Japan-bashing: how propaganda shapes Americans' perception of the Japanese

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JAPAN-BASHING:
How Propaganda Shapes Americans' Perception of the Japanese

by

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## CONTENTS

<table>
<thead>
<tr>
<th>Chapter Title</th>
<th>Page Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract.</td>
<td>1</td>
</tr>
<tr>
<td>Introduction.</td>
<td>2</td>
</tr>
<tr>
<td>Chapter 1. Propaganda Theory: A Structural Framework.</td>
<td>19</td>
</tr>
<tr>
<td>Chapter 2. From Perry to Pearl: America’s Ties to Japan.</td>
<td>34</td>
</tr>
<tr>
<td>Chapter 3. Mythic America: The Postwar International Order.</td>
<td>57</td>
</tr>
<tr>
<td>Chapter 4. America and Japan Today: &quot;the most serious schism of the postwar era&quot;</td>
<td>67</td>
</tr>
<tr>
<td>Chapter 5. Public Opinion Trends in the 1980s.</td>
<td>89</td>
</tr>
<tr>
<td>Chapter 7. Conclusions: The Need for Propaganda.</td>
<td>129</td>
</tr>
<tr>
<td>Appendix.</td>
<td>137</td>
</tr>
<tr>
<td>Selected Works.</td>
<td>154</td>
</tr>
<tr>
<td>Vita.</td>
<td>159</td>
</tr>
</tbody>
</table>
ABSTRACT

According to recent public opinion polls, the threat of Japan's growing economic power has replaced the fear of a militarized Soviet Union. This is not at all surprising, considering the manner in which Japan and its people have been presented by the American media. Do the Japanese truly threaten our national security? An analysis of international economic figures suggests that Japan's economic presence, albeit extensive, does not warrant the 'singling out' of Japan that often occurs in the media; rather, the negative treatment can be explained more adequately as propaganda. After providing a structural framework of propaganda theory, this study attempts to apply these theories to contemporary "Japan-bashing." What becomes evident is that there is much more to the analysis than mere economics. Also shaping the treatment are a history of latent racism toward the Japanese, and the postwar myth of American superiority. These combine to prevent an objective evaluation of the Japanese. Though evidence clearly indicates that the US is not the economic power it was in the 1950s, it is difficult to discard the notion of America as "number one;" instead, the Japanese provide a handy scapegoat for explaining the US' relative decline in the global economy.
Introduction

The Hate continued exactly as before, except that the target had been changed. 

—George Orwell, 1984

In early 1991, a generation that for the first time witnessed the United States at war, was presented with yet another reminder of war as the year came to a close — the Japanese attack on Pearl Harbor. No American television viewer or newspaper reader could avoid the frantic barrage of specials, documentaries, war films, headlines, even a postage stamp, that commemorated the attack, reminding us of the innocence of Americans, who upon suffering unprovoked violence, were drawn reluctantly into the second World War. Peace-loving, serene, consumption-oriented Americans in 1941, as in 1991, just wanted to dance by the light of the silvery moon, to drive their Chevrolets across the USA---not to get into a war. But alas, we were attacked.... Isolationists could no longer resist the inevitability of US military involvement in the Pacific region. As in the Gulf War, during which public support for US involvement skyrocketed after the war began, the real threat of war, of dead American boys, encouraged strong support for military retaliation.
The commemoration of the 50th anniversary of the events that took place at Pearl Harbor, or perhaps more accurately, the staged recollection of Japan's historic act of treachery, is particularly noteworthy during the current period of US economic history since some observers have labeled it an "economic Pearl Harbor". Senator Donald Riegle of Michigan, whose constituency base is in large part formed by autoworkers, used the term to describe Japan's assault upon the US auto industry. The term has also been applied more generically by author Karel van Wolferen in his commemorative editorial in the New York Times, "An Economic Pearl Harbor?":

The world that witnessed the Japanese attack on the US is very different from the world today, but some traits have remained the same, and both countries ignore them at their peril. The crucial similarities are that Japan is out of control and that the US cannot cope with Japanese power or fathom Japanese intentions.2

The treachery and the inscrutability of the Japanese; the naivete and inculpability of the Americans: the language and the images are not unlike those of World War II. Van Wolferen goes on to describe contemporary Japan as an "unstoppable and politically rudderless entity," with "unprecedented power", exerting itself "for what makes [the Japanese] feel most secure: unlimited economic expansion to render Japan invulnerable to capricious foreign forces." In 1941, this

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"entity" would have been the totalitarian military leadership; today it is the monolithic network of economic organizations that drive 'Japan, Inc.'.

These types of conclusions with respect to Japan have not been drawn merely to embellish timely reminiscences of the "Good War." Again, to use van Wolferen as an example (as the mainstream media often do), his thesis first attracted attention in his 1987 article in Foreign Affairs, "The Japan Problem", and was followed by the immensely popular The Enigma of Japanese Power in 1989. Van Wolferen's analysis was one of several attempts by writers such as TRW's Pat Choate, former Commerce Department official Clyde Prestowitz, professor George Friedman, and Atlantic journalist James Fallows, to name just a few, to help explain Japan's "miraculous" ascendancy in the postwar global economy. More recently, several of these writers have served as "experts" for media analyses of these issues, as journalists scramble to relate the legacies of WWII to the realities of today.

Probably the most disconcerting of these realities is the trade deficit with Japan. Although the US has experienced an

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3The term derives from Studs Terkel, The Good War (New York, 1984).

overall global trade deficit each year since 1976, the deficit with Japan has hovered above $40 billion since the mid-1980s, accounting for about half of the overall deficit. Also fueling the general sense of anxiety about Japan are the recent high-profile acquisitions by Japanese corporations of such bastions of American culture as Columbia Pictures, Rockefeller Center, the Pebble Beach golf courses, MCA (and "Hawaii," some might add). The headlines project doom: "Where Japan Will Strike Next", "Japan Invades Hollywood", "The Japs Capture Rockefeller Center". The imagery of a unified, strategic Japanese assault on the American economic front is both prevalent and potent, suggesting that our very heritage is being wrested away from us.

This is not a topic that gets lost in the business section of newspapers, privy only to international financiers or trade analysts. John E. Rielly reports in Foreign Affairs the results of a 1990 Gallup poll conducted by the Chicago Council on Foreign Relations in which 71% of the surveyed public felt that Japan practices unfair trade, while only 40% attributed the same transgression to the European Community.


6John E. Rielly, "Public Opinion: The Pulse of the 90's," Foreign Affairs Spring 1991, 79-96. The "public" in this poll was some 1100 men and women; no information about region, occupation, education, etc. was given to indicate biases of sample.
The overall thrust of the data was that in the demise of the Soviet Union's military threat to the US, the "public" now found much higher priority in addressing what were sensed to be economic vulnerabilities vis a vis Japan's growth in economic strength since the 1970s. Pollster William Watts of Potomac Associates has similarly noted, in a study conducted for the Commission on US-Japan Relations for the 21st Century, that an increasing majority of Americans fear a military threat from the Soviet Union less than an economic threat from countries such as Japan.

These poll findings are not surprising in light of the media's consistent, extensive portrait of Japan as an aggressive nation, oblivious to international rules of free trade. These images have existed throughout the 1980's, becoming more prevalent during the final years of the Cold War, culminating in a climactic barrage of coverage as 1991 came to a close. In those final weeks, half a century after the "date that will live in infamy," accounts of Japan's

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7Europe's economic comeback after WWII's devastation is rarely, if ever, patronizingly coined 'miraculous'; and, except in reference to rock music, its expansion into the US has not been labeled an 'invasion' despite the fact that British, and until 1988, Dutch, investment in the US surpasses that of the Japanese. Moreover, it must also be recognized that the European community does not practice free trade, at least not outside the confines of the community itself; members favor each other in order to enhance community economic well-being. Even during Great Britain's exalted period of 'free trade' during the 18th and early 19th centuries, trade between Britain and commonwealth members was 'freer' than between Britain and nonmembers.

"invasion into US universities", its importation of keiretsu styles of leadership to Japanese corporations in the US, and its ensuing victory in the economic "war" with the US, served to support and prolong Pearl Harbor memories of untrustworthiness, lack of restraint, and unprovoked treachery; thus, public opinion toward Japan, if based upon the images created in the mainstream media, has had virtually no alternative to outright animosity vis a vis the Japanese.

Assessing the Threat

Should Americans be worried? Do Japanese economic forces threaten our national security? If the situation is as dire as commentators suggest, and as public opinion reflects, then we as citizens in a democracy should become knowledgeable of developments in the US-Japan economic relationship and demand

9"Selling Our Brains", 20/20. ABC. 6 December 1991. This was broadcast the night before the actual 50th anniversary of the attack on Pearl Harbor, one of several variations on the theme of Japan as aggressor.

1020/20. ABC. 27 September 1991. Keiretsu companies enjoy a tightly interwoven network of suppliers, producers, and banking facilities; Western critics charge that Japanese corporations set up shop in the US but continue to favor their Japanese keiretsu members, thus eliminating American competition (or as The Economist put it, "Japanese firms prefer to conspire rather than compete with each other..., and now they are doing it in our own backyard" ("Inside the Charmed Circle" 5 Jan. 1991: 54)). Moreover, as this particular television segment maintained, Japanese executives prefer to work with fellow Japanese, resulting in efforts to "Japanize" plants. Three cases were discussed in which white American male managers were suing corporations such as Toyota, Ricoh, and Fujitsu for discrimination based on national origin.

that our leaders safeguard our societal interests against this threat. However, an examination of international trade and investment figures offers a more tempered assessment of the situation. The figures reveal that Japan's economic growth, from its wartime devastation, through its period of protected reindustrialization, to its present status as the world's greatest creditor nation with a GNP second only to the US', has indeed been remarkable; but they also reveal that there are other actors, not just Japan, that are exhibiting changes in growth and power. For instance, it was only in 1988 that total direct investment\(^\text{12}\) by Japanese corporations in the US surpassed that of Dutch corporations, while British corporations have invested almost twice the amount that Japanese corporations have. And although the percentage of Japan's gross domestic product gained from exports is roughly one-third to one-half that of other industrial nations,\(^\text{13}\) Japan is singled out for its use of "adversarial" trade practices.\(^\text{14}\) Other trends suggest that Japan has closely responded to American demands to narrow its trade surplus, to raise its defense budget, to liberalize government

\(^{12}\)The United States considers "direct investment" to be any foreign holding that controls 10% or more of the voting securities or 10% of controlling interest in a business, financial institution, real estate, or an industrial facility.

\(^{13}\)According to figures from the International Monetary Fund and The Economic Report of the President, 1992.

\(^{14}\)This is to be contrasted with "competitive" trade in which a country maintains balanced trade with other nations.
expenditures, and to remove numerous structural and cultural barriers that make Japan resistant to high-value imports and foreign investment, but these facts have not altered the general line that Japan, singularly, has the power, and the will, to threaten our well-being.

Why don't the Japanese get better American press? Why do we just hear about Sony buying Columbia Pictures (and the onerous implications for American movie-viewers), or Mitsubishi buying Rockefeller Center (and thus, America's Christmas tree), and not about, for instance, how the US, the world's greatest debtor nation, has become so dependent on foreign capital -- any foreign capital -- to finance the budget deficit? Japanese capital has poured into weakened real estate markets, neglected smokestack industries, government securities -- even Walt Disney World; subsequently, US interest rates were kept low, jobs were provided (at higher wages than those in domestically owned firms), and productivity has increased where Japanese capital has rejuvenated some of America's industrial wastelands. In a May 31, 1988 New York Times OpEd piece, former New York Federal Reserve Board President Anthony Solomon explained:

> Without direct investment, interest rates would have to rise significantly to attract foreign money to offset our large trade deficit. An interest-rate rise would retard growth and domestic investment, which would end up costing us jobs.

All of these factors, according to the global capitalist ethos, are good: good for Japan and good for the US. For
ours is an increasingly globalized, computer-linked international economy that allows billions of dollars to be transferred across borders and across oceans, at the touch of a broker's fingertips; capital simply finds its most profitable niche. In the 1980s, the same factors of deregulation and corporate concentration that spurred domestic merger and acquisition activity within the US also encouraged foreigners to acquire US assets at record levels; from 1984 to 1988 total foreign direct investment (FDI) increased fourfold. And though US interests still hold about one-third of worldwide FDI, the US became, in the 1980s, the largest recipient of FDI activity as outward investment by Great Britain began to exceed that of the US; in 1988, for instance, 38% of all international mergers and acquisition activity was undertaken by British corporations. But by the end of the decade Japan became the world's greatest source of FDI, yet another example of how the US has lost its edge to Japan.

Coping with Declining Hegemony

Clearly, America's declining economic power in so many areas comes as painful news to all those who have grown up in "the American century", particularly those in heretofore peerless manufacturing sectors that now fear foreign competition. What makes this new set of events even more

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difficult to accept, however, is that Japan, a nation described in *Newsweek* less than 50 years ago as a "nation of seventy million problem children", has become the most visible, and perhaps most viable, contender for America's forfeited position. Sam Rosenblatt, a lobbyist for foreign investment and director of the Association of Foreign Investors in America, has speculated:

> When you’ve been heavyweight champion of the world and all of a sudden you’re not, it takes a little time getting used to it.\(^\text{15}\)

"Getting used to it" is one thing; ceding the championship to Japan is yet another, if we are to judge by the historical treatment of Japanese in America. "Japan-bashing" is not only a contemporary phenomenon in the history of US-Japanese relations; rather, the Japanese have consistently encountered racism and condescension from the American public and its leaders. Commodore Perry's expeditions in the 1850s to secure access to Japanese ports were largely intended to tap the "great temptation" of mercantile enterprise, the vast wealth and population of the Chinese. In his instructions, however, was the strong message that the Japanese were a weak, semi-barbarous people, "the most common enemy of mankind", who were to be subjected to manifestations of power if normal negotiations could not be

\(^{15}\)"Controversy Over Foreign Investment" *Japan Report* June 1988, 2.
The US has exhibited a blend of cultural chauvinism and distrust toward the Japanese that has colored relations ever since, culminating perhaps most dramatically in the post-Pearl Harbor relocation and internment of nearly all of the Japanese Americans in the US, regardless of citizenship. Other incidents of racism toward the Japanese, albeit more subtle and isolated, illustrate that the fear of a "yellow peril" does exist and has manifested itself for over a century.

This tradition of racism toward the Japanese, and more recent frustrations about America's economic decline relative to Japan's economic ascendancy determine and shape the information that appears in the media. If all that we need to know is that our country is losing its role as the undisputed world hegemon simply because the inferior, problematic Japanese have joined together to undermine our economic strength, thus threatening the American Way of Life, then this paper need go no further. But if we the people are not threatened to the extent suggested by the media, and polls suggest that the majority of us do indeed feel threatened, then we must explore the dynamics behind the image-making. What else is going on that influences the media's treatment, and thus public opinion? Whose interests, if not those of the

17 Instructions from Acting Secretary of State C.M. Conrad to Secretary of the Navy John P. Kennedy, 5 November 1852, reprinted in David F. Long, ed., A Documentary History of US Foreign Relations, Volume One, From 1760 to the Mid-1890s (Lanham, MD: 1980) 96.
general public, are furthered by fear and suspicions about the Japanese? What type of information might we receive about Japan if the news presented was neither shaped by, nor limited to, these attitudes?

Questions such as these can be addressed and interpreted through theories of propaganda. American citizens, nurtured under the guise of 'democracy', might bristle at the suggestion, but today's war revivalism and scapegoating, bolstered by patriotic post-Desert Storm reaffirmations of American ideals and strengths, act as propaganda when they suppress alternative explanations for America's declining economic role in the world or for Japan's ascendancy.

In general, propaganda shapes public opinion to accord with the agenda of government or of other powerful interests. Outgroup hostility and fear can be useful to mobilize public sentiment in a certain direction. For example, President Bush's demonization, or Hitler-ization, of Saddam Hussein during the prelude to Desert Storm left little room for potential dissenters to justify their own objections to militarization. In the early 1980s the menace of an "evil empire" similarly weakened prospects for alternatives to unprecedented 'defense' spending. Theorist Jacques Ellul observed in his 1965 *Propaganda: The Formation of Men's Attitudes:*

> In the world of politics and economics... the news is only about trouble, danger, and problems. This gives man the notion that he lives in a terrible and frightening era, that he lives amid catastrophe in
a world where everything threatens his safety.\textsuperscript{18}

In \textit{A People's History of the United States}, Howard Zinn takes this idea further, suggesting that fear is used to the advantage of powerful interests:

In this uncertain situation of the seventies, going into the eighties, it is very important for the Establishment -- that uneasy club of business executives, generals, and politicos -- to maintain the historic pretension of rational unity, in which the government represents all the people, and their common enemy is overseas, not at home, where disasters of economics or war are unfortunate errors or tragic accidents, to be corrected by the members of the same club that brought the disasters. It is important also to make sure this artificial unity of highly privileged and slightly privileged is the only unity--that the 99\% remain split in countless ways, and turn against one another to vent their angers.\textsuperscript{19}

By classifying Japan's growing economic presence in the US in terms of war rhetoric, be it through allusions to WWII atrocities (Japanese, not American) or to Japan as the post-Cold War threat, the media message serves to unify American citizens against the common enemy Japan, inspiring the spirited patriotism and single-mindedness one would expect to find in a conventional 'hot' war. Like Zinn, however, Professors Edward P. Morgan and Robert E. Rosenwein suggest in their paper "Competitiveness as Propaganda" that this contest


\textsuperscript{19}Howard Zinn, \textit{A People's History of the United States} (New York, 1980) 572.
of "us v. them" unifies what is not necessarily a unity.\textsuperscript{20} As once-dominant American interests, political, economic, or otherwise, find themselves struggling in a multilayered global economy the message that "what's good for business is good for America" is a popular one. Chrysler CEO Lee Iacocca's charges that the Japanese are "beating our brains in"\textsuperscript{21}; headlines tell us that we need to be more competitive; Presidents Reagan and Bush promised to relieve the tax and regulatory burdens in order to foster our economic strength -- it's all in the national interest. Morgan and Rosenwein imply that the common tendency to universalize the beneficence of industrial profitability, which places all of us on the protectionist's or corporatist's bandwagon, obscures the actual divisions -- racial, political, economic -- that exist in society.

Industrial profitability does not mean that we all benefit in some way. If industrial profitability is increased by relaxing environmental standards (as the 'Environmental President' vows to do), decreasing the tax burdens of the corporate sector, dismantling regulatory bodies that monitor worker safety and the soundness of financial institutions, or


\textsuperscript{21}Lee Iacocca, Talking Straight (New York, 1988), 168 (italics added). This is Iacocca's followup to his 1984 bestselling autobiography which sold 6 million copies worldwide in its first 3 years of print.
by limiting the power of labor over production and management
decisions, then clearly, corporate values and needs are being
disproportionately met at the expense of the needs of 'everybody else'.

Full awareness of this fact by 'everybody else' is thwarted by the use of propaganda. The distraction provided by a common enemy such as 'Japan, Inc.' serves to minimize the awareness of domestic inequities, and is crucial at a time when the United States is faced with economic decline, when American workers fear losing their jobs to the 'foreign competition.' If these workers are not provided with an unambiguous image of a responsible "other" at whom they can vent their frustrations, they might begin to unify among themselves to explore inner failings within the 'establishment' that promises so much. They might begin to see that their labor, their livelihood, often constitutes little more than a negotiable cost on a shrinking bottom line. They might demand change.

