whole system, not detrimental to it. In other words, the United States should look after the whole, and let Japan look after the parts. The problem of our time, of course, is that the task of looking after the whole is no longer within America's capability.

**Combat in the High-Tech Zone**

When Ronald Reagan was nominated in 1980, delegates to the Republican Party convention insistently voiced their belief that "We're Number One," and Reagan himself pledged to "make America great again." Ever since, his speeches have been tinged with the theme of a lost but recoverable past, even as that past recedes and America's problems deepen. Lieutenant Colonel Oliver North and his entourage of "110 percent Americans" merely parodied this theme in the summer of 1987.

Although much of Reagan's foreign policy reveals discontinuity, indeed discontinuity bordering on disarray, in the case of Japan there has been continuity. To the extent that Ronald Reagan can be said to have an Asia
policy, that policy places Japan first and links the rest of the region to it. Japan is judged to be preeminent as a regional power because of its industrial prowess; consequently, the Reagan policy is to prod Japan to fill out its economic capability with at least modestly appropriate military capability. At the same time, the policy seeks to increase Japan's dependence on American high technology, most of it defense-related.

Reagan's tendency to run through national security advisers like Hollywood changing leading ladies has only served to deepen the influence of the one continuous national security presence—former defense secretary Caspar Weinberger (who left the administration only when Reagan seemed to opt for Nixonian detente). Weinberger was the author of the Japan-first strategy, and pushed it continuously since Reagan's inauguration.²⁰

Since the time of Franklin Roosevelt, a critical question for Americans has been which power, Japan or China, should be the centerpiece of America's Asia policy. The impetus for Reagan's concentration on Japan was the emergence of a powerful Soviet Pacific Fleet, which had begun in the 1960s but was becoming highly visible by the late 1970s. Around this time, the Carter Doctrine had drawn off American naval strength to the Indian Ocean and Persian Gulf, leaving the North Pacific with a reduced contingent of U.S. carriers and other ships and thereby increasing the perceived Soviet naval advantage.

Almost as soon as he took office, Weinberger began drawing up his famous five-year (1984–88) "Defense Guidance," which some later called "a revolution in military doctrine."²¹ Central to the plan was "the Lehman Doctrine," named for Secretary of the Navy John F. Lehman, Jr. The basis for a projected $200-billion, 600-ship navy, the doctrine conceived of the United States as "an island nation," "vitaly dependent on access to the scalanes for trade in peacetime and for reinforcement of allies in time of war." In 1981 Weinberger said that American dependence on such access was so great that "we must be able to defeat any military adversary who threatens [it]." Moreover, the plan involved sending battle groups "into 'high-threat' waters adjacent to the U.S.S.R. in order to strike key Soviet facilities and to divert Soviet strength from the Central Front in Europe."²²

In January 1983, in Washington, then Japanese prime minister Yasuhiro Nakasone said that the Japanese archipelago resembled "an unsinkable aircraft carrier putting up a tremendous bulwark of defense." During that visit, he also agreed to transfer the $4-billion package of loans and credits to South Korea—an act viewed by the Reagan administration as a contribution to Korean, and therefore Japanese, security. Nakasone's
defense minister, Yoshio Sakarauchi, stated at the same time that peace and security in Korea were "vital" to Japan, and acknowledged that the United States and Japan were jointly studying mutual responses to "contingencies in the Far East area extending outside Japan."