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22"Foreign competition" most often refers to the production by non-Americans in other countries, usually under conditions of lower cost, which workers see as undermining working conditions in the United States. Not mentioned in the mainstream press are the American corporations who have moved production abroad to secure these same lower costs, often under less governmental regulation; a sense of obligation to American society and its workers does not seem to deter them from becoming part of the "foreign competition."
The purpose of this research paper is to produce a more 'complete' picture in which to explore the media's treatment of Japan, one that supercedes the discussion available to us through mainstream media outlets. By implying that there is 'something more' to which we do not have ready access, I am implying that propaganda exists to prevent such information from surfacing.

The media treatment is shaped by claims of politicians, industry leaders, and scholars; it is consistently admonishing or critical. Though there are many ways to look at the issues, the debate offers little possibility for understanding Japan as anything but a nation of rigid, homogeneous technocrats, wholly united in a zealous quest for world dominance, and for understanding the economic decline of the United States as anything but 'unnatural', or imposed from outside.

For example, Japan is singled out by the media as the nation that most threatens our economic livelihood, but statistics suggest that there are other nations against which the US has exhibited relative economic decline; the European Community, various newly industrializing countries, and Japan all participate at some level in the production process, chipping away at the dominance of US producers. And many have been able to do so because of the extension of US multinationals abroad, through which technology and capital have been transferred to nations offering cheaper labor and
fewer governmental restrictions. This simple observation, which suggests an alternative explanation for the US’ current situation, seems quite simple, yet it does not enter mainstream analysis as a possible explanation for relative decline. The propaganda does not go far beyond the general argument that an external "threat" is responsible for the US' decline; thus, systemic problems, with global capitalism or within the US, do not get explored.

What follows is a theoretical treatment of propaganda, within which to understand how, and why, propaganda is used to deflect analysis from potential systemic problems to external threats. These theories are then applied to the media’s portrayal of Japan throughout the past several years. What is the propaganda message? How does it get communicated? What information, if any, is being left out in order to crystallize the desired image? After exploring these questions it is necessary to then determine whose, or what, interests are served by the perpetuation of the message. Finally, and importantly, what does propaganda imply for the "guise of democracy" under which we live?
1. Propaganda Theory: A Structural Framework

If a nation has narrowly controlled information, it will soon have narrowly controlled politics.

---Ben Bagdikian, The Media Monopoly

The mass media serves as a system for communicating messages and symbols to the general populace. It is their function to amuse, entertain, inform, and to inculcate individuals with the values, beliefs, and codes of behavior that will integrate them into the institutional structures of the larger society. In a world of concentrated wealth and major conflicts of class interest, to fulfill this role requires systematic propaganda.

---Edward S. Herman and Noam Chomsky, Manufacturing Consent

In order to suggest that there may be propaganda at work, it is necessary to explore the meaning of propaganda. Jacques Ellul provides the following definition:

Propaganda is a set of methods employed by an organized group that wants to bring about the active or passive participation in its actions of a mass of individuals, psychologically unified through psychological manipulation and incorporated in an organization.¹

Ellul is not simply describing methods of the Soviet Union's Communist Party or of the Third Reich's Joseph Goebbels, "organized groups" that have, in presumably un-American fashion, disdained democratic forms of leadership in favor of totalitarian dictatorships. Certainly his analysis does encompass the propaganda of these groups, but he is also describing the propaganda that exists in Western capitalist

¹Ellul, 1965, 61.
democracies like the United States, where those in power, or seeking power, achieve and maintain their positions of dominance through anti-democratic methods.

If a democracy is understood to be, as Webster puts it, "a government in which the supreme power is vested in the people" and in which a fully informed citizenry exercises its critical capacity to either govern itself or to ensure that its elected officials do what it wants them to do, then certainly propaganda, as defined by Ellul, sacrifices this literal sense of democratic involvement to ensure that the citizenry cooperates, actively or passively, with private interests. Democracy implies equality, collective decision making, and a sense of community empowerment, but America's "organized groups," or to use C. Wright Mills' 1956 expression, "the Power Elite," often seek noninterference by the public so that their own private goals can be reached. Dedicated to the continuous, unrestricted extension of American political and economic influence abroad, and to a domestic arrangement that allows for highly concentrated wealth and power, these groups would be threatened if the citizenry demanded a more equitable system. How these groups prevent the citizenry from seeking, let alone achieving,

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2This past spring researchers at the Federal Reserve and the Internal Revenue Service reported that the richest 1% of Americans have increased their share of private wealth (between 1983 and 1989) by the largest margin since the 1920's. This group possesses more wealth (stocks, bonds, real estate, capital, etc.) than that of the bottom 90%. 
equity in the form of a more democratic system is at the core of propaganda theory.

Ellul uses the term "methods," imparting a sense of logic to the use of propaganda. Indeed, logic and science have contributed significantly to techniques of manipulation; organization theory, psychology, data generation and analysis -- all provide the skills with which to study and manipulate public reactions in a certain direction, or to use Edward Bernays' 1952 term, to "engineer" consent. How do these "methods" work today?

Several propaganda theorists maintain that the propagandist's tool in Western society is the media, an increasingly concentrated, profit-oriented industry that touches virtually all Americans via printed or broadcast words and images.3 They suggest that narrow corporate ownership of media outlets serves to limit the breadth and depth of information received by the public. "Filters" serve to shape


4Herman and Chomsky suggest five: 1) the profit orientation of mass media corporations; 2) advertising as a primary income source of the mass media (in essence, this has two implications: the media thus consider their viewers as 'customers' who must be attracted to the television screen or headlines, not as fellow citizens who have a right to objective information; also, publications that advertisers do not deem worthy of their support, that is, they are not attractive to those with 'effective demand', will not be able to compete in the media market; 3) the reliance on officialdom for information and analysis (journalists become 'stenographers' for
the news that reaches the populace by fostering a pro-business, pro-government outlook, allowing government and dominant private interests to get their messages across in a favorable light, but in the process, thwarting the development of and access to media that promulgate 'other' values; media outlets that place emphasis upon human rights, labor, cultural diversity, environmentalism, and other topics of a progressive nature are marginalized to college campuses or are attributed to 'left-wing fanatics' or 'radicals'. Walter Karp writes in Harper's Magazine:

Very few newspaper stories are the result of reporters digging in files; poring over documents; or interviewing [nonpartial] experts, dissenters, or ordinary people. The overwhelming majority of stories are based on official sources -- on information provided by members of Congress, presidential aides, and politicians.5

Government and corporate "experts," predominantly white, male, and wealthy, rarely depart from traditional elite consensus; the tone and interpretation of events are predictably conservative6 and patriotic. Herman and Chomsky suggest that


6This is in spite of charges by conservatives that the media are liberal and anti-business; this past spring, for example, Congressman Don Ritter charged PBS with being a soundpiece for liberals, but see footnote 8 below for a rebuttal. Herman and Chomsky include such charges in the category of "flak", a filter
this bias toward the powerful, and the marginalization of 'everybody else', also determine the choice of topics to be covered. News that perpetuates the image of a benign, democratic United States will be popular and prevalent; so too will news that justifies an official 'enemy' stance. On the other hand, news that may contradict these images can be, and has been known to be, silenced; 'safe' information that supports the system, that encourages society's further immersion into its ideology, shapes our understanding of the world around us.

which serves to rein in the press.

7Herman and Chomsky, 1988, 170.

8The oft-noted example is the PBS documentary Hungry for Profit, which critically examined multinational activity in less developed nations; its airing was preempted when corporate funding by Gulf + Western was withdrawn. General Electric, an enormous multinational with ties to the nuclear weapon industry and the US' second largest defense contractor, now owns NBC; critics would expect the same 'editorial skills' to be exercised on future material that may explore the social costs of nuclear power, the defense industry, or multinational activity.

9Bagdikian points out that 23 corporations control most of the nation's newspapers, magazines, television, books and movies, resulting in a "closed loop"; i.e., the content that appears in the media is scarcely affected by alternative sources of news, because many media outlets are interowned by the same monopolistic entities (see excerpt from Media Monopoly in DataCenter, page 4). Another source of corporate 'editorial' influence which cannot be ignored is advertising, one of Herman and Chomsky's "filters". Gloria Steinem's article in Ms., "Sex, Lies, and Advertising," illustrates quite potently the influence that advertisers have in shaping media content. Though she is mainly discussing the plight of women's magazines, traditionally plagued by beauty industry-funded inanity, her point can be extrapolated to other media outlets: advertisers, who largely pay for what we read, watch, or listen to, want to sell their products; they must have an audience who can be seduced into buying their products. By dangling billions of dollars in front of editors, they can ensure an editorial environment in which their
This can be done in many ways. One way is by selecting "experts" as described above; not only can these effectively sell the desired system, but they can also discredit the 'enemy'. Herman and Chomsky write, "By giving these purveyors of the preferred view a great deal of exposure, the media confer status and make them the obvious candidates for opinion and analysis."

Consider, for example, the "experts" of the Gulf War from whom the public gleaned its information: military strategists who never strayed from the assumption that the US had to retaliate militarily; dissidents such as the young-Kuwaiti woman who shocked the West with accounts of infanticide (it was later revealed that the allegations were false and that she was the daughter of a Kuwaiti official who strongly sought US retaliation), thus justifying the demonization of Saddam Hussein; Bush Administration officials who rallied to their leaders' cause.

The news gushed with pride, tears and a sense of American purpose. Dissent was immediately marginalized, its spokespersons labeled radical, un-American, and detrimental to morale. In this war, dissent did not interfere with the Administration's plans; it was limited to college campuses and

products will be even more attractive; e.g., pharmaceutical companies that will not advertise in copy that deals with drug abuse; cigarette companies (who provide an enormous amount of money to printed media because of the prohibition on televised advertising) pulling ads from an issue dealing with lung cancer, etc.
the alternative press. Amidst the rest of the coverage, there was no challenge to the status quo. The debate did not extend beyond the assumption that the US had the right to force Saddam Hussein out of Kuwait.

The certainty of the assumption was solidified by the horribleness of the Iraqi leadership. Who could argue with his record of human rights abuses and with the environmental havoc wreaked by Saddam's oil well fires? Thus, even 'liberal' supporters of Amnesty International and 'liberal' environmentalists were brought into the supportive fold, weakening the possibility for alternatives to war. The events, truly horrible, were somehow cheapened in their usage as political tools. They cemented the image of Iraq that was desired by those making decisions. Analyses of social and historic forces up until August 2, 1990 were sacrificed for personalized, one-sided, dramatic coverage that glued viewers to their television screens. Chevron posted record earnings; Raytheon's stock went up; President Bush's approval rating soared; Americans kicked the dread 'Vietnam syndrome'. Indeed, the war was won on the homefront before it even ended in the desert.

These allusions to the Gulf War are helpful in their exemplification of propagandistic methods. Limited debate, emotional coverage that tugs at our hearts rather than our intellect, the creation of an enemy to justify our own righteousness: all exist in the media's coverage of Japan,
just as they appeared in coverage of the Soviet Union when it was an "evil empire."

Direct and Indirect Propaganda

Ellul goes further to delineate two types of propaganda: "direct" (or "agitation") propaganda, which seeks to bring about the active participation of people, such as the mobilization for war or for protectionism; and "sociological" (or "indirect") propaganda, which seeks to instill a continuous ideology, or climate, for understanding the world. The two often work together; Ellul tells us, "Ideology is disseminated for the purpose of making various political acts acceptable to the people;"\(^\text{10}\) and, "Only propaganda can put man into a state of nervous endurance that will permit him to face the tension of war."\(^\text{11}\) Underlying ideologies and myths, or latent sentiments such as fear, provide a foundation upon which direct propagandistic efforts can act at a later date. It is this foundation, and its perpetuation, which is perhaps the most reliable element of effective propaganda -- "a key to understanding the whys and the reasons for economic and political developments."\(^\text{12}\)

Longterm corporate influence over media content can contribute to this effect; consumerism, global

\(^\text{10}\)Ellul, 1965, 63.

\(^\text{11}\)Ibid, 143.

\(^\text{12}\)Ibid, 147.
interventionism, militarism, and of course, capitalism, have infiltrated our entire culture, defining for us the 'American way of life'. We've been socialized to view alternatives as distinctively 'unAmerican', i.e., 'bad', and our own system as superior. Indeed the myth of American supremacy has been ubiquitous ever since World War II catapulted the United States into the position of economic, military and political leader of the 'free' world. Since the 1950's its absolute supremacy temporarily subsided: the Soviets launched Sputnik and tested various brands of nuclear weaponry; devastated Allies have been restored, phoenix-like, to economic power and political autonomy. The undisputed "American Century" lasted scarcely a decade, yet the myth remains strong.

In 1945 Life magazine's Henry Luce said that the "American experience is the key to the future.... America must be the elder brother of nations in the brotherhood of man."13 Nearly half a century later, President Bush touts the same message of America as exemplar, "the hope of the world."14 Particularly as all watched the dissolution of the Soviet Union, American ideals of free markets and democracy truly appeared to triumph.

Yet these ideals, however hallowed they are, have not been able to feed or employ the former-Soviets. And they are


14Quoted from President George Bush's State of the Union address, 28 January 1992.
certainly failing those in the United States who are becoming increasingly disfranchised, politically and economically. Voting (or perhaps more accurately, nonvoting) statistics reveal the apathy felt by citizens toward a system within which they feel little political efficacy. The trite expression "the rich get richer as the poor get poorer" is a too often overlooked, and understated, fact of American life. Illiteracy, violence, racism, poverty, economic decline: all soil "our beloved country," regardless of rhetoric that seems oblivious to America's weaknesses.

Some interesting observations have been made on this point. Edward Said suggests that "the United States, triumphalist internationally, seems in a febrile way anxious to prove that it is [still] Number One, perhaps to offset the recession; the endemic problems posed by the cities, poverty, health, education, production; and the Euro-Japanese challenge." In doing so, these problems do not get aired in a manner conducive to their solution; they play second billing to quasi-fascist reassurances of America's enduring greatness. To quote again from the President's address: "There's been talk of decline. Someone even said our workers are lazy and uninspired. And I thought, 'Really? Go tell Neil Armstrong standing on the moon. Tell the men and women who put him there. Tell the American farmer who feeds his country and the

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world. *Tell the men and women of Desert Storm.*"\(^{16}\)

Certainly what we are seeing can be interpreted as election-year rhetoric, and like most rhetoric, it offers little to the listener in the form of a solution or an explanation. Ernest Mandel writes:

The causes of the relative decline of US hegemony remain a mystery to most American specialists and politicians because they refuse to judge history from the viewpoint which sees the origins, rise and fall of states and societies as ultimately determined by objective laws. They prefer to explain away the conundrum with plots—'communist agents' who gave away the secrets of nuclear weapons and power in China to 'the Reds'—or they speak of the loss of the pioneer spirit which must now be reawakened by some new 'frontier.'\(^{17}\)

The myth of America as "number one" leaves little room for the discussion of America's decline. In the textbook version of American history, ours has been one of pride, perseverance, and power: isolated from potential foes by oceans on each side of us, dominant over the indigenous in our own hemisphere, founded by willful pioneers with taut bootstraps, "the leader of the West that has become the leader of the world." Internal failings? That's just not America.

\(^{16}\)"Someone," as everyone in that chamber was aware of, was a Japanese politician who caused a furor in this country when he suggested that 30% of American workers were illiterate (he was close), and did not work as hard as Japanese workers; in other words, he suggested that America has domestic problems that have detracted from its competitiveness in the global marketplace. The President displayed both domestic and international political prowess by appealing to the public anger, yet cautiously avoiding specific reference to the Japanese in order not to disrupt the US-Japan "friendship."

We are again confronted with the idea of the responsible 'other' as an explanation for decline, something or someone that does not play 'the American way': communists, "welfare queens", Japs.

It is here that we return to our topic of analysis: how the media utilize the Japanese economic threat "to explain away the conundrum" of America's declining hegemony. Both Mandel and Said imply that attention is turned away from domestic causes of decline, either by ignorance or by scapegoating. In the case of ignorance, we have an Administration that keeps telling us, "Everything is fine; free markets and consumption will bring us out of this temporary slump; look at what they've done for us already!" Paul Kennedy, in The Rise and Fall of the Great Powers quotes Cordell Hull, the "Good War" Secretary of State: "All these principles and policies are so beneficial and appealing to the sense of justice, of right and of the well-being of free peoples everywhere, that in the course of a few years the entire international machinery should be working satisfactorily." Kennedy observes: "Whoever was as purblind as not to appreciate that fact...would be persuaded by a mixture of sticks and carrots in the right direction."

In the case of scapegoating, we have a media and countless politicians who attribute this 'unnatural' decline to the Japanese. Nation Tokyo correspondent Karl Taro

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18Kennedy, 1987, 361.
Greenfeld writes about "an idea that has been lurking for some years in America's collective pop-culture unconscious: The Japanese are evil. The Japanese have been accused of bearing the responsibility for any or all of the following: unemployment, budget deficits, the declining industrial base, trade imbalances, low savings rates, unfair trading, high real estate prices and, now, low real estate prices."

Moreover, as mentioned earlier, these issues are often treated in militant terms, interspersed with WWII imagery of unprovoked assault. But what is gained, and by whom, if citizens feel that their nation is in the midst of a war? If attention is always aimed at what Japan is doing? If internal failings become nonissues? Japan-'bashing' is not just about economics. It is also about fear, racism, scapegoating -- and politics. It becomes political when public opinion, shaped by propaganda rather than by a diverse exchange of opinions and information about the US-Japan relationship, demands political action, or inaction, to deal with the "Japan problem".

The propagandist can vary, as can the desired effect. When political action is desired, the propagandist is often the captain of an "invaded" industry who seeks public support for protectionism; or he is a corporate leader who seeks tax incentives with which to become more competitive; or he is a President seeking reelection who flies off on a trade mission...
to "lay down the law" to Japanese leaders.

Those who seek political inaction depend on a compliant public who do not question their activities. The myth of "laissez-faire" economics, for example, sanctions the noninterference by public actors into private economic realms, thus allowing many US firms to escape domestic resistance to their goals. The reverberating message that we must compete against the Japanese economic threat achieves this same docile effect. In times of emergency, the President has the right to act swiftly according to his judgment, undeterred by the slow workings of the system; by implying that we face an economic threat from Japan, our leaders inspire the same acceptance of authority.

To return to the topic of democracy, a fundamental requirement is that citizens have access to full information, with which they can determine their own values and priorities, in turn influencing their leaders to act according to these concerns. This requirement is not being fulfilled if the information is not complete; if perhaps there are other reasons for America's decline that do not enter the debate; if perhaps the problem is not with Japan per se, but with the global capitalist system. If the imagery encompasses only those aspects of Japan that justify the intentions of the propagandist, whether that is to seek election or government protection of industry, to attract consumers with guilt-inducing xenophobia, to justify continued military spending,
or to perpetuate the myths of American supremacy in an era of national decline, then it is democracy that loses in this game of "us v. them".

What lends complexity to the analysis is that Japan-"bashing" as we've known it in the eighties and nineties has not existed in an historical vacuum. Indeed, the imagery has become more ubiquitous as financial acquisitions by Japanese corporations become more visible and culturally symbolic. Television makes this issue particularly dramatic. However, the images of Japan's untrustworthiness, cultural differences, lack of restraint, and threats to the American worker are not recent; they have largely defined the impact of the Japanese economic presence for well over a century. The next chapter presents this reservoir of images of and treatment toward the Japanese, and serves as a foundation for understanding how the cultural chauvinism and racism of the past shape, and justify, contemporary propaganda. We can then grasp the meaning of Ellul's statement, "The propagandist limits himself to what is already present." It is to this relationship, between longterm socializing propaganda that has instilled sentiments about ourselves and about the Japanese, and the more direct, contemporary propaganda that demands that we "get tough with Tokyo", that Ellul refers.

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20 Ellul, 1965, 199.
2. From Perry to Pearl: America’s Ties to Japan

Formal relations between the United States and Japan, political and economic, were established in the late 1850’s when commercial treaties were signed by both nations. Prior to this time British merchants attempted to engage in trade but were turned away. The US was the first Western sea power to make serious attempts to break more than two centuries of Japanese isolation from the West. The reason? Japan lay as an obstacle to China, with which the West had been trading for years in what was declared an "Open Door Policy". Zinn wryly observes that these policies assured "that the United States would have opportunities equal to other imperial powers in exploiting China."¹

According to Commodore Matthew Perry’s instructions for the mission, the US saw in Japan, which "lay in the route of the great commerce with China," a tool to further trade, an ideal port for the refueling of steamships and for a US naval presence in the Pacific, and the guarantee of safety for American whalers who might become shipwrecked and subjected to Japanese imprisonment². In Perry’s instructions the Japanese are described as a "weak and semibarbarous people," the "most common enemy of mankind," who needed to be compelled, either militarily or diplomatically, to respect the citizens and vessels of "civilized states" by entering into treaties to

¹Zinn, 1980, 399.
open their ports.\(^3\)

Japan, in essence, was judged to be inferior to the West in matters of negotiation, vital only in its performance as an enhancement of Western trade. Today, many Japanese resent the history of the "black ships" that brought Perry to their shores, demanding trade rights and imposing unfair treaties\(^4\). Racism and insolence on the part of the United States existed from the very beginning, despite a certain amount of initial friendliness and curiosity. Japanese imperial leaders were eager to pursue Western-style development; academic and industrial experts were hired from abroad, while students of elite families were sent to study at American institutions. And there was a good deal of Western interest in Japanese culture and traditions, which were highly developed despite Japan's isolation from Western "enlightenment." But however quaint its culture, the Japanese were seen as pupils of the United States, whose desire to emulate and "catch up" to the West pleased the US, but was never taken quite seriously. Japanese historians agree that Japan was never considered to be a potential equal in international political or economic issues that involved Western nations\(^5\). The physical and

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\(^3\) Long 1980, 96; see Chart 20 in appendix for a copy of these instructions.


\(^5\) John Smith, Department of History, Lehigh University. Lecture. 27 February 1991.
cultural distance from Europe and the US made it difficult for Westerners to infiltrate Japanese markets. Marginalized and thwarted by the unwillingness of the West to share technology with Japan as they did among other Western nations, Japan ultimately achieved industrialization through exports of silk to the US. Desperate for the US dollar with which to purchase American oil and steel, both nonexistent on the Japanese mainland, a typical primary commodity situation arose. The peasantry was squeezed for increased production under forced labor conditions, as the military dictatorship focused on building a strong, formidable armed forces. When Japan defeated China in 1895 and Russia in 1905, to the astonishment of Western powers, the concern was that Japan was acquiring too much domination in Southeast Asia. Zinn observes:

> So long as Japan remained a well-behaved member of that Imperial Club of Great Powers who—in keeping with the Open Door Policy—were sharing the exploitation of China, the United States did not object. 

But Japan did not behave as a lesser power was expected to in this period of history highlighted by Western colonization and suppression of national sovereignty. The US itself had seized Hawaii and Guam, subjugated the Philippines, and had declared trading opportunities in China and Japan. Closer to home the Monroe Doctrine justified the seizure of Puerto Rico and economic exploits in Central America and Mexico. European powers possessed economic spheres in Africa,

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6Zinn, 1980, 401.
Central America, India, Indochina and China. But Japanese efforts to do the same, to secure a sphere of influence within which to access raw materials for continued industrialization, were resisted by the US for clearly economic purposes: Japan was, and remains, wholly dependent on outside sources for oil and iron ore, and until the end of the 1930s, the US was Japan's greatest trading partner for these materials. Japanese domination in Southeast Asia would not only displace British, Dutch and French colonial holdings, but would provide Japan with alternate sources for primary commodities. Noam Chomsky observes in The New Cold War:

An egalitarian modernizing revolutionary movement in one area might serve as a model elsewhere. The long-term effects, it was feared, might go so far as an accommodation between Japan, the major industrial power of the East, and countries that had extricated themselves from the US dominated global system. The end effect would be as if the US had lost the Pacific War, which had been fought, in part, to prevent Japan from creating a "new order" from which the US would be effectively excluded. 7

The image of an aggressive and expansive Japanese military dictatorship gained popular awareness in the US only after its defeat of China and Russia 8. However, the image of a "yellow peril" within the US was already permeating the Pacific States, where nearly all of the Japanese emigrants to the US had settled in the 1890's.

Japanese immigration in large numbers to the US mainland

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8 Carey McWilliams, Prejudice: Japanese Americans: Symbol of Racial Intolerance (Boston, 1944) 23.
did not begin until almost the end of the 19th century. Those who first arrived in the early 1890s were typically young, male, rural laborers from Hawaii and Japan, who came to settle on the West Coast.\(^9\) Possessing little capital and unable to communicate in English, most of these workers upon immigrating to the US entered into the lowest classes; however, it is worth noting that in their own country, these same agricultural workers derived from a proud, ambitious, educated 'middle class.'\(^10\) These qualities, along with the tendency among the Japanese American community to cooperate with each other, led to considerable success in the US agricultural sector. Chart twenty-two illustrates the growth in the Japanese farms in California; particularly notable is the period from 1900 to 1920, in which the acreage controlled by Japanese farmers increased from 4698 to 361,276 acres. Individually or pooled with other Japanese these farmers became highly competitive with native farmers, causing tensions that persisted up until World War II. As Austin Anson of the Grower-Shippers Association of Salinas stated in a 1942 _Saturday Evening Post:_

> If all the Japs were removed tomorrow, we'd never miss them... because the white farmer can take over and produce everything the Jap grows, and we don't

\(^9\)See Chart twenty-one which illustrates the influx of Japanese from 1891 through 1942.

want them back after the war ends either."  

Certainly the Japanese attack on Pearl Harbor lent considerable bravado to anti-Japanese sentiment, but the foundation for tensions had already been laid by anti-Chinese sentiment that immediately preceded the arrival of Japanese immigrants.

The Chinese had immigrated to California after the discovery of gold in 1849; by 1852 the Governor of California advised immigration restrictions, claiming that the Chinese "lowered the standard of living [by accepting low wages and living sparsely, and] were unassimilable heathens who came only to take American money." Competition for jobs was the main economic motive for anti-Chinese violence and legislation. In an 1879 state election which achieved a staggering 95% voter turnout rate, 154,638 citizens voted for Chinese exclusion; 883 voted against. Chinese immigration was thus suspended in 1882.  

Japanese immigration encountered almost immediate discrimination and hostility created in most part by existing anti-Chinese organizations; like the Chinese before them, the Japanese were Asian, non-Christian, and of color -- in short, unlike those emigrating from the opposite shore.

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11Quoted in Chalmers Johnson, MITI and the Japanese Miracle (Stanford, 1982) 32.

12Kitano 1969, 10.

13Hilary Conroy and T. Scott Miyakawa, East Across the Pacific (Santa Barbara, 1972) xiii.
In May of 1900 the first anti-Japanese mass meeting was held in San Francisco, sponsored by the San Francisco Labor Council. Dr. Edward Alsworth Ross, professor of sociology at Stanford, iterated the group's objections to the Japanese immigrants:

1) The Japanese, like the Chinese, were unassimilable into the American culture.

2) Their willingness to work for low wages undermined labor standards in America.

3) Their standards of living were lower than American workers.

4) They lacked appreciation for American democratic institutions.14

Also at the meeting a resolution was passed urging the extension of the Chinese Exclusion Act to the Japanese. A series of sensational, inflammatory articles in the San Francisco Chronicle followed, containing provocative articles with titles such as "Crime and Poverty Go Hand in Hand With Asiatic Labor," "Japanese a Menace to American Women," or "Brown Men are an Evil in the Public Schools." Within two months after the resolution was passed, the Japanese and Korean Exclusion League was formed in San Francisco. Other anti-Asian groups also gained prominence, such as the Native Sons of the Golden West, who professed that the state of California should remain "what it had always been and God himself intended it shall always be--the White Man's

14McWilliams 1944, 16.
The 1913 California Alien Land Bill was passed to provide that Japanese aliens could lease agricultural land for a maximum of three years, and lands already owned or leased could not be bequeathed. Co-sponsor of the bill, State Attorney General Webb, stated quite matter-of-factly that "the fundamental basis of all legislation... has been, and is, race undesirability. It seeks to limit their presence by curtailing their privileges which they may enjoy here, for they will not come in large numbers and long abide with us if they can not acquire land. And it seeks to limit the numbers who will come by limiting the opportunities for their activity here when they arrive." Interestingly, at the time of the bill's passage there were more than 14 million foreign born citizens residing within the US, mostly European, yet opposition to the small Japanese minority of 72,000 was intense.

After WWI came to an end and workers and soldiers were relieved from their military occupations, agitation caused by economic and occupational competition was reignited, largely through the efforts of Caucasian farmers. By 1924 a national law was passed that restricted the numbers of immigrants from various nations to fixed quotas; Japan was given no allotment. Chart twenty-one illustrates the sharp decline in Japanese

15Quoted in McWilliams, 1944, 23.

16Kitano 1969, 16.
immigration after 1924. In that year 11,526 aliens were admitted from Japan; the following year, only 3222 immigrated and more than twice that amount emigrated or were deported. Despite the act, exclusionists still agitated and attacks based on race, nationality and economic competition continued. Japanese were stereotyped as imperialist, unassimilable, "un-American," and mysterious; it was these perceptions which led to the Japanese incarceration and detainment that followed the attack on Pearl Harbor.

The Wartime Images of the Japanese

For decades before the attack the "Japanese problem" had been contained to the West Coast; few Caucasians elsewhere in the US had had any experience with Japanese Americans. This ignorance helped foster and maintain the negative stereotypes that had heretofore been limited to California, but after Pearl Harbor, were deluging the national media. Newspapers controlled by William Randolph Hearst promoted "yellow journalism" in which sensationalized headlines reverberated the charge that "all Japs are traitors." In January of 1942, Henry McLemore, a syndicated columnist for several Hearst papers, wrote:

I am for the immediate removal of every Japanese on the West Coast to a point deep in the interior...let 'em be pinched, hurt, hungry. Personally, I hate the Japanese. And that goes for all of them.17

17Quoted in Johnson, 1982, 32.
Immediately after the attack selected "enemy aliens," Japanese as well as Germans and Italians, were arrested by the FBI. The evacuation of only Japanese Americans, however, began on March 2, 1942. Of the 126,000 Japanese Americans in the US at that time, 112,000, two-thirds of whom were American citizens, were evacuated from the Western half of the three Pacific states and from southern Arizona, and were interned for over three years in relocation camps. These camps were often compromised of no more than cattle sheds, and it was under these conditions that the evacuees were detained -- under guard, without charges, hearings, or due process of law, in spite of the fact that all US citizens are entitled to due process under the US Constitution. Those eligible for relocation were defined as those having as little as 1/8 Japanese blood. Commanding General John DeWitt explained:

In the war in which we are now engaged racial affinities are not severed by migration. The Japanese race is an enemy race and while many second and third generation Japanese born on US soil, possessed of US citizenship, have become 'Americanized', the racial strains are undiluted.18

Germans and Italians, however, were not subjected to the same criteria; they underwent selective apprehension and imprisonment, not an indiscriminate evacuation and detention. The pressure from California individuals and groups, the sensational treatment by the press, the heritage of anti-Asian

prejudice, and the ignorance of most Americans of the Japanese, resulted in what has now been judged as having been morally wrong and unnecessary treatment of American citizens, "falling into the ugly abyss of racism" (it has not been officially judged, however, as unconstitutional); apologies to the evacuees and their families have been expressed by Presidents Reagan and Bush, most recently during the latter's speech at Pearl Harbor's USS Arizona Memorial this past December. Though the President refused to apologize for the 200,000 Japanese that died in the atomic bombings of Hiroshima and Nagasaki, or for the 97,000 that died during the fire-bombing of Tokyo, he reaffirmed the unjustness of the relocation of the Japanese Americans to the nation's center, away from the shoreline from which immigrants were wrongly suspected of signalling Japanese naval forces.

19President Bush as quoted in a New York Times article: "No apology is required, and it will not be asked of this President, I can guarantee you....War is hell, and it's a terrible thing. But there should be no apology requested" (2 Dec. 1991: A12). The article's author, Times CIA expert Michael Wines, adds that "the President made it apparent that he believed that the atomic bombings were a justifiable response to Japan's conduct in the war and...an important means by which Japan's surrender was hastened... In saying that the bombings saved American lives by hastening the war's end, Mr. Bush adhered to what has long been the unofficial explanation for the world's only use of atomic weapons in wartime."

20Figures refer to civilian deaths, using official figures and current revised estimates; Dower, 1986, 298. Zinn notes also that 12 US Navy fliers in the Hiroshima city jail were also killed, though never officially acknowledged.

As the "problem race" within the US was being summarily dealt with, all Japanese faced dehumanizing wartime propaganda. Dower observes, interestingly, that political cartoonists would portray Hitler, for example, as himself; whereas "the Japs" were often symbolized en masse as rodents, vermin, or one of various simian images. When depicted as human, they were indistinguishable, buck-toothed, grotesque; there was no effort to single out individual bad Japanese apart from the Japanese as a whole. The propaganda attacked the very essence of the Japanese race, as is evident in these words written by journalist Ernie Pyle, a war correspondent for 700 newspapers across the US:

In Europe we felt that our enemies, horrible and deadly as they were, were still people. But out here I soon gathered that the Japanese were looked upon as something subhuman and repulsive, the way some people feel about cockroaches or mice.

Upon seeing some Japanese prisoners in a fenced-in enclosure, he observed further:

They were wrestling and laughing and talking just like normal human beings, and yet they gave me the creeps, and I wanted a mental bath after looking at them.

From Army war films to magazine covers to newspapers such as The New York Times and The Philadelphia Inquirer, the enemy

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22Japanese propaganda against America and Great Britain used recognizable, albeit caricatured, images of the nations' respective leaders, rather than a single loathsome and fearful image to represent the entire Caucasian race. As mentioned above, this "courtesy" was extended by the US to Germany, but not to Japan.

23Quoted in Dower, 1986, 78.
was typified as an abstraction—evil, less than human, a threat to all if not stopped—justifying, if not encouraging, public support for the destruction of Japanese cities that followed. Indeed, fifty years after Pearl Harbor, the American media seem to recall only the 2403 "heroes of the Harbor", who lost their lives, albeit horribly, on that Sunday morning. The disparate value of these American lives, compared with the 300,000 civilians who died during the US' retributory bombings, saturation and atomic, of Japan’s cities, was made shamefully clear by President Bush’s, and the media’s, adamant pressure on Japan’s leaders to issue a formal apology for Pearl Harbor.

Sam Keen, author of *Faces of the Enemy*, tells us that the war imagery nations create to illustrate enemies is vital in justifying political actions that may follow. When the enemy is "louseous Japanicas",24 or a vicious ape,25 and not an actual human being with an individual life as precious as our own, he is much easier to kill. Lieutenant Calley’s self-defense for his role in the Mi Lai massacre during the Vietnam War was, "Nobody told us they were human". More recently, the British press quoted Marine Lieutenant-Colonel Dick White’s description of Iraqi citizens, fleeing from structures that had been carpet-bombed, "It was like turning on the kitchen

24As depicted in the US Marine monthly *Leatherneck*, March 1945.

light late at night and the cockroaches started scurrying .... We finally got them out where we could find them and kill them. 26 Dehumanizing the enemy in such a manner helps to remove the moral horror of another human's death -- yet it makes the deaths of our own that much more horrible.

After Japan’s devastation at the hands of the Allies, the images of its brutality that had permeated the mainstream media were not only unnecessary, they were no longer justified by war. The US policy turned from war to occupation and reconstruction---and as the policy changed, so did the image of the vanquished.

Just as the Japanese became "pupils" to Western "teachers" after the Tokugawa era of isolation came to a close in the 1850s, the post-war Japanese were to be taught the ways of democracy and free trade. In the portrayals of occupied Japan, the ape became a "curious simian", a mimic, a chimp; the enemy, albeit "primitive" and "emotionally disturbed", was tame, malleable and dependent upon the United States. More 'gracious' images depicted the Japanese as "infants in the crib," or "seventy million problem children" attending General..."
MacArthur's school for democracy\textsuperscript{27}. MacArthur himself held similar notions, as Dower observes:

\begin{quote}
[MacArthur's] guiding philosophy during the Occupation, [as] stated in widely publicized Senate hearings in 1951, ... had been to treat the Japanese as 12-year-olds. 'The German people were a mature race. If the Anglo-Saxon was say 45 years of age in his development, in the sciences, the arts, divinity, culture, the Germans were quite as mature. The Japanese, however, in spite of their antiquity measured by time, were in a very tuitionary condition. Measured by the standards of modern civilization, they would be like a boy of 12 as compared with our development of 45 years.'\textsuperscript{28}
\end{quote}

MacArthur's "philosophy" was not without forerunners in Western thought; rather, it perpetuated images of the "little brown brother", or "white man's burden" that justified colonialism. Biological determinists such as the French anatomist Etienne Serres went even further to justify racial inferiority of 'coloreds': while some scientists ranked various races according to skull or brain measurements, Serres' conclusion that "adult Mongolians" were equivalent to white adolescents was based on the distance between the navel and the penis; he found that the navel, "that ineffaceable sign of embryonic life in man," attains greater heights in whites than in Asians (rather conveniently, the navel attains even lesser heights in blacks than in Asians, thus confirming, \textit{empirically}, the formers' inferiority to those of loftier

\textsuperscript{27}Dower provides these and several other examples of descriptions taken from post-surrender publications such as \textit{Collier's}, \textit{Newsweek}, and \textit{The New York Times}; 302-303.

\textsuperscript{28}Ibid, 303.
The Legacy Continues: Japan-Bashing Throughout the Century

Within two to three decades after Japan's military defeat the West witnessed her "economic miracle" unfold. However, to say that the US has been purged of its previous racism toward the Japanese would be false, because today's racism parallels many of the issues that have arisen throughout the past century. Public opinion and the media have embraced many of the same sources of conflict that existed at the turn of the century.

The fear of economic and occupational competition by both the Chinese and the Japanese was expressed by the Governor of California in 1852: the Chinese came only to take American money. Iacocca similarly charge in 1988, "Now they're [the Japanese] using the money made off us by snapping up real estate. You could wake up tomorrow and your landlord is no longer Joe Smith, he's Joe Akimoto."30

The economic competition of Japan and other Asian nations continues to be interpreted as largely due to low wages. Iacocca has stressed the fact that low Japanese wages

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exacerbated US unemployment and loss in competitiveness, and Van Wolferen has stated that the Japanese have compromised their own people's living standards in order to accumulate capital with which to infiltrate foreign markets. This closely parallels the claim of the San Francisco Labor Council that Japanese objectionability was based in part on the willingness of the Japanese to work for low wages and for lower standards of living, thus undermining American Labor standards.

Charges of unassimilability into the American culture were prevalent in terms of both the Chinese and Japanese, but for many Japanese Americans, the humiliation of internment spurred a steadfast process of 'Americanization' as many sought to dispel racial insults. Today charges of unassimilability are usually leveled at the business community. An article in The Economist recounted the sentiments of "America's many grumblers about Japanese investment":

Japanese firms do not blend into their surroundings. They are run by Japanese, the real decisions are

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31As mentioned earlier the auto industry is not blameless here; setting up shop in these low-wage countries has led to higher profits than what the US labor market allows.