Before Nakasone came into office, Weinberger had called on Japan to develop the capacity to defend "the airspace and the sealanes up to a thousand miles from [Japan's] shoreline" something to which Japan committed itself in 1981. Japan has also begun to participate in American naval exercises in the Pacific, such as the "RIMPAC" exercises off Hawaii. A new Japanese-produced cruise missile, the SSM-1, is credited by some with giving Japan the capability to destroy Soviet surface ships in adjacent waters.33

Until recently the Soviets had kept up steady attacks on American "collusion" with reviving Japanese militarism. The shooting down of Korean Airlines Flight 007 in September 1983, of course, greatly intensified security concerns for both powers in the region near Japan, and also demonstrated the extent of American-Japanese cooperation in intelligence gathering. In July 1986, however, Soviet General Secretary Mikhail Gorbachev gave his noted Vladivostok speech signaling a new Soviet approach to East Asia policy. While Gorbachev called attention in the speech to U.S.-Japanese cooperation in military exercises and the like, he also indicated a willingness to improve relations with Japan and to terminate the decades-old Soviet fixation on the possibility of Japanese revanchism.

Although this shift has not yet produced tangible results, it would not be surprising if the supple diplomacy that has served Gorbachev so well in other regions eventually succeeds in East Asia as well. The recent intermediate-range nuclear forces agreement and the summit in Washington severely undercut a prime rationale for pressing Japan on security issues—the Soviet threat, particularly the SS-20s on Asian soil, which are now being dismantled. As a result, Moscow may gain an important opening, and Tokyo may become increasingly able to deflect defense pressures from Washington. In the long term, Gorbachev's new diplomacy may also work to reduce Japan's sense of security dependency on the United States.

Yet there is more at stake in the Reagan administration's Japan-first policy than countering a Soviet naval buildup. Washington has been aiming not just to prod Japan toward greater regional security efforts, but also to narrow Japan's lead in the U.S.-Japan economic race. Since Japan is the main American economic competitor, getting it to spend more of its own resources on defense, rather than continuing to depend on the United States, will hasten the end of its "free ride."

More than most secretaries of defense, Weinberger was willing to pub-
licitly acknowledge the existence of a relationship between defense spending and economic dynamism (although the way he interpreted this relationship seemed to depend on whose economy was in question). In a little-noted speech in San Francisco in March 1981, Weinberger indicated that increases in Japanese defense spending would have the effect of slowing down Japan’s dynamic economy. (The huge increases that he advocated in American defense spending, however, are said to enhance the health of the U.S. economy.) Add to this the intensifying U.S.-Japan competition in high technology, and we begin to grasp the essentials of the new Japan-first policy.

Lionel Olmer, Commerce Department undersecretary for foreign trade, expressed a widely shared administration view when he argued in 1983 that Japan has taken advantage of our generosity in high technology. The United States has transferred $10 billion in advanced technology to Japan since 1950 in “the biggest fire sale in history,” he maintained, but Japan has not reciprocated. What such a view fails to take into account, of course, is the Acheson-Kennan strategy that deemed the revival of Japanese industry—requiring this transfer of technology—essential to containment in the Far East. As we have seen, this “free ride” also made Japan dependent on the United States, thus giving us unusual leverage over an economic competitor.

A 1983 Business Week article argued that “if the Pentagon had its way, Japan would shoulder responsibility for bottling up the entire Soviet Pacific fleet within the Sea of Japan.” But Washington’s real goal, according to the article, was “to offer Japan a limited range of weapons, making Tokyo dependent on the U.S. for most of its military needs.” Tying Japan to American military programs would in turn give the United States access to advanced Japanese technology in semiconductors, fiber optics, robotics, and ceramics. A key Defense Department official remarked that the United States, on the other hand, did not intend to give Japan access “to any of our high technology.”

The technological conflict is particularly sharp in aerospace, where Americans worry about Japan’s move into the industry—one of the few in which the United States still has a clear and commanding lead. Tokyo’s Ministry of Trade and Industry has targeted aerospace for development, and hopes that soon Japan will compete with Boeing and McDonnell Douglas. In the meantime, Japan has set up a joint venture with Boeing to coproduce the fuselage of the new Boeing 767 commercial jet. American firms worry that Japan will be able to produce its own commercial planes by the 1990s.
Clearly, Reagan-era planning perpetuates the post–World War II settlement—Japanese industry and defense efforts should grow, yes, but as a boon to American, and not necessarily to Japanese, interests. Although Japan seems unlikely to remain technologically dependent in the area of computer hardware, where it is rivaling the United States in building the supercomputers so essential to high-technology defenses, Japan still lags far behind in software and in systems engineering. Most of the software Japan uses for its air and sea defenses and electronic warfare systems is American-made.27 The United States may be a declining economic power, but it still does know how to do some things—like hemorrhage money into defense systems. The best example is the Star Wars project, basically a cloak for a state-led program to develop supercomputers and the requisite software—industrial policy, national security-style.