32Van Wolferen 1989, 3.

33Japan's 1991 budget allowed for a $3.4 trillion obligation to public works, a 73% increase over the amount spent during the previous decade (Economist, 5 January 1991, 28). American trade negotiators argue, like Van Wolferen above, that Japan should spend more on the infrastructure, leaving less to spend on export industries.
taken at head office, foreigners have no chance of promotion, and all the fancy design work is done at home, leaving the overseas factory as just an assembly plant for imported components. This is why Japanese car factories are known rudely as 'transplants': unnatural organs vulnerable to rejection by their new body. 34

Critics of Japan's "unassimilable" management styles fear that Japanese firms will simply import keiretsu, vertically integrated conglomerates, which would further remove American firms from the production process. 35 These conglomerates have become the symbol of both Japanese "groupism" and of the impenetrability of the West to Japanese markets.

Just as the California Alien Land Bill sought to limit opportunities for Japanese agricultural success in the US, efforts exist today to punish Japanese economic activities. For instance, in 1989 a rural Nebraska district attorney invoked an old statute barring foreign ownership of farmland in an attempt to revoke the sale of a cattle ranch to Japanese investors. Critics suspected that Japan would profit from lowering its barriers to imported beef and rice by purchasing US farmland, meatpacking plants, and grain-handling facilities. However, less than 5% of the $1.2 billion of beef and veal that was exported to Japan in 1990, for example, came from Japanese-owned suppliers, according to the US Meat Export

34 23 February 1991, 68.

Moreover, the Committee on Foreign Investment in the US watches over Japanese investment, pork-barrel legislation has been passed to protect local industries from takeovers, and the continuing Strategic Impediments Initiative talks demand reforms in no less than 240 trade items.

Igareshi Takeshi, professor of political science at the University of Tokyo, likens the US demands for trade reform to the US Initial Post-Surrender Policy for Japan, the series of postwar demands for comprehensive reforms issued by the US and announced by Occupation authorities in September of 1945. Both incidents arrogantly assumed that Japan should accede to American demands and carry out reforms. 37 Other demands made by the US upon Japan have been as patronizing. Journalist Robert Christopher observes that America's "tutorial" attitude toward the Japanese must be taken in combination with the traditional inclination of Americans to conceive of their society as a model for all others; thus "blind spots" in American thinking about Japan have emerged, and the US continues to treat Japan "with a mixture of arrogance and disregard." 38 He cites the example of President Carter, who expressed the need for a mission to Tokyo to propose that, in

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36 Brenton R. Schlender, "Are the Japanese Buying Too Much?" *Fortune* Fall 1990, 100.


order to reduce its perennial trade surpluses, Japan should alter those structures of its economy which US firms find impenetrable, such as its distribution system, the *keiretsu*, and other features.

Probably the most blatant parallels of racism throughout the century exist in the media’s use of militant images to describe Japanese economic activity. A 1984 Gallup poll that questioned whether Japan was a dependable ally showed that those over 50 were less trusting of the Japanese;\(^3^9\) and a 1991 *Time/CNN* poll indicated that those over 50 tended to be the "most guilt-ridden" about buying Japanese products.\(^4^0\) For those who lived through World War II, the parallel between Japan the military threat and Japan the "economic juggernaut" might seem more real than for the rest of the population, yet war metaphors have become a recurrent phenomenon; the Japs are attacking us, invading our culture. For example, when Mitsubishi Estate Co. paid $846 million to gain 51% of the Rockefeller Group, Fox Television broadcast old war movies featuring Japanese 'zero' fighters striking American soldiers. Using another WWII event to express frustration, Texas Congressman Jack Brooks stated in 1988, "God bless Harry Truman. He dropped two of them. He should have dropped

\(^3^9\)"Gallup Poll Finds Majority of Americans Considers Japan 'Reliable' Ally" *Japan Report* May-June 1984, 1.

\(^4^0\)*Advertising Age* 3 February 1992, 44.
Allusions to the Japanese "empire" appear in Daniel Burstein's 1988 book *Yen! Japan's New Financial Empire and Its Threat for America*. Burstein states that Japan is using its massive capital surplus to "sow the seeds of empire," recalling pre-War Western concerns about Japan's growing influence in Southeast Asia. Other recent works similarly suggest Japan's return to 1940s' bellicosity: *Zaibatsu America: How Japanese Firms are Colonizing Vital U.S. Industries, Pearl Harbor Ghosts, Trade Wars, The Silent War,* and *The Coming War With Japan* are just a few titles that suggest that we must consider ourselves to be in a state of war, or rapidly approaching it. Howard Baker, Jack Anderson, Helen Bentley, Lee Iacocca, and Chalmers Johnson all have claimed that Japan, having failed at military conquest, is building their empire by more peaceful, more silent means than in World War II.

Henry McLemore wrote about the Japanese, "let 'em be pinched, hurt, hungry. Personally, I hate the Japanese." Forty years later the rhetoric has changed little. Former House Speaker Tip O'Neill, expressing that Japan trade has been extremely unfair to the US, stated that if he were President, he would "fix the Japanese like they've never been

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4Cited by Doug Henwood in "Playing the Zaiteku Game," *The Nation*, 3 October 1988, 266.
Reagan Administration economist Arthur Laffer observed in a manner that recalls McArthur's cultural chauvinism, "On a public-policy level, Japan is far and away the most dangerous nation. By analogy, they are the equivalent of an immature teenager with a fully gassed Corvette or a 13-year-old with a loaded shotgun... The irrational behavior of well-to-do adolescents is legendary. They start wars." And only last year Senator Alphonse D'Amato commented about Japan's lack of support for Operation Desert Shield: "[The Japanese] are acting totally within the character that they usually do. They are motivated by profit, greed and avarice.... Theirs is an attitude that I think really is repugnant."

The images that Americans continue to receive about the Japanese tie in closely with those of the past century; whether they are characterized as "inferior", "untrustworthy", "brutal" or "inhuman", the Japanese seem to always be characterized en masse. There is little opportunity for them to be seen as a nation of individual human beings, responsible for their own behaviors and opinions, rather than as indistinguishable, homogenous manifestations of some monolithic entity, of "Japan, Inc." Photographs in magazines

42Christopher 1983, 310.

43Quoted in David Hale, "You Pat My Back, I'll Pat Yours" National Review 16 April 1990, 36.

like *Newsweek* often perpetuate these 'mass' images: crowd shots illustrate shouting peasants dressed in traditional garb, business-suited executives trudging their way down a densely packed sidewalk, laborers bearing picket signs, or white-shirted office workers seated in row after row of desktops. The images are purposely unsettling, too reminiscent of the "Jap hordes" of World War Two. They also affirm how different the Japanese are from Americans, who are socialized to value the individual as the driving force of a truly successful society.

The images provide us with a definition of who the Japanese are, with no ambiguities. In doing so, they leave us with little need to question official attitudes and policies toward Japan, whether that be to force open trading ports or to drop an atomic bomb upon a civilian population center. Policies of excessive force and potential amorality require justification and cooperation for their smooth adoption; the 'myth' of Japan and the Japanese have provided that justification throughout the century.
3. Mythic America: The Postwar International Order

The essence of oligarchical rule is not father-to-son inheritance, but the persistence of a certain world-view and a certain way of life, imposed by the dead upon the living. A ruling group is a ruling group so long as it can nominate its successors. The party is not concerned with perpetuating its blood, but with perpetuating itself.

--George Orwell, 1984

The flipside of the traditional assumption of Japanese cultural inferiority is, of course, white, or Western, superiority; and of the Western nations, it was the US that emerged as the unquestioned leader of the postwar international order. After the "mutual enfeeblement of [its] main competitors" during the two World Wars, from which the US' infrastructure escaped relatively unscathed, it seemed quite natural for the US to be the "elder brother of nations," to help rebuild devastated nations, to ease the process of decolonialization, and countless other projects for which the US alone had the political and economic leverage. In the textbook version of history, the US achieved all these things. However, what detracted from the nobility of the rhetoric about official gestures was the purely ideological motivation behind postwar policy. As Assistant Secretary of State for the Near East George C. McGhee claimed in 1947, "Our trade of free enterprise has become so thoroughly ingrained in our economic thinking that it amounts with us to almost a religion.... We are perfectly sincere in our conviction that

it would be in the best interest of other nations to follow our example."

Therein lay the unifying postwar myth that superceded, at least temporarily, the myth of the Japanese threat: America as exemplar, as 'Number One.' The external threat became, of course, the Soviets. Dower tells us, "The war hates and race hates of WWII...proved very adaptable to the Cold War. Traits which the Americans and English associated with the Japanese with great empirical sobriety were suddenly perceived to be really more relevant to the Communists (deviousness and cunning, bestial and atrocious behavior, homogeneity and monolithic control, fanaticism divorced from any legitimate goals or realistic perceptions, megalomania bent on world conquest)."\(^2\) The role of the enemy was thus transferred to a new menace, or to use Churchill's label, "the real menace from the East." Both George F. Kennan and John Foster Dulles justified the Russian threat by pointing out that the Russians were, after all, an Asiatic people, an "explosive mixture of traditional Russian insecurity, communist ideology, and Oriental secretiveness and conspiracy."\(^3\) Chinese communism, which combined the Red and Yellow Perils provided perhaps the worst scenario, and so the Chinese along with the Soviets displaced the wartime enemy Japan, which had by this time become quite congenial to US interests.

\(^2\)Dower, 1986, 309.

\(^3\)Ibid, 309. Kennan quoted in 309n.
The Cold War had obliged the US to restore the economic strength of Western Europe and Japan, if anything to foster support for capitalism, discouraging their attraction to communism. In Europe this restoration took place in the form of Marshall Plan assistance. Japan did not receive direct aid due to the (not surprising) unpopularity of such measures on the American home front, but a significant boost to its economy came with the "Korean War Boom" in the 1950s. Just as American productive capabilities were boosted by wartime government spending, or "military Keynesianism", so were Japan's when they were employed for the production of war materials by the US Department of Defense. International arrangements set up in the mid-1940's -- the International Monetary Fund, the International Bank for Reconstruction and Development, the General Agreement on Tariffs and Trade --

*Kennedy, 1987, 380.*

More direct measures were taken by Occupation officials in response to what were considered to be socialist tendencies. The power of labor unions, legalized for the first time by the new constitution, was decreased in response to the threat of a general strike; the growth of the Liberal Democratic Party, congenial to the US and to capitalism, was encouraged in order to distract from the popularity of Japan Communist Party (which vehemently rejected the post-war military relationship between the US and Japan, and favored labor unions and the nationalization of industry); and the original plan to completely disband the zaibatsu, bank-centered family monopolies judged to be too closely tied to the previous imperial system, was halted in order to retain capitalist power over important industries.

*Japan received nearly $2.2 billion in U.S. military procurement orders from 1950 to 1953, accounting for nearly 65% of Japanese exports during those years (Robert Pollin and Alexander Cockburn, "The World, the Free Market and the Left," The Nation 25 February 1991, 230).*
were designed to further reconstruct countries who subscribed to the tenets of the US-led international economic order: free trade, convertible currencies, open competition, anti-communism.

In theory and in rhetoric all would benefit from these measures, but as Paul Kennedy points out (as did Lenin in his theory of imperialism), the liberal capitalist system favors, almost by definition, the strongest competitor, to the detriment of those devastated by war or otherwise unable to enter the trade game. The US was clearly the most competitive; its supply of raw materials and superior industrial capabilities ensured the comparative advantage necessary to 'win'. Not accidentally, uninhibited trade and investment translated to vast new markets for American excess productivity and capital; "As you know," remarked a State Department official in 1944, "we've got to plan an enormously increased production in this country after the war, and the American domestic market can't absorb all that production indefinitely. There won't be any question about our needing greatly increased foreign markets."

Nations left vulnerable by their need for foreign capital allowed US firms to invest freely into their industries; by the early 1970s over half of the world's largest industrial corporations were in the hand of US owners. Between 1958

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7Quoted in Zinn, 1980, 404.

8World Economic Monitor 1989, 1.
and 1963, in the European Economic Community alone, over 3000 US firms either set up subsidiaries or gained control over already existing firms. Many of these firms were in strategic industries such as aircraft, computer production, telecommunications, and petroleum. By 1965, for instance, 80% of the EEC's computer production was in the hands of American firms; 24% of its motor industry. Moreover, of the direct investment by US firms in Great Britain, West Germany and France, 40% was owned by General Motors, Ford, and Standard Oil. And in Germany alone, nearly 50% of the foreign-owned capital was in the hands of firms such as General Electric, Proctor and Gamble, and Gillette. 9

In Japan as well, US firms were uniquely able to secure strong positions in its postwar economy. Japan's lack of raw materials, capital, and tools justified direct investment by firms such as Chrysler, Ford, and Texas Instruments. Closer to home, Canada was becoming a "branch-plant economy" with three-fifths of its manufacturing, and a large portion of its national resources, in foreign hands; 80% of this foreign-owned sector was held by American firms. University of Toronto's Abraham Rotstein recalls:

At first the Canadian public was mollified with reassurances about global horizons, the march of progress, and looking outward. Arguments that made distinctions between domestic companies and foreign-owned subsidiaries were generally dismissed as

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alarmist or xenophobic.\textsuperscript{10}

The immediate benefits to these targeted firms were the infusion of American technology, and the development or rejuvenation of industrial capabilities. In turn, US firms saw an increase in returns from foreign investment: from 10\% of profits in 1950 to 24\% by 1964.\textsuperscript{11} The arrangement sounds benign enough; however, resistance abroad began to show itself as the political ramifications of such an arrangement gained public awareness. Rotstein continues:

\begin{quote}
But as further studies and experience uncovered some of the shortcomings and artificial characteristics of the economy's foreign-owned sector, public concern began to mount.
\end{quote}

To many Canadians, and to many Europeans, their nations were losing too much control over something so basic as their means of production. Actual control over private enterprises is always in the hands of a few powerful stockholders, but still, it could be argued that domestically controlled firms are more responsive to local conditions than are firms controlled from abroad. Mandel notes that "capital controlled from the other side" can be devalued, or confiscated, from one day to the next depending on prospects for profitability. "There is nothing to prevent giant corporations, with ramifications everywhere, from switching orders from one country to another if it suits them, blackmailing wage-earners

\textsuperscript{10}Abraham Rotstein, "When the United States was Canada's 'Japan'" \textit{Harvard Business Review} January-February 1989: 38.

\textsuperscript{11}Mandel, 1970, 13.
or trade unions whose wages are 'too high.'

In response to these concerns, the Canadian government established the Foreign Investment Review Agency (now Investment Canada) in 1973, whose purpose was to ensure that a proposed takeover would provide "significant benefit" to the Canadian economy. In Europe, the "American Challenge," to use Jean-Jacques Servan-Schreiber's term, encouraged European economic integration within which free trade would flourish under a supranational parliament. In Japan at this time, a relatively inward-looking, managed economy achieved tremendous growth without the level of American penetration that other industrial nations experienced more directly; indirectly, however, its uni-directional progress was fostered by the US' Cold War "defense" of the region — thus, capital was reinvested more quickly into research and production rather than into military expansion. In addition, exporters relied heavily on the US-sponsored free market — much more than those domestic producers who were threatened by imports — but that is certainly not unusual. Noam Chomsky notes in Necessary Illusions: Thought Control in Democratic Societies that the US developed in its earlier years through protectionist measures; by the time liberalism was touted as 'the end all and be all,' the assumption was that the US would be immune to any serious competition. The same goes for Great

\[12\] Mandel, 1970, 131. I can imagine that Mandel appreciates Michael Moore's film Roger and Me.
Britain: it was a proud advocate of free trade during its period of hegemony, but when faced with American and Japanese economic competition in the early decades of the twentieth century, it abandoned its purist doctrines.

In essence, unencumbered free trade and competition have not been, in practice, a natural state of affairs for capitalist countries, even for the United States. For example, military spending, spurred by anti-communism, has provided those firms fortunate enough to have garnered lucrative defense contracts with enormous capital investments. Seymour Melman, in The Permanent War Economy, points out that it was World War II, rather than the New Deal, that pulled America out of the Great Depression; the whole economy boomed: employment increased; industries expanded; civilian consumption increased 25% between 1939 and 1945 to the highest level in US history. "Everyone saw the economy producing more guns and more butter. Economically speaking, Americans never had it so good."13 Defense spending, as a means to general prosperity, has remained popular, or at least justified, ever since; even after the collapse of the Soviet Union, coverage of the Gulf War dazzled its audiences with its emphasis on the new "smart" weaponry that, judging by the sanitized treatment by the Pentagon and the military-censored media, permitted a quick, clean military defeat of Saddam Hussein.

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13Seymour Melman, The Permanent War Economy (New York, 1974)
State-sponsored research and development, tax policies that reduce corporate liabilities, deregulation, and diplomatic muscle all serve to guarantee profits, to protect industry, and to extend American capital abroad; yet the illusion of laissez faire free trade is still touted as a global panacea. In 1988 former International Trade Commission chairperson Paula Stern and Washington economic consultant Paul A. Landon had this to say in affirmation of the postwar system of free trade:

Current U.S. economic problems are not caused by the structure of the open postwar system which it created. They are a function of poor economic coordination with other countries since the Vietnam War, the oil shocks of the 1970's, and falling productivity in much of West Europe and in the U.S. due to flawed economic policies. Solutions should address these issues directly. If they attack the proper problems, the United States and its allies can continue to exploit the reinforcing link between trade and security which is in keeping with the best traditions of U.S. democracy and which has served Americans so well for 43 years.15

They go on to claim that "the United States [alone] had the political will to force its allies to open their economies after WWII because it thought the action would make them stronger," and like President Bush in an earlier quote, they maintain that "the United States remains the preeminent military, economic, and even intellectual center of the 14Estimates suggest that 75 to 80% of R & D is military-related. See Melman, 1974, 23; Herman E. Daly, For the Common Good.

Isolated policy blunders and inept implementation are to blame for what may appear to be temporary economic 'setbacks.' That there might be systemic problems with the liberal capitalist system does not enter popular argument. Inviolable, always, is the myth of free trade and of a superior, yet benevolent, America at the helm.

\[^{16}\text{Stern and Landon, 1988, 65.}\]
We’ve been fighting against Karl Marx since the late 1940’s. We got Karl Marx. He’s dead. But some guys that weren’t playing that game have blind-sided both of us. You know, the Cold War is over and Japan won.

--Professor Chalmers Johnson, "Losing the War with Japan"

The previous two sections have dealt with latent assumptions about Japan and about the United States. In this section we return to propaganda theory, applying it to contemporary Japan—"bashing". That is not to say that we have strayed far from the topic, for these myths -- Japan as threat, America as 'Number One', capitalism as the One True Path -- illustrate Ellul’s idea of sociological, or pre-propaganda. Prepropaganda, as discussed earlier, serves the function of disseminating ideology, providing a climate within which to understand the world. "Those who read the press of their group and listen to the radio of their group are constantly reinforced in their allegiance, that its actions are justified; thus their beliefs are strengthened... proving the excellence of one’s own group and the evilness of the others."²

In the American media, these myths are taken for granted; serious criticism of them either does not appear, or is trivialized with an air of scepticism. Importantly, they

¹Newsweek 9 July 1990, 45.
²Ellul, 1965, 213.
become so imbedded in the social fabric, that individual events, and their explanations, get absorbed into the mythical framework. In the case of mainstream treatment of Japan, the foundation for explaining isolated events is that the Japanese are ever the "laborious artificers," never to be completely trusted, always "lesser men," and always different. The myth of American supremacy ensures that all is well, and any appearances to the contrary can be explained away by 'threats' or by others' inability to play by the rules.

But there are contradictions within these myths which require propaganda to resolve their inconsistencies. For example, what is criticized as "non-Western" in the behavior of Japanese economic actors has nevertheless toppled American dominance in certain industries during the past two decades. This nation of "pupils" finances a quarter of the US' financial deficit; it is the largest donor of foreign aid; it is the largest creditor nation. On an aggregate level, Japanese workers are more productive (as a percentage of gross domestic product), society is much less crime-ridden, and literacy is virtually universal. In fact, the United Nations has ranked Japan number one according to these and other quality of life indicators; the US ranks 17th. In comparison with other industrialized nations, not just Japan, the US has some rather unappealing features for a 'world leader': its

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3A recent PBS series on US-Japan trade was entitled American Game, Japanese Rules, according to an article in Far Eastern Economic Review (5 Dec. 1991, 46).
incidences of rape, robbery, drug offenses, and murder (per 100,000) is more than double that of the other nations ranked; educational achievement scores are the lowest; per capita energy consumption is almost double that of the others (nearly three times that of Japan). Moreover, it is perhaps old news that the US' trade deficit dwarfs that of any nation, but it is also the world's largest debtor nation, with inflows of foreign investment that total 28% of the GNP, compared to 7.6%, .9%, 3.0%, and .2% for the UK, West Germany, France, and Japan, respectively.\(^4\) Chart 23 in the appendix indicates also that US investment (as a percentage of gross domestic product) is the lowest among Western nations, and consumption as a percentage of GDP is second to none but Greece.

Charts 24 and 25 illustrate the steady economic decline of the US in the mid 1980's in the areas of national production as a percentage of global GNP and its exports as a percentage of the world total. Chart 12 illustrates relative trade balances of the US to other OECD nations; chart 13 continues the US data into the end of the 1980's. Though the total US deficit peaked in 1987 and has subsided in the years since, the US in 1990 still held deficits with all areas except for Western Europe, Australia, New Zealand, South Africa and Eastern Europe. Combined, the individual surpluses recorded after the first three quarters of 1990 total less

\(^4\)These and other statistics appear in the appendix of *Annual Editions: Comparative Politics* (Guilford, CT, 1991) 238-239.
than $10 billion; the total US trade deficit at this time was $105.5 billion. In addition to these international economic statistics, the banking and S&L crises came to a head in the late 1980's, and the federal budget deficit continues to soar.

Japan on the other hand has demonstrated consistent economic growth relative to the US decline, a fact which has not gone unnoticed by the American public. A January 1990 NBC/Wall Street Journal poll posed the question "When it comes to economic power which country is currently in a stronger position—the US or Japan?" 73% of Americans polled responded "Japan"; only 20% thought that the US held a stronger position. In the same poll, 54% of the respondents said that competition was a problem "because U.S. business and labor have fallen behind in productivity and quality of products". These are strong issues for Americans to face, considering the myth of global economic hegemony that has existed throughout the postwar years.

But as evidence has suggested in earlier sections, too often the problem of declining hegemony is dealt with by blaming the Japanese presence for the decline. Congresswoman Marcy Kaptur of Ohio observed in 1990:

"Millions of US workers have lost their jobs, some as a result unfair international competition and the snail's pace at which legitimate trade grievances are addressed. The United States is losing its economic integrity due to huge federal budget deficits and an unyielding trade

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"Elving 1990, 968."
As an Ohian, Ms. Kaptur should be able to balance this type of generalization with evidence of the benefits that states like Ohio have achieved from Japanese FDI. For instance Honda of America is located in Marysville, Ohio, representing a $2 billion investment and employing 8000 workers. Ohio, in fact, is the only state to host more than one assembler, the other being a Ford-Nissan joint venture. The state has also benefited from FDI in the declining steel industry. After major US steel corporations closed more than 100 U.S. plants between 1960 and 1987, Japan's Kobe Steel established a partnership with USX to make bar and tubular steel at a plant in Lorain, Ohio. The $500 million investment included a $50 million plant-modernization program. Contrary to the observations of many of Japan's critics, however, this type of investment can improve the US's economy by providing jobs and productive capacity in an era when many US companies are moving off-shore to take advantage of lower costs for labor and other resources.

One way to resolve the inconsistencies of an 'inferior Japan' on one hand, and the relative decline of the US to this


8James V. Higgins, "Domestic Steelmakers Find a Way to Thrive" Ward's Auto World September 1989, 63.
same Japan on the other, is to keep them from becoming "official" news. When we read or otherwise learn about Japanese society, we are confronted with a barrage of information: the Japanese smoke more than we do; they work longer hours; they treat women less fairly than we do; they live worse than we do; they've damaged the environment more than we have; their government is not only less democratic than ours, but also corrupt, and so on. The media reports ad infinitum on issues that perpetuate the image of an inferior, strange Japan, predictably unworthy of too much respect in spite of their economic prowess. We end up with what Ellul calls a "summary judgment." He explains:

This claim may seem shocking, but it is a fact that excessive data do not enlighten the reader or the listener; they drown him. He cannot remember them all, or coordinate them, or understand them; if he does not want to risk losing his mind, he will merely draw a general picture from them. And the more facts supplied, the more simplistic the image.  

Lance Bennett, in News: The Politics of Illusion, furthers that these tidbits of information, potentially dismissable as trivia, are nevertheless cemented together by latent myths and images, mutually reinforcing each other to hinder a new awareness about Japan and its people; new 'news' simply fits old myths.  

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9Ellul, 1965, 87.

Anti-Japanese Propaganda in the 1980s

As alluded to throughout this paper, the context in which Japan has been presented has been consistently negative. During the early and mid-1980s the news centered on unfair trade practices in particular industries, usually steel, textiles and autos. Chrysler's Lee Iacocca often appeared on television and in print to expound the "war" with Japan and the need to protect ourselves from foreign competitors who do not play by the same rules. In the 1988 sequel to his earlier autobiography, Iacocca observes the need to cut back on "social costs" such as EPA and OSHA regulations and "excessive" rights (to sue, etc.), telling us in his folksy chatter that "we really have to get off that kick that equates any hazard with setting your mother on fire."\(^{11}\)

That this is propaganda issued by an "organized interest" with a potential agenda is quite apparent. Rescued from insolvency in 1979 by multibillion-dollar loans guaranteed by the federal government, Chrysler enjoyed great profits in the early 1980s, but with these profits Chrysler bought race car, airline and defense companies, emphasizing financial rather than productive innovation; Chrysler again began to slide. In response, his protectionist message generalizes the effect of competition from Japanese auto manufacturers on his own industry to the populace as a whole, as in this February 10, 1991 *New York Times* op-ed piece:

\(^{11}\)Iacocca 1988, 263.
"Those who say that protectionists have their heads in the sand have it exactly backward. The real ostriches are those who believe that we can survive economically by simply ignoring those who target our market while protecting their own."

The message, and its delivery, obviously endeared Iacocca to many; in fact, in 1984 he was urged to run for President of the United States. But his agenda is personal, to protect his own company. The audience gets so swept up by his rolled-up shirt sleeves, and by his love of Mom and America, that they forget he is the millionaire chief executive of a huge multinational corporation that is responsible to its wealthy stock holders, not to "us".

Advertisers have jumped on the bandwagon as well. A 1990 General Motors commercial showed a scene of Christmas 2001: "Imagine, a few years from now. It's December and the whole family is going to see the big Christmas tree in Hirohito Center," and after a pregnant pause the announcer resumes in an Eastwoodian tone, "Go on, keep buying Japanese cars." That Mitsubishi Corporation's purchase of 51% of Rockefeller Group had nothing to do with GM cars had little import; as an executive at Pontiac's ad agency suggested, "If you just tell Americans that American cars are better, they emotionally won't buy into it. You need to do something that will jolt their feelings."\(^{12}\)

Feelings can range from shame, like that evoked from Lee Iacocca's 1990 commercials, in which he scolded viewers,

\(^{12}\)Quoted in *Advertising Age* 3 February 1992, 18.
"America is getting an inferiority complex about Japan.... Everything from Japan is perfect.... Everything from America is lousy." The recent ad for Crafted in Pride in the USA Council instills fear; lines of unemployed men and women (one holds an infant) emote anguish as images of crates marked, "IMPORT" appear and a voice warns, "Buy American. And we won't have to throw in the towel."

In addition to warnings from these industries, Time magazine warned in 1986 that "Japan's banks are the world's richest and most aggressive.... the invaders [also referred to as the money masters from the East] are swallowing their competitors.... Determined that the sun should never set on their empires, the Japanese banks have also expanded in Western Europe.... [and] have descended on London". In a later Time article titled "From Superrich to Superpower" words like "political muscle" and "might", warn of the potential influence of Japan's economic growth over domestic politics. The article appeared a week after the Toronto economic summit at which Prime Minister Takeshita announced a $50-billion foreign-aid package that made Japan the world's largest donor. At the same time that the article fretted over the implications of such aid, however, it refers to the Japanese as "a homogeneous island people in search of ways to put their wealth and power to use" whose experience in dealing with other nations "is still very primitive.... Part of the problem

11 August, 1986, 43.
is that Japan has never articulated an exportable ideology, such as democracy or Communism. As a homogeneous island people who were long cut off from other nations, the Japanese have an almost tribal sense of their own identity. The implications of this Independence Day article were that, yes, the Japanese have lots of money and say they will help the world with it, but as an unsophisticated people, indeed a "junior partner" of the US, "there are limits to how far Japan can advance as a superpower.... No other nation has the capability to replace Washington as the West's chief guarantor of prosperity and peace." In this manner the myth of American greatness remains intact, while evidence of growing Japanese power is marginalized by condescending analyses of the Japanese culture; thus Japan is not seen as a potential equal to the US.

Interested Americans who probed further into US-Japan relations found much to select from in the late 1980s. Several influential books appeared during this period, creating what is referred to as the "revisionist" school of thought on Japan. The principal tenets of revisionism present

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15 "Revisionism" ostensibly revises the "naive" notion that Japan wanted to become more like us and other Western powers, and that through continuous pressure for reform, the Japanese would eventually adopt the rules of international free trade. Revisionists claim that Japan has revealed itself to be too different and hostile to ever be regarded as potential fair trading partners, and seek retributive measures in the form of industrial policies to deal with Japan's economic might.
a criticism of Japan’s adversarial trade practices, its barriers to high-value imports and foreign investment, and the preeminence of an all-powerful "Japan, Inc.", chaired by the government, which guides and protects Japanese industry.

Karel Van Wolferen, in his 1989 The Enigma of Japanese Power, characterizes the Japanese as being undaunted by the mandates of free trade. In response to those who might surmise that Japan is "beating the West at its own game," Van Wolferen charges that "they’re not even playing the Western game at all." Instead, he observes, Japan is "single-mindedly" pursuing aims of its own, risking the enmity of the world as it actively undermines Western industry.16 Perhaps enunciated more eloquently than your average Newsweek headline, the revisionist thesis nevertheless assumes Japan to be an "industrial juggernaut", with cultural and social roots that make it impervious to change, thereby sowing distrust and resentment. And among politicians, foreign policy experts and corporate elites, the influence of this type of thinking about Japan is growing.

Two recent PBS programs took this approach to US-Japan trade issues. One, American Game, Japanese Rules, stressed the departure by Japan from the model of free market economies provided by the US. The other, "Losing the War with Japan", purported to offer a "debate" and "contrasting" points of view, but the "experts" all maintained similarly that "Japan

16Van Wolferen 1989, 3.
is mounting a carefully orchestrated attack on American industry." Chalmers Johnson, Pat Choate, James Fallows, Clyde Prestowitz, Karel Van Wolferen, and Lee Iacocca, a veritable "Who's Who" of Japan-bashers and revisionists, provided the framework for debate, which never departed from the basic tenet that the US is under attack and needs to fight back with a national industrial policy that will "level the playing field"; or as a displaced auto parts manufacturer put it, "We need a Desert Storm from American industry." 17

Revisionism has entered yet another genre beyond scholarly journals, nonfiction books, and documentaries -- fiction. Michael Crichton's Rising Sun is a murder mystery that has enjoyed enormous sales; it was number one on the New York Times bestseller list for three weeks, and has remained near the top since. Karl Taro Greenfeld of The Nation is concerned, however, that this could be the only book about Japan that many Americans will ever read. "If this is true, its portrayal of the Japanese as inscrutable, technologically proficient, predatory aliens who communicate through telepathy, subsist on unpalatable foods, manipulate everything and everyone and enjoy kinky, violent sex with white women will be more influential in shaping opinions about Japan and the Japanese than any of the more thoughtful and insightful books recently published." 18

Greenfeld goes on to say that Crichton's characters speak "in improbable paragraphs of exposition familiar to readers of revisionist Japan experts." Fictional entertainment? That becomes questionable in view of the fact that Crichton adds a lengthy bibliography citing the 'usuals'; quotes economic statistics within the novel's dialogues, and warns the reader in an afterword that the power of the US and quality of American life is diminishing rapidly, and that we need to respond to the Japanese challenge. Its status as harmless fiction must also be questioned in light of the fact that the publisher, Alfred A. Knopf, moved up the publication date by 2 months (to this past January) "in response to the subject's timeliness." Crichton's headlining novel thus shared the stage with other events that stirred up public resentment of the Japanese, such as the media's extensive re-enactment of the attack on Pearl Harbor, President Bush's headlining trip to acquire "Jobs, jobs, and jobs," and the "Buy American" and Honda-bashing craze that followed the disclosure of a Japanese politician's comments about "lazy" and "illiterate" American workers.

The politician, a Mr. Sakurauchi, who is considered particularly nationalistic by many Japanese, claimed in February that America's declining competitiveness can be traced back to the workers, who are 30% illiterate and lack a work ethic. The uproar in the United States was phenomenal.

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19 Advertising Age 3 February 1992, 44.
His observation about illiteracy was not that far off the mark, but it was treated merely as an insult. When Barbara Bush established her niche as crusader for literacy, the illiteracy rate of roughly 25% was safe news. But that was then, when a war on illiteracy was being waged, when all was going to be mended by the First Lady. How dare the Japanese, whom we helped "grow up after the war," whom we allowed to take the lead, criticize the American worker? Senator Ernest Hollings of South Carolina "joked" that American workers should draw a picture of a mushroom-shaped cloud and write underneath it "Made in America by lazy and illiterate Americans and tested in Japan."

The incident, followed by the revelations of additional Japanese criticism, made the front pages and the television news across the country, prompting Nightline to do a segment. Introduced with footage of Honda-bashing and picketing by American workers (specifically, one individual who held up a sign that read, "Japan Says Your [sic] Lazy"), the segment featured "experts" H. Ross Perot, corporate elite, and Detroit Congressman Dingell, to illuminate the viewer on

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20Iacocca, 1988, 290.

21This is the subtitle of Clyde Prestowitz' popular book Trading Places. Prestowitz, a former commerce official, now head of the Economic Strategy Institute, also writes for the conservative Commentary and must be the most often quoted "expert" on Japanese economic practices.


the quality of the American worker. Perot was more willing to suggest that Americans do score lower on international tests and that education should be improved to deal with this lack of parity (this was also part of his presidential campaign rhetoric). Dingell, who knows by whom his bread is buttered, strongly denounced charges of American workers' inferiority. The solution, they both concluded, was not that internal problems should be addressed to a great extent; the problem is with the foreign lobbyists. Both had obviously diligently studied revisionist Pat Choate's *Agents of Influence*, in which the author criticizes "revolving door" practices of former trade officials, selling their influence and insider knowledge to foreigners. Dingell also blamed the Japanese for dumping products and closing their own markets to foreign producers.

As usual, the form of the debate did not go beyond the basic format of 'Japan news'. Lance Bennett, in *News: The Politics of Illusion*, tells us that this is typical. "Experts," those like Dingell with obvious political agendas, resort to the same simplistic stereotypes to explain events; old myths are perpetuated in new events, leaving little motivation for further analysis. Are US workers inferior to Japanese workers? This question can easily be dismissed with *ad hominem* rationalizations, or, it can be explored thoroughly. An alternative explanation for declining worker quality might be the system of international trade that encourages US producers to move capital elsewhere. There is
no sense of obligation to nurture domestic industry, to enhance workers' skills, when this same labor can be purchased elsewhere more cheaply. Corporations like GE (which made its last radio in the US before 1972), Zenith and others are applauded when they invest in lesser developed nations, bringing the latter into the hallowed capitalist fold, but as Seymour Melman notes, "Ignored in this calculation is the diminished opportunity for productive employment in the US that has become the major consequence of starting or relocating production operations abroad."24

Consider how the media treated the late 1980s purchases of American entertainment firms by Japan's Sony and Matsushita. Newsweek's October 9, 1989 cover, also adorned with a rendering of the Columbia statue, kimono-clad, proclaimed, "Japan Invades Hollywood." Inside the article stressed the fears that Japan is "buying America" and taking an invincible lead in trade and technology." "This time the Japanese hadn't just snapped up another building; they had bought a piece of America's soul." The article was, in essence, yet another exposition of Japan's further "invasion" into US dominions, reflecting the concern that the Japanese would uses these acquisitions politically, to promote their products and their points of view.

When Matsushita gained control of MCA a year later, Newsweek described the event in terms of gulps and swallows;

24Melman, 1974, 98.
pictures of King Kong and Jaws added a dramatic flair, and were also quite reminiscent of wartime images of Japanese viciousness. *Time*'s headline, "Going Ape for Entertainment," also equipped with a photograph of the famous simian, recalled the same images. Other wartime metaphors are always popular; for example, *Fortune*’s headline read, "Where Japan Will Strike Next."

Beginning in the mid-1980s the American entertainment industry had experienced several changes in ownership, but it was the Japanese ownership that inspired concerns about cultural domination by an outsider. RCA’s merger with GE, riddled with charges of insider trading, followed by GE’s later sale of it to Germany’s Bertelsmann, the second largest media conglomerate, passed relatively unnoticed in the *New York Times*; an article or two appeared in the business section. In 1989, Dutch Polygram Records acquired Island and A&M record companies; articles appeared either in the business section or toward the end of section one. As of December 1989, British Thorn EMI controlled Capital and SBK Records, according to an article on page 14 of the business section.

However, when Sony acquired Columbia Pictures from Coca Cola, twelve articles dealing with the takeover appeared throughout September and October of 1989, several on or near the front page. A year later, speculative articles, sixteen in all, appeared almost daily in the *Times*, even before the transaction transpired; twenty-three immediately after the
acquisition. A year later, November 20, 1991, a headline appeared on the front page, "Film Changes After Japanese Buy Studio." The article goes on to suggest that "the first movie about Japan produced by a Japanese-owned Hollywood studio and the first test of the Japanese promise to leave creative control in Hollywood" did indeed take on "new overtones" since the takeover, becoming more conciliatory toward potentially negative images of the Japanese.

Professor Herbert Schiller, writing in The Nation, suggests that the buyout of MCA by Matsushita had a beneficial effect: it caused the media to recognize that external powers have the potential for cultural domination:

For a quarter of a century, more than a hundred African, Asian and Latin American countries, most of them in the Non-Aligned Movement, have protested the flood of Western, mostly made-in-America media products and images inundating their cultures. In countless resolutions adopted at innumerable international meetings, they have sought a less one-sided flow of information. They have attempted unsuccessfully to defend their rights of self-expression and to make their voices heard in the international dialogue... The world information order, then and now, is a largely unhindered, one-way flow of American cultural products around the world.\footnote{25}{Herbert I. Schiller, "Sayonara MCA" The Nation 31 December, 1990, 829.}

With concerns about other Japanese acquisitions, the reaction to Sony and Matsushita's buyouts was to be expected. But what concerns many critics is what is not mentioned in Time or Newsweek: "the insatiable expansion and pyramidization of image- and message-making properties and
assets into huge structures of private media/cultural power.... The corporate voice dominates the land. Freedom of speech is reinterpreted to mean the corporate speaker. The issue is not the nationality of the media property owner. It is the awesome concentration and control, domestically and globally, by private economic power, of the apparatus of human consciousness production."