Still, Japan is by no means fully compliant with U.S. wishes, and it is unlikely to acquiesce to the Reagan administration’s attempts to maintain Japanese technological dependence in certain fields. Japan decided in January 1987 to breach the traditional one-percent-of-GNP limit in its defense expenditures—a small incremental move that was nonetheless a symbolic leap forward. Its capacity to implement air- and sea-lane defenses around Japan is at least a decade off, however, and progress is likely to proceed more slowly now that Nakasone is no longer prime minister.

For the Japanese public is still hostile to any major defense buildup, despite reports of rising Japanese nationalism.28 Even mild textbook revisions downplaying the role of militarism in Japan’s prewar aggression in Asia have prompted outrage at home and in neighboring countries. Planners in the economic ministries may well have been happy to see the revisions and the predictable response, which they could then cite as a reason to go slow on defense spending.

The other critical issue between the United States and Japan in the 1980s has been the question of plenty: ours versus theirs. This has expressed itself in the relentless U.S. pressure throughout the 1980s for Japan to continue opening its market to American goods, to adopt policies to stimulate the Japanese economy, and to sit still while our central bankers, Paul Volcker and his successor Alan Greenspan, attempt to pass on to Japan the costs of American economic infirmity. The latter effort has induced a sort of “bankers’ shokku” in Japan, as one newly published book after another claims that American bankers, or Jews, or both, are involved in a conspiracy to keep Japan in its place.29 A more substantive response came from Haruo Maekawa, former governor of the Bank of Japan, who issued a report in March 1986 calling for serious structural reform in the Japa-
nese economy; in July, the Foreign Ministry endorsed this in its “Blue Book,” calling for a “second opening of the country” analogous to the Meiji Restoration. But little of significance has followed that unprecedented statement.

The great problem of the 1980s has been that as the American capacity for producing plenty and for invoking the old dependencies has declined the political levers of the postwar settlement have been used against Japan more and more. In the plan’s original conception, military and political means were to be used to establish the limits of the “grand area,” but would eventually be replaced by a fabric of complex economic relationships. But with Japan—and increasingly South Korea and Taiwan—besting America in economic competition, the United States seems reduced to mimicking previous empires in decline, flexing political and military muscles to get its way economically.

It is not at all clear, in other words, that Weinberger’s pressures have significantly advanced his goals, let alone produced a more mature Japan-U.S. relationship. If Japan were suddenly to carry out Weinberger’s agenda and become a regional military power, it is hard to see who would benefit. Rather, the Japanese right and an emerging Japanese nationalism would be reinforced, which would in turn stimulate even more anti-Japanese sentiment in the United States. The older American generation, in particular, still fears the exercise of Japanese power by an independent Japan—as evidenced by a particularly virulent article written by the late Theodore White, and by Henry Kissinger’s warning on the consequences of arming Japan.30

More important, by emphasizing the security elements of U.S.-Japan relations—pushing Japan to increase defense spending as America has done—we have probably only hastened the U.S. economic decline vis-à-vis Japan. Americans would be better advised to adopt a position of openness, if not humility, toward the lessons of Japanese industrial success—that is, to follow their path of investing in wealth rather than weapons.