Is Time-Warner, the world's largest media conglomerate, any more responsive to humanistic concerns than a Japanese conglomerate? Or a German conglomerate, for that matter? Coca Cola? Globalized capital is globalized capital, as Lewis Lapham aptly suggests:

To the capitalist sensibility, the geopolitics of money transcend the boundaries of sovereign states. The world divides unevenly but along only one axis, between the nation of the rich and of the poor....The American or Japanese plutocrat traveling between the Beau Rivage in Lausanne and the Ritz Hotel in Madrid crosses not into another country but into another province within the kingdom of wealth. His credit furnishes him with a lingua franca translated as readily into deutsche marks into rials or yen or francs, buying more or less the same food in the same class of restaurants, the same amusements and the same conversation, the same politicians, dinner companions, newspaper columnists, and accordian music.

If this rather cozy scenario is accurate, then one must wonder what role 'the common enemy Japan' plays. If we are to believe that the world is truly divided into two spheres, the

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26Ibid, 829.

rich and the poor, then why does Japan-"bashing" presume national economic actors? It deflects attention from true divisions, from the reality of unequal wealth. It unifies the 'good' against the 'bad'; it provides us with someone to hate, patriotically. UAW members who lose their jobs by the thousand learn to hate the Japanese, not the transnational interownership of automobile production facilities that justifies global quests for lower production costs.

This past February, NBC News covered General Motors' prospective plant shutdowns and subsequent forfeiture of 74,000 jobs, but only after a lengthy story about the misery of being a Japanese worker: cramped housing, "weekend depression", "death by overwork", uncomfortable working conditions. By the time the viewer got to the GM story, he was already so thankful that he was, by God, an American, that the impact of the massive plant closings was lessened dramatically. Stories about shutdowns and declining union power are often framed in reference to "foreign (read, Japanese) competition." In Newsweek's article about the layoffs, one reads that "GM's bombshell was probably overdue. After years of dwindling market share and hemorrhaging balance sheets, the company was conceding that markets lost to the Japanese will never be regained, and trying to trim down to fighting shape." Likewise, a Newsweek column from January of 1990 maintains that "IBM is fighting its Japanese and domestic rivals simultaneously ....To become more price competitive,
it's cutting costs. Since 1986, its U.S. work force has dropped 26,500 to 216,000." (Not mentioned is the fact that IBM Japan has traditionally been one of Japan's biggest employers.)

In the name of "competition", against the foreign "threat", Americans are urged to support corporate measures, even if it means the loss of their jobs. They are urged to support corporate measures by buying into the rhetoric, by taking a sledge hammer to a Honda, by venting their anger outside of the system. This is how the myths of the Japanese threat and of American supremacy are resolved and made consistent with today's realities of America's loss of hegemony; surely the Japanese are not successful because of their culture, it is because they cheat, they do not play the game fair. Protected by these charges are American corporations whose activities and motives do not get questioned and the assumption that these corporations have a right to extend their influences globally with no domestic obligations. Protected, however, are the myths of Japanese unworthiness and of American hegemony.

In the following section we will explore these issues in an economic and comparative framework. Public opinion polls suggest a considerable preoccupation with the Japanese threat, particularly in the demise of the Soviet Union's military threat. How threatening is Japan's economic growth? What have Japanese economic actors done differently that has led to
this growth; are they as non-Western as their critics charge? How closely do international economic figures adhere to the propaganda?
5. Public Opinion Trends in the 1980s

Public opinion does not derive from individual opinions....Rather, a vague, inconsistent, unformulated, latent opinion...is transformed by propaganda through a true process of crystallization into explicit opinion.

--Jacques Ellul, Propaganda: The Formation of Men's Attitudes

Not surprisingly, considering the way Japan is presented, the majority of Americans are concerned by the economic power of the Japanese. As recently as October of 1991, when asked, "Do you think Japan's economic power threatens the economic well-being of the United States or not?" 64% of those Americans polled responded "yes".1 Similarly, a nationwide survey conducted by the Gallup Organization between October 23 and November 15, 1990, presented a startling preoccupation with the Japanese; for instance, both the "general public" and the "leadership" in the US, when asked whether they viewed the economic power of Japan as a "critical threat to the vital interests of the US," expressed that Japan was more of a "critical" threat than the military power of the Soviet Union.2 Chart one in the appendix shows that 60% of the public and 63% of leaders3 believed that the economic power of


3The "leadership" sample included various officials from Congress, the Bush Administration, business, the media, and academia.
Japan will be a "critical" threat to US interests, but only 30% of the public and 41% of leaders felt that economic competition from Europe constitutes a "critical" threat. A Roper Organization poll for *U.S. News and World Report* in March of 1988 indicated similar results: 58% of Americans were troubled by Japanese investment in the US, while only 37% had similar concerns about European investment. Paradoxically, Japan in the same year ranked only a distant third on the list of foreign investors in the US; British and Dutch investment equalled four times the investment of Japan. In the specific area of foreign direct investment (FDI), Japan was ranked third with $30.9 billion, behind the UK's $70.5 billion and the Netherlands' $51.5 billion. 1989 figures show that of the $261.9 billion of FDI in the US, Japan possessed 12.3%, but the UK possessed 28.2% and the Netherlands 20.6%. Charts five and six illustrate more recent data that confirms the continuation of this trend. While Japan’s investment has surpassed that of the Netherlands in only 1988, its FDI for 1989 reached $70 billion, a staggering figure, but much less than British FDI, which surpassed $120 billion.

To put these figures into further perspective, the US Under Secretary of Commerce Robert Ortner stated in 1988 that

4Japan Report, June 1988, 1.

5See definition of term on page 7, footnote 12.

combined foreign ownership of US assets represented no more than 5% of total US corporate assets. Therefore Japanese investment by itself constituted about six-tenths of 1% of US assets. Europe’s investment constituted nearly five times as much at 2.8%, yet two years later, 60% of Americans polled fear that the economic power of Japan would be a "critical threat" to US vital interests. On a global level, as Charts eight and nine indicate, the US and the UK were clearly the dominant actors in terms of FDI; and in 1988, of the outwardly investing countries, the UK alone accounted for 38% of all international acquisitions.

Chart two in the appendix, also taken from the 1990 Gallup poll, indicates the degree of "warmness" felt by the public toward various nations. Note that Japan ranks 14th since it’s 9-degree fall from 1986 levels; in 1986 Japan was received as warmly as West Germany was, but in the four years since it fell to the ranks of South Africa. The biggest increase in warmness went to the Soviet Union, 33 degrees above its 1982 level when as an "evil empire" it received the lowest rating, directly below Iran and Cuba. In 1990 the Soviet Union was ranked with the beacons of the Western world:

7Japan Report June 1988, 2.

8Actually South Africa had experienced a boost in warmness since 1982; the widely proclaimed release of Nelson Mandela soon before this poll was taken may have led people to assume that South Africa was no longer guilty of human rights violations, thereby making them less of a vital US interest than the perceived Japanese economic threat.
Canada, Great Britain and West Germany.

If we are to assume that the perception of a Japanese economic threat is responsible for the public's declining warmth, then it would follow that the consistent placement of Canada and Great Britain at the top must not be affected by these same economic considerations. For instance, Chart ten indicates that Canada was nearly as unresponsive of inward direct investment, in the 1980's, as Japan had been. Though one might quickly assess that Canada is perhaps not as attractive to foreign investors, this outcome was not entirely without intention; Canada established a screening agency in the early 1970's in response to public concern about foreign, particularly American, ownership of manufacturing industries. In the 1980's Canada's share of OECD total inward flow of direct investment accounted for 0.9%, only 0.2% above Japan's 0.7%.

Moreover, Chart fifteen indicates that although its inward investment is comparably low, Japan has increased its inflow of FDI from the US; in fact, this inflow from the US dwarfs that of other nations. The charge that 'informal' cultural barriers limit firms from entering the Japanese market has been symbolized most recently by the attempt of the US firm Toys R Us to open in Japan. Its efforts had been

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2To place this into context with other nations, Germany receives 2.2%, the UK 13.6% and the US 53.8%, a jump from its level of 14.9% during the 1960's. Canada exhibited a dramatic decrease from its OECD share during the 1960's, 13%, which was 15 times as its percentage in the 1980's.
continually thwarted by local government regulations that require large retailers to gain the consent of local shopkeepers.\(^3\) American firms see this issue as a typical indication of Japan's barriers to foreign investment, but the Japanese perceive the situation otherwise. In many markets one can find examples of successful foreign firms, they claim. For instance, Coca-Cola has garnered more than 80% of the cola market, firms in the microchip market such as Texas Instruments, National Semiconductors, and Motorola have on average doubled their sales in Japan from 1986 to 1989; IBM and Dupont are other examples of American-owned successes in Japan.\(^4\)

Not only are these American firms finding niches in the Japanese market, but now more and more high-tech companies are setting up laboratories in Japan.\(^5\) For years Japan has had access to the best of America's technology by sending thousand of engineers to be trained at American universities or by setting up research laboratories near leading centers of industry such as Silicon Valley. Critics attribute much of Japan's industrial success to the relatively cheap transfers of technology from the US, and indeed virtually all the technology for basic and high-growth industries were imported

\(^3\) Far Eastern Economic Review 16 August 1990, 60.


as a central component of Japan's postwar industrial policy.6

Last year Texas Instruments opened a basic research laboratory in Japan. Others, such as Upjohn, Dow Corning, IBM and Kodak have already lured Japanese scientists away from Japanese corporate and government research and development. What many Americans also do not realize is that in the late 1980's American companies bought more technology from Japan than from any other nation save Great Britain; in 1990 the US spent $491 million to license technology from Japan, up from $89 million in 1981 (Moffet 1991, 85). Clearly the reluctance of the Japanese to sell their expertise is not geared toward the US.

Chart fifteen, which illustrates Japan's inward FDI, suggests that, although the figures don't approach the cumulative flow of investment by Japanese firms in the US (Chart nineteen shows this to be more than $70 billion at the end of 1989), the US has experienced substantial increases in its investments in Japan, particularly in 1987 and 1988 when the annual flow increased from $488 million in 1986, to $938 million in 1987, to $1774 million in 1988, increases of nearly 100% per year. Cumulative investment by the US at the end of 1988 totaled $6288 million; after the US came Switzerland with (US) $928 million and German and the UK with $546 million and $518 respectively.

Critics also point to Japan's trade barriers that limit

6Johnson 1982. 27.
the importing of foreign goods. Chart five indicates the tariff level cuts for the US, EC, Japan and Canada after the Tokyo Round of GATT negotiations, as reported in the *Economic Report of the President, 1989*. Even after considerable cuts, Canada's tariff rates for industrial products were nearly three times those of Japan. Specific attention has been paid to Japan's placement of high tariffs on high-value finished manufactures; before the Tokyo Round tariff cuts, the tariff level was 12.5%, after the cuts, 6%, quite comparable to the US's 5.7%. Canada, however, had imposed a 13.8% tariff on finished manufactures, 8.3% after the cuts. Europe's post-cut tariff of the same is 6.9%, still higher than Japan's.

Charts twelve and thirteen illustrate that 1982 was a year in which the US and Japan started experiencing considerable differences in trade balances, and the public generated a low level of "warmth" in response, 53 degrees. Chart twelve (US, EC and Japan trade balances) illustrates graphically many of the implications contained in Chart thirteen (US merchandise exports and imports), particularly the relative trade deficit of the US. During the period in which the considerable differences became evident, however, only 12.5% of Japan's GNP was gained from exports; West Germany gained 23.4% and the UK gained 22.2%, but the latter nations received higher levels of "warmth". In 1986, "warmth" toward Japan rose to 61 degrees, an 8-degree jump.

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7*Fortune*, 26 February 1990, 60.
from 1982, yet the US trade deficit with Japan in 1986 was $54.4 billion, three times the deficit reported in 1982. Since peaking in 1987 Japan’s trade surplus with the US fell from $53 billion to less than $40 billion in 1990, when Japan became the world’s third largest importer. US exports to Japan have risen dramatically, faster than the growth of US exports to the rest of the world; yet Americans felt less warmly to the Japanese in 1990 than they did in 1986 when the US deficit was larger; 71% claimed that Japan practiced "unfair trade".

Chart thirteen, which demonstrates U.S. trade balances with various countries, show that from 1981 to 1990 the US has maintained a trade deficit relative to Japan, peaking in 1987 at $57 billion, but shrinking since that year. It was previously mentioned that, in general, Japanese imports have increased by about 40% annually; US exports alone to Japan increased 100% from 1985 to 1989. Still, however, Lee Iacocca expressed in November of 1990 that "we’re heading for economic disaster with a U.S. market that is wide open to the Japanese while the Japanese market remains effectively closed to us."

Consider these other trends: In Chart 16 a per capita comparison reveals that, in 1990, Japanese bought more U.S.

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products -- $426 per person -- than Americans bought Japanese products -- $372 per person. Japan also imports a higher percentage of US goods among its imports from industrialized countries than the US imports from Japan. Moreover, 60% (compared to less than 25% in 1980) of those US sales are of manufactured goods -- chemicals, aluminum, aircraft, scientific instruments, computers and many other expensive "high-tech" products, more than the US sells to Germany and France combined.10

The decline in the trade deficit, the increased US access to Japanese internal markets, and the sizeable tariff level cuts during the Tokyo Round of GATT negotiations are evidence that Japan has, at the least, become less of an economic 'threat', yet the attitudes of the public do not reflect the changes that have occurred in the international economy; nor do they reflect the economic practices of other Western nations that are just as much, if not more, in violation of 'free trade' practices.

The Japan Economic Institute in Washington, D.C. suggests that this type of outcome is not surprising because of the extensive media attention devoted to Japanese investment and practices. "Over the last two years virtually every major American business magazine, news weekly, and newspaper has run at least one cover story or feature article on what Japanese

direct investors are doing in the United States, particularly in the manufacturing sector, but rarely does the coverage of European or Canadian investment go beyond individual transactions, usually takeovers.\textsuperscript{11} Bill Powell, Asia Economics Editor for Newsweek adds, "In the Eurocentric American mind, Canadians, British and French may be foreigners, but they are distinguished as individuals. Campeau goes bust, not the Canadians. Maxwell strikes again, not the Brits. But the Japanese have strange names...and people generalize: The Japanese bought the factory."\textsuperscript{12}

These observations are accurate. In March of 1989, before Sony or Matsushita acquired film studios in the US, a Newsweek headline warned, "Time, Inc. isn't alone in going Hollywood. Japan wants a piece of the movie business."\textsuperscript{13} When Sony did acquire Columbia Pictures later that year, the cover of the October 9, 1989 issue proclaimed, "Japan Invades Hollywood" and included an article on ways to "fight back" by getting "tougher on trade". These articles, ironically written or cowritten by Powell, appeared in an ongoing series of articles, "The Asian Challenge," launched in February of

\textsuperscript{11}Japan Report June 1988, 2; for example, when Matsushita invested $6.6 billion in MCA, soon after Sony acquired Columbia Pictures often the media stressed the implications of a monolithic "Japan's Hollywood" rather than the details of the individual actors in the transaction.

\textsuperscript{12}Bill Powell, "Japan's Bosses in America," Business Month August 1990, 29.

\textsuperscript{13}20 March 1989, 48; italics added.

Examples abound to further illustrate the singularly dark, monolithic image of the Japanese in the global economic arena. Whereas Western capitalists are portrayed as individualized, entrepreneurial, savvy, risk-taking, with personal lives that can become the stuff of tabloids, their Japanese counterparts appear en masse, subordinate to a "hidden Japan" or a "Japan, Inc." that directs economic decision making. For many Americans, world events are taught by the popular mass media. Whether its from Time magazine, CBS' 60 Minutes, or from Lee Iacocca's widely read 'Nippon-aphobic' autobiography (which sold more than 6 million copies worldwide by the time Iacocca's second widely read autobiography appeared in print), the message too often

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14 13 February 1989, 3.
15 30 April 1990, 46.
16 29 October 1990.
17 This term appeared in a cover story in Business Week, December 1991.
received is that Japan has ruthless aspirations for economic control and that the US has been singled out for assault. And unless one has access to more balanced information with which to measure this message, the slant of the media becomes the generally accepted position.

A study appeared in the 1989 issue of the Society for Advancement of Management Journal which dealt with attitudinal variations toward Japanese investment in the US. The authors note the irony of public opinion toward Japanese investment, considering the extent of Dutch and British investment that exists, but which registers little public debate.

The results of their study indicated that those groups or individuals who were more highly educated tended to have positive attitudes toward FDI. Presumably, those with a knowledge of economic and world affairs had a greater understanding about the nature of foreign investment and did not view FDI as a threat. On the other hand, those in the working class, with lower levels of education, were more likely to harbor anti-foreign investment attitudes.18 Results from a 1984 Gallup poll indicated similarly that those more likely to rate Japan as a "dependable" trade partner tended to be college-educated, affluent, male, from Western states, and from professional or business households.19 Clearly these factors do not describe a midwestern autoworker who fears

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18Pitman and Choe 1989, 16.

losing his job to foreign competition.