China: The Achesonian Lineage

It is noteworthy that within a year or so of his inauguration, Reagan had contrived to have deteriorating relations with China, the Soviet Union, and Western Europe all at the same time—no mean feat. In the case of China, Reagan did manage one year of policy continuity and cooperation; but this was followed by two years of degenerating relations. The shift came so suddenly that, after a year of the Reagan presidency, China’s deputy foreign minister commented, “Relations are facing a crisis.”
A major part in the downplaying of China was taken by Weinberger, whose "Defense Guidance" said much about Japan's role in U.S. strategy, but little about China's role. China has little or no navy, an obsolescent air force, almost no capacity for high-technology weaponry, and an antique missile arsenal—not to mention its doubtful reliability against non-Soviet but nonetheless threatening forces (such as North Korea). Nonetheless, Weinberger visited China in 1983, seeking to enlist China in "strategic cooperation." The Chinese seemed far more reticent than in the halcyon days of Carter and Brzezinski, although they were happy with Weinberger for lifting restrictions on certain types of advanced technology exports. Weinberger's 1986 trip to Beijing was more fruitful, as the Chinese finally agreed to permit American warships to make a port visit—to Qingdao, just across the Yellow Sea from Korea. Still, the visit merely underlined the prominence of Weinberger's naval strategy, in which China could not play a significant part.

Sino-American relations warmed markedly in the summer of 1983, and have since proceeded without further talk of "crisis." Yet whereas the Carter administration pursued power and plenty, achieving both a strategic and an economic basis for the Sino-American relationship, the Reagan administration has pursued only the latter. American global strategy no longer depends on the China card. The new war plan based on control of sealanes, maneuverable forward postures, and high-technology war-fighting capability, and a domestic Republican coalition biased toward anti-communist stalwarts like Taiwan, combined to put China in a secondary position to Japan. At the same time, however, the economic logic of influencing and supporting changes in the Chinese economy's outward orientation has continued uninterrupted. This economic rationale for the Sino-American relationship was articulated by Richard Nixon in 1982 when he argued that the more we engage China "in an intricate network of commercial relations, the more we increase its stake in peace"—not to mention make a lot of money. This enmeshment strategy has particularly emphasized American assistance with China's energy needs. One American official remarked that "the real strategic cooperation between our two countries is not military, it's in energy."33

Throughout the 1970s and 1980s, in fact, the United States has sought to shape China's economic and strategic policies, with far greater success than most analysts have suggested. It is commonplace to observe that China developed the strategic policy the United States wanted it to have: opposition to hegemonism (the Soviet Union) but not to imperialism (the United States). But China also partially adopted the economic strategy that the
United States—or world agencies dominated by the United States, such as the World Bank—wanted it to have.

If there were only a strategic content to the China card, then the United States would have been happy with China's 1976–78 program of heavy industry—what then premier Hua Kuo-feng called "a war of annihilation in capital construction"—since it fueled China's war machine and tied down the Soviets in the Far East. But there was a complementary economic strategy as well, which sought not simply an anti-Soviet China, but also a China that would be, for the foreseeable future, enmeshed with and dependent upon the U.S.-managed world economy. Today, it is this economic logic that stands out, the strategic logic having lost its earlier luster for both China and the United States.

The critical shift for China came in 1978, when perennial heavy-industry-first policies gave way to an approach that emphasized light industry and exports and allowed market forces some limited play. Although no single factor can account for this shift, China's oil problem was probably a major one, since heavy industry requires intensive application of energy.

As it happened, the Central Intelligence Agency had predicted that China's oil production would peak in the late 1970s, and had suggested a remedy that was clearly in the U.S. interest: offshore oil production. The United States and its multinational oil companies possessed the expertise, technology, and world market position best suited to help China in this area. The world oil regime, still dominated by the major U.S. oil corporations, could help China and itself at the same time, by making China dependent on Western offshore technology while also achieving the traditionally all-important goal of influencing if not controlling new oil supplies coming on stream. Such an arrangement would also head off a potentially worrisome coalition, in which Japan would provide China with industrial technology in return for Chinese oil—a relationship that threatened to lessen Japan's external dependence on Middle Eastern oil and the U.S. oil companies. Another benefit of the offshore option was that it would take at least a decade to recover enough oil to make a difference in China's energy picture. Thus a Chinese commitment to offshore development might guarantee a fairly long-term orientation toward the United States.