Chart two in the appendix indicates that 65% of the public thought that the protection of American jobs was a "very important" foreign policy goal for the US to pursue. Less important for the public were protecting weaker nations against foreign aggression (ironic, considering that the timing of the poll coincided with the decision to send troops to the Middle East to protect Kuwait from Iraqi aggression), preventing the spread of nuclear weapons, and containing communism. Also low on the scale was reducing our trade deficit with foreign countries; more leaders found this to be a very important goal. This would suggest that the American public is less accepting of further Japanese investment when they feel personally affected by Japanese economic competition, rather than when the nation’s international financial position is at stake. Chrysler Chairman Lee Iacocca, as a spokesman for an "affected" industry, taps this resistance when he claims that Japan’s adversarial trade "spells American unemployment".20

A recent commentary in Business Week titled "Japan’s Hollywood: More Ominous Than it Seems" discussed the

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Another paradox: The Big Three carmakers closed dozens of plants, mostly in the Midwest and surrounding states, eliminating more than 250,000 jobs. Related industries such as steel, rubber and auto parts lost another 250,000 (Kenney and Florida 1991, 25). Companies blamed the actions on high-wage union workers and headed for lower cost regions and better business surroundings, and American workers lashed out at foreign competition such as Japan.
implications of Sony's acquisition of Columbia Pictures and Matsushita's acquisition of MCA, Inc. Since together the companies also provide leadership in computers, high-definition television, and camcorders (industries lost to the Japanese), the author predicted that "by managing both sides of the business, Japanese companies have every intention of ending up in the driver's seat". The impact of this type of speculation on public perceptions is illustrated in the following question in Parade magazine:

"The movie "Tora! Tora! Tora!" has been shown in this country for many years on December 7, the anniversary of the Pearl Harbor attack. I understand it will not be shown in 1991. Is that because Japanese companies are buying up the U.S. movie industry and dictating what the American people should watch?" (14 April 1991)

This question is indicative of the media's treatment of Japanese investment. "When the U.S media write about Japanese investments in the U.S.... such reports give the impression that the Japanese business Community has teamed up to buy America", observes Washington lobbyist Tomohito Shinodo. The impression left behind of a monolithic and uniquely Japanese economic onslaught is inaccurate; in international economic terms, it's the US' worldwide deficits and relative decline that are the major issues. The Japanese "straw man" allows the public to take refuge in the notion that their


102
problems have been caused by "unfair foreigners." In their myopic analysis of the situation, US businessmen and other leaders wrap themselves in the cloak of "national interest", soliciting support for the protection of their capital and their industries. Ignored in this process are, for example, the benefits that have come from Japanese investment, particularly when so many domestic interests have stressed financial innovation over industrial innovation. Also sidetracked is how the US has become so dependent on Japanese (or any foreign) capital to begin with. Michael Borrus, a professor in international business and economics at the University of California at Berkeley observes:

Most Japanese investment ought not to concern us. It could be that Columbia Pictures will corrupt Sony rather than vice versa. The question is, does Japanese investment make it more difficult for Americans to own their homes or keep their jobs, and so far that hasn't been the case.23

Looking Beyond The Threat: Benefits achieved by Japanese investment

Japanese investment in the US has created jobs, improved the productive capacity of several industries, and has injected capital into both a declining real estate market and a rising national debt. When Americans learn of the $3.4 billion spent on Columbia Pictures, the $846 million invested into the Rockefeller Center, the $91 billion spent on US government securities, or the more than 1000 manufacturing

23Schlender, 1990, 100.
plants that Japanese firms are running, little attention is paid in the mainstream press to the benefits of this investment.\textsuperscript{24}

A reference was made earlier to the fact that even a cultural mecca such as Disney World depends on Japanese investment to finance growth.\textsuperscript{25} Another prominent example is the Andrew Jergens Co., the 106-year-old maker of soap and hand lotions. Sold in 1987 to Japan’s Kao Corp. for $300 million, Jergens was immediately able to increase its marketing and research and development budgets. Or the 100-year-old Mentholyptus Co., Inc., sold to Osaka-based Rohtō Pharmaceutical Company; with this one transaction Japan has become the biggest single market for Mentholyptus products, surpassing even the US.\textsuperscript{26}

Other industries have benefitted as well; in 1991, Japanese-owned plants in the US included 66 steel works, 20 rubber and tire factories, 8 major automotive assembly plants (which make 21\% of all the cars built in the US) and more than 270 auto-parts suppliers. The Japanese have invested more than $25 billion into US heavy industry and created more than 100,000 jobs at a time when American manufacturing had begun abandoning their production facilities for more profitable

\textsuperscript{24}Schlender, 1990, 100.
\textsuperscript{25}The Economist 1 December 1990, 72.
\textsuperscript{26}Marc Beauchamp, "We’re All Rejuvenated" Forbes 19 March 1990, 126.
regions.  

Several states are trying to attract these Japanese firms, causing controversy for domestic manufacturers who charge that Japanese investment in industry is influenced by the wave of protectionism that has swept the US and by the vigorous enforcement of import laws.  

Higgins agrees that many of the partnerships, joint ventures, and other business deals between American and Japanese companies have arisen out of the Japanese fear of government limits on steel imports and steel-intensive products such as autos.  

Indeed part of the attractiveness of the US market, along with its vastness and its political stability, is that FDI is able to sidestep many of the protectionist measures to "limit imports." However, this is no different than the US's motives for expanding FDI in Canada—to protect its market shares in the light of the Canadian governments efforts to increase import limitations on US goods.

Internal issues that have led to US dependence on Japanese

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Foreign investment, regardless of its parent, has become vital for the US as it faces declining trade balances, financial strength, and comparative advantage in industry. Between 1987 and 1989, about 75% of Japan's net capital outflow went to the US; this inflow constituted more than half of US borrowing from abroad.\(^3\) Japan's capital has been a major source of capital to finance the federal deficit that has accrued in the 1980's; of all the US government obligations held by foreigners, Japanese investors own 21%, or $91 billion worth. Iacocca calls this "bondage, Japanese style", the "buying up" of Treasury bonds; yes, the Japanese have largely financed our national debt, but only because US policies and deficit spending made the purchases both attractive to the Japanese and other foreigners for their high interest rates, and vital to the US.

Americans are often alarmed to learn that eight of the ten biggest banks in the world are Japanese. In both California and New York, Japanese banks account for more than a quarter of total bank assets; overall in the US Japanese bank assets account for 11% of the country's total.\(^3\) The response to such information is typical -- the fear that Japan has gained too much leverage; but not enough emphasis is

\(^3\)Scott Miller, "Squeeze in Japan Imperils US Growth" American Banker 16 April 1990, 10.

\(^3\)Schlender, 1990, 100.
placed on the American decisions that have facilitated Japanese bank expansion. The same decisions to deregulate the banking industry within the US apply as well to foreign operators of US banks. For instance interstate banking, prohibited by the McFadden Act of 1927, is now permitted on a regional or national basis in all but five states. The reason behind this deregulatory move was ostensibly to lead to a more competitive banking system, able to withstand regional recessions and to meet foreign competition.\textsuperscript{33} Also revised is the Glass-Steagall Act, a 60-year-old federal statute that separated commercial from investment banking. As competition rose in the early 1980's from nonbank providers of profitable financial services and the cost of funds subsequently increased, commercial bankers were forced to seek expanded income opportunities from related activities such as security sales or financial advising.\textsuperscript{34} The Japanese operating in the US have received the same benefits of deregulation as the American banks have, or as the British have for that matter.

One competitive advantage that Japan has had, though, is its ability to raise funds with which to invest due to a surplus of capital in the domestic economy. Saving in Japan has been typically much higher than in the US. Since the 1950's the net private savings have decreased from 8.2\% to

\textsuperscript{33}Donald T. Savage, "Interstate Banking Update" \textit{The Bankers Magazine} July-August 1989, 28.

5.4% of the net national product. Similar data from Japan reveals that the personal savings rate has typically been more than 20%. From 1968 to 1977, the period in which the US began to experience its general decline in relative economic power, the US personal savings rate was 6.9% while Japan's averaged about 20%, peaking in 1974 at 24%.35

While US banks are suffering from large exposure to third world debt36, bad loans from the banking and S&L crises37, and low US saving rates, their search for capital has provided the Japanese with the opportunity to buy into the American market and to take advantage of US deregulatory decisions.38

Other internal characteristics are mentioned as well to illustrate the manner in which Japan has become so dominant in our own economy. Says Michael Ciesinski, director of North

35Miyoei Shinohara, Industrial Growth, Trade, and Dynamic Patterns in the Japanese Economy (Tokyo, 1982) 156.

36It has been estimated that between 25 and 40% of the increase in the U.S. current account deficit, and the subsequent need to borrow from abroad, during the 1970's can be attributed to the third world debt crisis (Gerald Epstein, "Mortgaging America" World Policy Journal Winter 1990, 37).

37Consider a recent segment on 60 Minutes which focused on a particularly sizeable S&L loss being handled by the Resolution Trust Corporation. Among millions upon millions of dollars lost due to a certain Colorado S&L was the fact that the RTC had to sell the S&L building itself at a loss. The segment concluded with the following clincher: unable to find an American buyer to pay the full $40 million, the RTC was forced to sell it to the Taiwanese for $8 million..."you [the taxpayer] will be paying the difference." The S&L crisis was caused within US borders, by excessive US deregulation, by US citizens, yet the closing remark of the inflammatory segment implicated Taiwan.

American operations for Semiconductor Equipment and Materials International, a trade group representing manufacturers worldwide, "Acquisitions in the American equipment industry often reflect lack of resolve to nurture home-grown technologies, rather than ruthless behavior on the part of the Japanese. I wouldn't characterize their investment as predatory; they are simply smart investors....The US industry has needs that aren't being met by domestic capital markets, so where do you turn?". 39

A common observation made by Japanese officials is the very nature of the American domestic capital market which encourages short-term investment, as opposed to the more nurturing style of Japanese investment. Ryuhi Kitamura, president of a New York subsidiary of the Japanese trading giant C. Itoh & Co., observes, "If I have one criticism, it is that the U.S. encourages opportunism. To the Japanese industries are like babies, and you never sell a baby for survival. Here it's as if every company is adopted. Americans sell their businesses too easily." 40

Gerald Epstein in his article "Mortgaging America" builds on this observation and presents another view of internal problems that have created our dependence on foreign capital. He tells us:

While foreign direct investment in the US has raised

39Schlender, 1990, 101:

40Ibid.
concern in many circles, it is, paradoxically, US direct investment abroad that provides a better explanation of America's growing international debt problem.\textsuperscript{41}

He observes that even though FDI in the US has grown rapidly in the past decade, US direct investment abroad has been growing even faster since the mid-1980's, "reflecting an apparent decision by many large American corporations to reduce their commitment to the US as a production site". This issue has been discussed in reference to industry transplants, whose directors chose to maintain comparative cost advantage by moving abroad. Epstein charges that this phenomenon has not only lost US jobs, but has exacerbated the US trade deficit in terms of an ensuing "boomerang effect"; increased production and exports on the part of US corporations outside the US have meant reduced production and exports for companies within the US. In some cases this has also resulted in increased US imports from foreign-based multinationals. For example, Texas Instruments employs 5000 people in Japan to make semiconductors, almost half of which are exported, many to the US, and US corporate production in Taiwan is responsible for more than one-third of Taiwan's trade surplus with the US.\textsuperscript{42}

Furthermore, studies indicate that US multinationals tend to reduce their investment at home as they increase their investment abroad, and for every dollar invested abroad that

\textsuperscript{41}Epstein 1990, 34.

\textsuperscript{42}Ibid, 35.
would have been invested at home, the US loses employment and tax income. Certainly the loss of US jobs translates to tax losses, but losses also arise due to tax advantages enjoyed by multinationals. These include foreign tax credits for taxes paid to foreign governments; if the foreign tax on profit is lower than the US tax rate, then the US receives the difference. Also some multinationals are able to defer tax payments until the profits are repatriated back to the US; in the meantime firms can reinvest profits in foreign countries with lower tax rates to avoid US taxes indefinitely. Epstein cites a recent study of more than 12,000 foreign subsidiaries of 453 US firms; 8277, or 69%, paid no dividends, interest, rent, or royalties to their parent corporations in 1984, thereby generating no US tax liability on foreign earnings.

In light of these facts, a comment by revisionist Clyde Prestowitz seems particularly ironic:

Does a new Japanese auto plant in the U.S. actually contribute to the wealth of the nation? Not if it results in the closure of U.S. plants, or if a large portion of its components come from overseas. Not if the foreign investor contrives to pay few, if any, taxes.43

He and other noted Japan-bashers might even welcome recent developments in the Japanese economy which threaten to curtail outward investment. A tight money policy in Japan has placed pressure on banks to reduce lending and to slow the growth of the money supply. "Japan's days as the world's banker are

43Clyde Prestowitz, "Commentary" Business Month October 1990, 52.
over; Japan will not be the lender of last resort," says an
economist at the Deutsche Bank Group in Tokyo.\textsuperscript{44}

Japan’s large capital outflows are depressing the yen and
increasing Japanese interest rates. Japan’s current account
surplus has narrowed by more than one-third since 1987; in the
6-month period ending in September 1990, the surplus was cut
by nearly half from the September 1989 level, to US $15.4
billion, despite the weakening of the dollar.\textsuperscript{45} The Bank of
Japan raised official discount rates four times in 1990, from
2.5\% to 5.25\% to attract domestic capital from foreign markets
and to keep the yen from declining.\textsuperscript{46}

Japan’s capital outflow to the US has helped to keep
American interest rates low, reducing the cost of borrowing in
the US, but the rates were still higher than Japan’s, thus
continuing to attract investors to US markets. But as the
dollar continues to fall and Japanese interest rates are
forced up, the US might witness considerable reduction in
Japanese investment. Already a decline in Japan’s purchase of
all foreign bonds has appeared; in the first half of 1990
Japanese investors bought $10.2 billion in US Treasury and
other foreign bonds, down from $39.1 billion a year earlier.\textsuperscript{47}

\textsuperscript{44}Miller, 1990, 10.

\textsuperscript{45}Susumu Awanohara, "Yen For Home" \textit{Far Eastern Economic Review}
22 November 1990, 69.

\textsuperscript{46}Miller, 1990, 10.

\textsuperscript{47}Awanohara, 1990, 69.
Interest rates are also rising in Europe, particularly in Germany, which further threaten to lure away Japanese capital from American markets, a prospect which frightens many in financial industries who have relied heavily on Japanese investment in US assets, and who recognize that to compensate for the loss, US could come under pressure to either save more (i.e., consume less) or face higher interest or tax rates. Some criticize Japanese investors for the impending "wholesale withdrawal of their capital from the US" as vehemently as those who criticize the original investment, not recognizing that Japanese investors, like American investors, are heavily influenced by global economic conditions, not just those in the US. R. Howe observed in 1975,

US firms are losing their enthusiasm for investment in Europe. Its inflation, its political instability, its growing socialization of the economy, its need to import raw materials: all are combining to make US companies look elsewhere for growth opportunities.... In the future, predicts John Ross, a Bank of America vice-president, US investors will increasingly favor the relatively rich and hospitable developing countries, mainly Brazil, Nigeria, Indonesia, Venezuela, and Mexico.48

To repeat the implications from the previous section, Japanese firms are not as "nonWestern" as their critics would imply; their investment has been typical of other capitalist powers. In response to trade protection, many have opted to invest within the US to protect their market shares against trade

barriers. And they have found the US to be a profitable haven for their surplus capital at a time when the US was highly dependent on it.
6. Japanese Capitalism: How Non-Western Is It?

Van Wolferen in *The Enigma of Japanese Power* sees the government as being too dominant over the economy, and he resents the claim that Japan is a "free market" nation. He suggests instead that Japan's system is neither Western capitalism nor communism, but rather a third type, a capitalist developmental state (CDS). The strength of a CDS is in its partnership between bureaucrats and industrialists in a combined effort to stimulate areas of promise through fiscal policies and examination of business trends.

This system for promoting growth in postwar Japan is often tacked on to the Western claim that Japan's success resulted in essence from Japan's position as a "free-rider" on the US postwar trade alliance.49 This has allowed Japan to enjoy ready access to Western export markets, relatively cheap transfers of technology, and US military defense at virtually no cost. On this last issue, in October of 1991 Congress passed a nonbinding resolution calling for the Japanese government to pay all yen-denominated expenses related to U.S. troops in Japan. The general public in Japan interpreted such a demand as extreme and oblivious to their own historical interests; the continuing presence of US troops was, for many, merely a continuation of the postwar Occupation. The US's assumption of Japan's defense was incidental to its containment strategy vis a vis the Soviet Union, yet the

49Johnson, 1982, 15.
reaction in America has been that Japan has been getting a free ride on defense.\footnote{Takeshi, 1991, 20.}

Many other sources of Western contention toward Japan exist; some have already been alluded to throughout this paper. The common implication of the arguments is that Japan has achieved success in a manner different from Western economic powers, that Japan's methods are decidedly antithetical to the tenets of liberal trade that is practiced by the West. Van Wolferen charges that Japan does not play the Western game of free trade; but what exactly is the Western game, and where does Japanese significantly differ? A comparison of 19th century Pax Britannica and 20th century Pax Americana with Japan's rise to economic power in recent decades illustrates that the former were uniquely able to dominate the global economy.

**Pax Britannica**

Great Britain achieved economic ascendancy only after the period of Dutch mercantilism of the early 1800's laid foundations for liberalized trade. The Dutch comparative advantage was in its shipping industry, and in order to maximize the benefits of shipping, merchants sought to minimize government formalities, such as duties and tariffs,
thus increasing opportunities for freer trade.\textsuperscript{51}

The Dutch ports of Amsterdam and Rotterdam had each been dedicated to particular commodities, mostly perishable and nonstandardized, and thus best suited to shorter voyages, which the Dutch were uniquely able to perform most efficiently until transportation in general became more efficient and widespread; the pivotal advantage of the Dutch direct trading role thus became less important. The British ascended to economic hegemony because they moved into manufacturing goods rather than trade alone. Machinery, railways, division of labor, and a spirit of enterprise became the dominant sources of economic power.

Protectionism under mercantilism was prevalent for centuries before Britain's rise to economic hegemony in the 19th century. From 1480 to 1650 the international economy was defined by goals of national power and wealth; raw materials were prevented from exiting, particularly silver and gold, and imports of manufactured goods were limited in order to keep domestic prices low, to limit the ability of others to develop abroad and to inhibit potential foreign competitors.\textsuperscript{52}

Machinery received protection from foreign competition through restrictions on machinery exports and the emigration


\textsuperscript{52}Frieden and Lake, 1987, 69.
of artisans, a practice supported by many business interests in order to discourage competition, but which was later deemed to be harmful in that machinery was still smuggled out of the country, and at a high premium, which led to the profitable reproduction abroad. In addition, those artisans who did leave the nation tended to not return for fear of reprisal. Thus the British soon learned the cost of protecting their comparative advantage.

Trade continued to play a large part in the Pax Britannica, the period of prosperity and free trade under British hegemony. As the world's most advanced nation, extensive protection was no longer necessary and was believed to inhibit growth. Thus British capitalists could shed the more archaic, mercantilist (and costly) forces of imperialism, and urged others to do the same. However, as British economic historian P.J. Cain points out, free trade retained a mercantilist sense in that Britain was unrivaled in its economic and political power; persuading others to adopt the tenets of free trade such as comparative advantage ensured that British hegemony would remain intact. Trade partners could not compete on that level and were thus relegated to primary production. About these arrangements Marx wrote that "open door policies" such as Britain practiced, served to

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create the international division of labor, making colonial possessions into "granaries" to improve the manufacturing capacity for British exporters.55

Britain dominated Chinese markets, first through the East India Company, which monopolized trading rights in the region, then through individual traders. After Commodore Perry's "black ships" forced open the ports of Japan, British interest were soon to follow. Economic ties were created elsewhere, inspiring local development and industry in order to serve new markets.

At the end of the 19th century, during the Industrial Revolution, the British extended their colonial possessions and territorial holdings, providing an expansion of exports and trade.56 From 1850 to 1880, the period when Great Britain assumed economic leadership, world trade grew 2.7 fold; alone, British exports grew 3.4 times. London became the center of international finance and the pound sterling became the international currency with which other nations preferred to hold external assets, to settle transactions or to intervene in the market.57

But after 1875, Britain faced relative decline compared with the US and Germany. Heavy foreign investment abroad by

55Cain, 1980, 14.

56In 1860 Great Britain possessed 2.5 million square miles of holdings, mostly in Africa and the Pacific; by 1899 the holdings increased to 9.3 million square miles.

57Shinohara, 1982, 57.
British producers created new competitors, and British exports fell in their share of world trade. For instance, from 1851 to 1855 21% of Great Britain's exports went to the US; from 1861 to 1895 this dropped to 10-13%, and from 1901 to 1935, 5% to 7%. The US had originally relied heavily on Great Britain for its own development, but after the turn of the century the dependence decreased rapidly as the US developed its own prosperity.

Though Britain began to experience trade deficits with these emerging powers, for a time the impact was offset by profits from foreign acquisitions and from 'safer' colonial markets. Nevertheless, pressure was applied by British business interests on Germany and the US to ease their protectionist barriers behind which they were growing. "Fair traders", those in declining industries such as wool, iron, and agriculture, sought tariffs from foreign imports. Preferential treatment, however, was afforded to those in the British empire. By 1914 appeals for protectionism and preferential policies grew more vociferous in the name of "national interest", what Cain observes as a "manifestation of the growing anxiety at the relative decline of Britain's industrial strength."59

Thus World War I served as a watershed in the history of British dominance; weakened by destruction, both Britain and

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58Shinohara, 1982, 59.
59Cain, 1980, 68.
Germany had to buy from the US and to borrow heavily from US banks, neglecting their own economic activities. The US was then in a position to penetrate markets previously held by these and other Europeans. Prior to WWI the US was a net debtor to Europe; at the end, the US was the principal creditor, setting the stage for the post-WWII Pax Americana.