The economic logic of the Sino-American relationship had many parallels with the U.S.-Japan relationship—parallels perceived as such by U.S. and Chinese leaders. In both cases, security and economic issues mingled. For China, the essential point was to minimize defense costs by forging an informal alliance with Washington, and to maximize economic benefits by opening its doors to foreign capital, corporations, and technology.
The process of increasing China's dependence on the West for development of its energy resources, begun in 1978 simultaneously with the normalization of relations, bore fruit in the early 1980s. China awarded major contracts to a number of oil firms, the majority of them U.S. firms or those using U.S. technology, to explore and develop offshore oil. In 1982, an official from the Department of Commerce argued that offshore oil “is the cutting edge of Sino-U.S. relations for the rest of the century. . . . Any time oilmen put iron in the water, they're talking about a long-term operation.” Nuclear, coal, and hydropower would also develop with U.S. help: “The Chinese can pay for anything they put their mind to,” the official said; “it just so happens that in these three areas, we have the best technology.”

Thus, in both defense relations and energy, the United States encouraged China to make choices that would entail continuing, if subtle, dependency. And precisely because such investments and relations were for the long term, and because China could not in the late 1970s realize the foreign exchange from oil exports it had hoped to, it became essential to implement a new export strategy stressing light industrial goods such as textiles and consumer electronics. Such a strategy would also enmesh China in the world economy's division of labor—a development U.S. policymakers were eager to see.

**Pickle in the Middle: The Korean Peninsula**

In 1950, the Korean War shattered the Acheson-Kennan plans for the Far East (at least temporarily), hardened strategic lines, and greatly skewed America's Asia policy toward harsh anticommunism and military solutions. In the late 1980s, the Korean peninsula remains the most volatile flashpoint in Northeast Asia, both because of international political pressures and because of the percolating crisis in South Korean politics.

Today the Korean peninsula is a Cold War island in a post–Cold War sea. For a North Korean leadership that cut its teeth fighting Japanese imperialism in the 1930s, the heightened Japanese nationalism and bold commitments of the Nakasone years must be very worrisome. In April 1984, during an interview with TASS correspondents, Kim Il Sung drummed on the themes of revived Japanese militarism and American imperialism. China's deepening involvement with the United States, Japan, and South Korea (“informal” trade between China and South Korea was more than $1 billion in 1985 and 1986) is also of concern to Pyongyang, and has pushed the North back toward the Soviets for the first time in
a generation. As in 1950, North Korea retains a capacity to disrupt, if not to destroy, the Northeast Asian system.35

But it is South Korea that is likely to cause the greatest problem for American strategy. One has to wonder: what is the reason for the extraordinary volatility of South Korean politics—the periods of seeming stasis punctuated by devastating eruptions? And why should a nation that was retrieved from oblivion by the United States have so many young people who hate America? There are no easy explanations for these disturbing characteristics of Korean political life, but one crucial factor—perhaps the crucial factor—is the structure of Korean-American security relations.

The authoritarian institutions of the South Korean state were born with U.S. aid—the police and the army in the 1940s, and the Korean Central Intelligence Agency in 1961—and various U.S. agencies still play an active role in South Korea. The Reagan administration, in particular, has reinforced the security apparatus more than any president since Eisenhower, and has pressured the Koreans on economic issues, especially on the opening of Korean markets.

In other words, Reagan has invoked against Korea what Nixon invoked against Japan—the hidden rules of power and plenty in the American relationship with Northeast Asia. What he has received in return is a profound reassertion of Korean nationalism, causing a temporary unity between the ferocious Korean right and the developing Korean left. What this nationalistic reaction will lead to is still an open question.

Plenty Over Power

A mingled conception of power and plenty shaped the postwar settlement in Northeast Asia, and continues to define hegemony in the region today. But, while U.S. hegemony remains in place, American policymakers have increasingly come to look askance at the unintended consequences of their handiwork—in particular, Japan's spectacular economic rise and America's corresponding economic decline. With its ability to produce plenty diminished, Washington has once again turned to invoking the power dimension of its hegemony. As a result, the United States more and more appears to be heading down the path of other hegemonic powers in decline, trying with little success to use military means to get its way on economic matters.

Thus, in the waning days of the Reagan administration, the United States finds itself increasingly at odds with the region’s emphasis on plenty over power, and its Japan-first strategy is in increasing disarray. The new Japa-
nese prime minister, Noburo Takeshita, has quietly sought to distance Japan from the bold defense commitments of the Nakasone years. Rather than concentrate on bolstering the security of neighbors like South Korea, as the United States would have him do, Takeshita has worked to revive the "good neighbor" policy of showering aid on Southeast Asian countries not in Japan's immediate security perimeter. His goal, it seems, is to maximize the economic potential of the mature Northeast Asian regional system, while softpedaling the elements of power and security.

China has likewise focused on economic matters during the 1980s, calling for a peaceful environment for its modernization goals. Even Gorbachev's Soviet Union has signaled its desire to participate in the vibrant Pacific Rim economy. Only American policy, then, remains an unknown as the United States struggles to find a new role in the system it created.

The challenge for the next administration will be to base U.S. policy in Northeast Asia on the production of plenty, rather than to use power politics and military threats to keep recalcitrant (or excessively prosperous) allies in line. Economic competition in the region is fierce; accordingly, a commitment to plenty over power will ultimately require that the United States look inward for the solutions to its problems. It comes down to this: Americans must decide to stop spending money on the far-flung and anachronistic obligations of empire, and must instead renew their commitment to a dynamic American economy.

Notes

7 U.S. State Department, Policy Planning Staff file, box 13, Kennan to Rusk and Jessup, September 8, 1949.
9 See Cumings (fn. 3).
11 On Chou's approach to the United States, or at least what O.E. Clubb, David Barrett, and others thought to be an approach, see FRUS, 1949, Vol. 8, pp. 357–360, Clubb to Secretary of State, June 1, 1949.
13 See Cumings (fn. 3).
14 Nodong sinmun (Worker's daily), February 10 and 18, 1950; Sun'gan tong'sin, Vol. 48, No. 5 (January 1950).
16 Stanley Andrews, with Robert R. West, "Coordination of American Economic Aid in South and Southeast Asia," in RG335, Secretary of the Army file, box 77, Voorhees to Pace, April 4, 1950; see also Hoover Presidential Library, PPI file, box 545, Voorhees to Hoover, April 4, 1950.
22 Ibid.
26 Ibid.
27 There is sharp controversy in the literature over Japan's technological position vis-à-vis the United States, but for a recent book supporting my view that Japan remains behind in several high-tech categories, see Robert Sobel, IBM vs. Japan (New York: Stein and Day, 1986), especially pp. 227–43. Sobel argues that Japan still has made few real innovations in high technology, and that the United States in supercomputers, artificial intelligence, and the like.
28 An Asahi Shim bun poll in March 1987 showed that only 15 percent of the Japanese public approved lifting the one percent GNP limit on defense spending, and 61 percent were opposed. See Chuma Kiyofuku (fn. 20).
29 See, for example, If You Can Understand the Jews You'll Be Able to Understand the Japanese (Tokyo: 1986).
For a well-informed discussion of Beijing's recent policies, see Hao Yu-fan, "China and the Korean Peninsula: A Chinese View," *Asian Survey*, Vol. 27, No. 8 (August 1987), pp. 862-84. Hao argues that "China-DPRK relations have been and will continue to be the cornerstone of Beijing's regional policy," something at odds with Washington's policy in the region.


35 China's worry about all this is palpable in Hao, "China and the Korean Peninsula," (fn. 31).