**Pax Americana**

Since WWII the US has been the dominant economic and political force among Western nations. While the US emerged from the war greatly strengthened, the economic and productive capacity of many Allies had been greatly reduced. As late as 1950 output in West Germany and Japan had not returned to prewar levels; by contrast, US output in 1950 was two-thirds larger than its pre-war level with average annual growth rates of 4.8%.  

A postwar American-led international economic order was developed within which trade would flourish; features included Marshall Plan assistance, the International Monetary Fund, the General Agreement on Tariffs and Trade, the European Common Market, and multinational corporations and banks, largely of US origin. The need to encourage relatively free movement of goods and capital was felt to be essential for global prosperity after having witnessed the intensive economic-
nationalism during the 1930's that contributed to global economic depression:

Exports were forced, imports were curtailed. All the weapons of commercial warfare were brought into play; currencies were depreciated, exports were subsidized, tariffs raised, exchanges controlled, quotas imposed, and discrimination practiced through preferential systems and barter deals. Each nation sought to sell much and buy little.⁶¹

The GATT, implemented in 1947, codified the rules for trade among member states against which national trade policies of its members could be evaluated. Today US tariffs are their lowest in history, averaging under 4% for all imports, but in the 19th and early 20th centuries, the US practiced even more protection than Great Britain. From the end of the Civil War to 1900, as mentioned previously, the share of British exports to the US dropped from 21% to about 10%, in large part because during this period US tariff rates averaged more than 40% on all imports. The Underwood Tariff of 1913 reduced tariffs to an average of under 13% of all imports, but after WWI the US resumed a posture of political and economic isolationism akin to that described in the above excerpt from Blake and Walters. The Fordney-McCumber Tariff of 1922 brought the average tariff rate on dutiable imports back to nearly 45% by 1930. After the 1929 stock market crash the Smoot-Hawley tariff was passed in 1930, establishing the

highest tariff rates in US history, averaging nearly 60%. A sharp decline in imports ensued, of nearly 50% from 1930 to 1934, but because of the depression, the goal of protecting American jobs was thwarted; trading partners' retaliatory tariffs helped decrease US exports. Like Great Britain before, the US learned that protection could lead to undesirable results for the domestic economy.

After WWII the US emerged as the world's dominant military, political, and economic power at a point when other nations were highly dependent on US support. US corporations invested heavily in foreign nations with both capital investments into productive facilities and technology, allowing Japan, Europe and other developing nations to industrialize. Even before the 20th century, Great Britain and the US financed copper mines in Chile and Mexico, fruit plantations in Central America, tea and rubber plantations in India and Indochina, and gold mines in South Africa and Australia. After WWI overseas manufacturing corporations were largely American until the 1960's, when Europe and Japan began to build their economic strength internationally.

Previous mention was made regarding the concern on the part of Canadians and Europeans about excessive US investment. In 1973 the UN Department of Economic and Social Affairs concluded the following:

If earnings generated by past investment which go to

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foreign affiliates are deducted from the inflow from direct investment, the net flow is generally negative for host countries.63

In the postwar years the US was in a unique position to benefit from this situation, but as other nations grew less dependent on the US, non-American productivity began catching up, destroying the comparative advantage of American firms. As long as the US had no economic peer, and the Cold War threat of a militarized Soviet Union bound the Western nations under the US defensive umbrella, economic relations were not a predominant source of political tension. Changes began to take place, however, in the 1970's. For instance, in 1971 the US ran a trade deficit for the first time in the 20th century; since then the US has experienced a surplus only twice. The postwar monetary system based upon the US dollar was dismantled by the Nixon Administration and the dollar weakened against foreign exchange. Protracted unemployment and inflation ("stagflation") in the 1970's also contributed to the image of a declining United States. Abroad, foreign firms who had benefitted from US technology and investment were now competing against American goods in their own domestic markets as well as in previously US markets. This is all quite similar to the pattern that appeared during the decline of British hegemony, when the US reversed its tendency to import by becoming a competitive rival. And like British economic

63 Thomas J. Biersteker, Distortion or Development? (Cambridge, MA, 1978) 3.
interests at the turn of the century, America's declining industries are panicking. Demands for a "level playing field", protectionism, and claims of "national interest" are sounded as the US' industrial strength declines relative to other powers.

Miyohei Shinohara, in *Industrial Growth, Trade, and Dynamic Patterns in the Japanese Economy*, describes this pattern in terms of the Akamatsu-Vernon model of the development of economic power and the "boomerang effect", implying that there is a dynamic in international economics that explains why certain nations rise to economic hegemony and then decline.

Kanamu Akamatsu observes the process of economic development as having three phases: importation of products and industries from advanced countries; growth of domestic production due to increased domestic demand and the spread of technology; the exportation of previously imported products and industries due to reduced costs and economies of scale. Raymond Vernon adds a subsequent phase, in which technology is exported abroad to seek further economic advantages, such as lower labor or resource costs. Applying this model to both the US and Japan is feasible; the US imported products and industries primarily from the UK until domestic production replaced many of these imports; likewise, Japan was highly dependent on US goods and industry until it reached a point at which these same goods could be produced either domestically.
or in third countries such as in Southeast Asians Newly Industrializing Countries (NIC’s).

Another pattern of international economics, labeled "the boomerang effect", describes the impact of postwar technology transfer from the developed to the less developed nations. Put simply, the industrialized nation transfers the industry to another location that is perhaps more cost-effective. Textile manufacturing, a labor-intensive industry, had been exported to Japan by US firms seeking lower production costs. The US then began to import what it used to produce, resulting in considerable damage to the domestic textile industry. In a similar manner, Japan faces competition from the Southeast Asian NIC’s, to which most of its textile industry was exported. If one is a proponent of liberal trade, this type of shift is expected and desirable; lower-rung industries are shifted to their most productive locations so that resources may be devoted to comparatively advantageous pursuits. These approaches to international economics imply that structuralized relationships are fleeting; as global economic relations become more and more linked through computerized networks and multinational corporations, the diffusion of technology has become even more pervasive. Rather than a bipolar exchange of leadership positions such as we’ve seen with the Dutch, the British and the US, access to technology and investment is more globalized and the ability of any one power to dominate the global economy by its comparative
advantage seems unlikely.

By looking at global capitalism as a dynamic system in which economic powers naturally rise and fall relative to other nations, the "threat" of the Japanese seems less acute. Japan's growth relative to the US's decline might suggest that Japan would acquire the hegemonic position from the US; many of the features of its own economic development parallel those of the UK and the US, such as the protection of infant industries, heavy international infiltration, and limited access to domestic markets. Several factors suggest, however, that a "Pax Nipponica" is not a likely prospect. Economic hegemony has traditionally coincided with political and military hegemony, particularly in the case of the US, the yen has not become a key currency in the international system as did the pound sterling and the dollar, and Japan's potential for economic domination is limited by the economic competition of the Southeast Asian NIC's the European Community, and by other developing nations who have benefitted from globalized investment and technology.

Paul Kennedy stresses that no country has been able to stay permanently ahead:

So far as the international system is concerned, wealth and power, or economic and military strength, are always relative and should be seen as such. Since they are relative, and since all societies are subject to the inexorable tendency to change, then the international balances can never be still, and it is a folly of statesmanship to assume that they
ever would be. At the same time these words are both reassuring and unsettling: reassuring because they help to explain the relative decline of the US as natural; unsettling because they anticipate the end of American hegemony. The US can still exhibit its military prowess as in the Gulf War, but in other respects, the US must face its own decline and others' ascendancy for reasons that have much less to do with Japan, per se, than our leaders and media suggest.

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64Kennedy, 1987, 536.
7. Conclusions: The Need for Propaganda

War, it will be seen, is now a purely internal affair.... The war is waged by each ruling group against its own subjects, and the object of the war is not to make or prevent conquests of territory, but to keep the structure of society intact.

--George Orwell, 1984

The previous section suggested that the perception of a uniquely Japanese economic threat belies more than an objective analysis of trends in the international economy. Moreover, in the rather short history of capitalism and free trade that the world has seen, 'success' has implied protected markets, inordinate power to open markets and to impose a division of labor that favors the more powerful, and eventually, decline. Japan has entered this game in a major way, and exhibits behaviors that are similar to other capitalist powers. Japanese industries have developed behind protective barriers; Japanese investors have expanded across the globe in search of profitable niches for their surplus capital; the Japanese government has played a strong role in ensuring the profitability of corporations. In their implementation of global capitalism, the Japanese seem to differ in degree more than in kind.

There is, however, one inescapable difference between Japanese capitalists and 'traditional' capitalist powers -- the Japanese are of color. We have little history with Japan that has not been shaped by condescension and distrust. Our history with other economic powers -- Britain, Germany, the Netherlands -- has deeper, more affectionate roots. Americans
have displayed hostility towards European groups during certain periods of history -- war, or competition for jobs due to immigration; but the hostility seemed to always be transcended. Recall that in World War II, Germans and Italians were not apprehended solely due to their national heritage. That would have been an impossible task; they blended in too well with the general population, not only physically, but socially. Americans knew enough 'good' Germans and Italians to make such a prospect unthinkable. Japanese Americans did not have the luxury of inconspicuousness.

Fifty years later, they still do not. As this paper has illustrated, the treatment of Japan by the media and by various leaders still group the Japanese into a single entity to be scrutinized, distrusted, and/or feared. In recent years the economic practices of the Japanese have ostensibly been at the core of this anxiety, but a comparison between Japanese economic activity in the United States and elsewhere, and the media's reaction to this activity, reveals that there is something else, beyond economics narrowly construed, that shapes public opinion.

A propaganda analysis reveals that much of the media's treatment adheres to generic patterns of propaganda. Recalling Ellul's definition, that "organized groups" seek political action, or inaction, in order to achieve their private goals, it is important to understand why propaganda is
necessary, and to whom. Depending on the particular message, the propaganda serves different ends for different interests: it explains the US’ relative economic decline; it provides a scapegoat to which blame for the decline can be directed; it gives us an official enemy, which not only justifies a continual ‘defensive’ posture, but it also justifies US involvement in the Pacific; and it gives us a target on which to vent racist impulses, patriotically. On this last point, Ellul tells us:

Propaganda offers [man] an object of hatred, for all propaganda is aimed at an enemy. And the hatred it offers is not shameful, evil hatred that he must hide, but a legitimate hatred, which he can justly feel. Moreover, propaganda points out enemies that must be slain, transforming crime into a praiseworthy act.1

The racism is sometimes disguised by humor, such as in cartoons that symbolize the Japanese as a sumo wrestler. The sumo wrestler, a vestige of Japan’s imperial traditions, is usually grotesque in his obesity, and he is usually shown crushing a fragile-looking Uncle Sam. London’s Economist and an advertisement from Northwest Airlines have used illustrations of Godzilla-esque sea creatures to illustrate the Japanese threat, and in a 1989 Los Angeles Times interview Edith Cresson, who became France’s first woman prime minister, described the Japanese as "ants...eating away at you."

The racism has also been manifested quite directly, particularly earlier this year. After the "American workers

1Ellul, 1965, 152.
are dumb and lazy" phenomenon ignited the nation shortly after the President's trip to Asia, angry Americans took sledgehammers to Honda's (which were probably made in US plants), urged on by domestic car dealers. In California a Thai American man was beaten in March by a man who suspected him of being Japanese; a Chinese woman at Wellesley College found the slogan "All Japs Must Die" smeared across her dormitory room door.

The racism assumes that the Japanese are less worthy than Americans. Their growing economic power is thus suspect; they can not possibly do anything better than Americans unless, of course, they cheat. This message, while it certainly perpetuates the myth of Japanese inferiority, also helps to justify the myth of American greatness.

Beyond simply providing a scapegoat with which to explain US economic decline, propaganda provides us with a new post-cold war threat. Susumu Awanohara writes in Far Eastern Economic Review:

Some relate current US views of Japan to America's need for threats and Japan's growing stature as a worthy threat.... Some Japanese observers feel that US elites are angry at Japan not just because it is different (a lone freak is not a great threat) but because it has appeal as an alternative model for developing countries, which should be adopting the American model.²

Polls that show an inverse relationship between the Soviet military threat and the Japanese economic threat

²5 December 1991, 47.
suggest that this "need for threats" has indeed been fulfilled. Harvard's Robert Reich suggests that Japan is not only an easy scapegoat whom can be blamed for economic problems, not unlike how the "American Invaders" were blamed for Europe's economic problems in the 1950's; Reich observes in much of the Japan-bashing a "call to arms" to meet the Japanese challenge, giving us definition in the wake of the Cold War. Accordingly, revisionist James Fallows, in his 1989 More Like Us, urged "us" to "revive the idea that America is one coherent society, with bonds that are stronger than its internal differences. We understood this instinctively during World War II, but not often enough since then."

The post-Cold War threat is particularly important to those who fear decreased defense expenditures. Just as the WWII threat of Japan was transferred to the Soviet Union, China, and other bastions of communism, justifying a strong military, so has it returned to Japan in many ways. In 1991 a CIA treatise produced at Rochester Institute of Technology, titled Japan 2000, warned that "Japan's unceasing drive for world domination is a matter of the highest national security. Japan is already preparing an economic sneak attack, from which the U.S. may not recover." In the conclusion of the


treatise, the authors write, "In 1776, a brave American patriot took it upon himself to warn the sleeping colonists that an invasion of our shores had begun....Two hundred years later, another type of attack had begun, launched by a different adversary... Japan 2000 should provide notice that 'the rising sun' is coming -- the attach [sic] has begun."

President Bush used the Pearl Harbor anniversary to further his dual aims of a strong military posture and non-isolationism. He told the audience, "The seeds of Pearl Harbor were sown back in 1919 when a victorious America decided that in the absence of a threatening enemy abroad, we should turn all our energies inward. That notion of isolationism flew escort for the very bomber that attacked our men fifty years ago." And on CBS's "Remember Pearl Harbor" he avowed to co-hosts Norman Schwarzkopf and Charles Kuralt, "This country will not be surprised again....You learn not to suck yourself back into some splendid isolation and turn your back on the rest of the world, and of course when we were attacked in Pearl Harbor we were in it right up to our eyeballs. Maybe if we had been more vigilant and less protectionist and more engaged with the rest of the world all that could have been averted through diplomacy."

This is the official foreign policy stance of the Bush Administration -- global engagement. Last year, Under Secretary of State Robert Zoellick told Malaysians, "To those who doubted America's commitment and staying power, the Gulf
Crisis demonstrated that American global engagement is here to stay....The United States -- its military presence, its commitment, its reassurance -- has been the balancing wheel of an informal, yet highly effective security structure for more than four decades." Later that year, only weeks before the President's Asian trip, Secretary of State Baker told The Manchester Guardian Weekly, "Our pre-eminent position in international affairs is important in terms of US interests, US economic interests. That if we pull back we will be less competitive from an economic standpoint, internationally, and that our history shows us that periods of isolationism are not productive in terms of the domestic US economy."5

When Japan is an enemy, or not completely trustworthy, even inept, US intervention seems justified. When the Japanese practice unfair trade, hurting our economy, threatening the American Way of Life, protectionism and tough trade tactics are necessary. When the US appears to be in decline, the dual myths of Japanese inferiority and American superiority assure that the problem is an external one. The propaganda, helps to further these goals by providing a complete framework for understanding the world around us -- no ambiguities, no questions. But what is democracy if it is not constant questioning, confronting ambiguities, exploring alternatives, and understanding and respecting others?

America, the nation, is not the unrivaled hegemon it was

in the postwar years. An open mind might surmise that this change could be good for us; being "Number One" places a lot of burdens upon a nation -- military, political, economic. I think of the words of a progressive Japanese writer, pondering the future of Japan had only Emperor Showa assured the Japanese in the months before Pearl Harbor, "We don't need a Greater Japan, a small Japan will do." Fifty years later, this possibility is as unlikely in Japan as it is in the US, and it is this option, of a "small America", that seems to be the option that propaganda buries most of all.

---

Chart One

Threats to U.S. Vital Interests

The graph illustrates the percentage who viewed each item as a "critical threat" rather than an "important but not critical threat" or "not an important threat" to the vital interest of the United States.

Source: Rielly, p. 87.

Chart Two

Thermometer Ratings for Countries

—The Public

<table>
<thead>
<tr>
<th>Country</th>
<th>1990</th>
<th>1986</th>
<th>1982</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>76</td>
<td>77</td>
<td>74</td>
</tr>
<tr>
<td>Great Britain</td>
<td>74</td>
<td>71</td>
<td>68</td>
</tr>
<tr>
<td>Germany*</td>
<td>67</td>
<td>62</td>
<td>59</td>
</tr>
<tr>
<td>Soviet Union</td>
<td>59</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Italy</td>
<td>59</td>
<td>54</td>
<td>51</td>
</tr>
<tr>
<td>Poland</td>
<td>57</td>
<td>54</td>
<td>52</td>
</tr>
<tr>
<td>Mexico</td>
<td>56</td>
<td>50</td>
<td>60</td>
</tr>
<tr>
<td>France</td>
<td>56</td>
<td>58</td>
<td>60</td>
</tr>
<tr>
<td>Brazil</td>
<td>54</td>
<td>54</td>
<td>34</td>
</tr>
<tr>
<td>Israel</td>
<td>54</td>
<td>59</td>
<td>55</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>53</td>
<td>50</td>
<td>52</td>
</tr>
<tr>
<td>Philippines</td>
<td>53</td>
<td>59</td>
<td>—</td>
</tr>
<tr>
<td>Egypt</td>
<td>52</td>
<td>49</td>
<td>52</td>
</tr>
<tr>
<td>Japan</td>
<td>52</td>
<td>61</td>
<td>53</td>
</tr>
<tr>
<td>South Africa</td>
<td>51</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>Taiwan</td>
<td>48</td>
<td>52</td>
<td>49</td>
</tr>
<tr>
<td>India</td>
<td>48</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>South Korea</td>
<td>47</td>
<td>51</td>
<td>44</td>
</tr>
<tr>
<td>Nigeria</td>
<td>47</td>
<td>46</td>
<td>44</td>
</tr>
<tr>
<td>People's Republic of China</td>
<td>42</td>
<td>53</td>
<td>47</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>44</td>
<td>46</td>
<td>—</td>
</tr>
<tr>
<td>Iran</td>
<td>27</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>Iraq</td>
<td>20</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Syria</td>
<td>—</td>
<td>34</td>
<td>42</td>
</tr>
<tr>
<td>Jordan</td>
<td>—</td>
<td>—</td>
<td>47</td>
</tr>
<tr>
<td>Lebanon</td>
<td>—</td>
<td>—</td>
<td>46</td>
</tr>
<tr>
<td>Cuba</td>
<td>—</td>
<td>—</td>
<td>37</td>
</tr>
</tbody>
</table>

Note: Both means not asked.
*In surveys prior to 1990 this was asked as West Germany.

Source: Rielly, p. 95.
Chart Three

Trade Relations with Japan and the EC

“In general, do you think that Japan/the countries of the European Community (EC) practice fair trade or unfair trade with the United States?”

Source: Rielly, p. 95.

Chart Four

Foreign-Policy Goals Considered “Very Important”

<table>
<thead>
<tr>
<th>Goal</th>
<th>Public</th>
<th>Leaders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protecting the jobs of American workers</td>
<td>65%</td>
<td>30%</td>
</tr>
<tr>
<td>Protecting the interests of business abroad</td>
<td>63%</td>
<td>27%</td>
</tr>
<tr>
<td>Securing adequate supplies of energy</td>
<td>61%</td>
<td>60%</td>
</tr>
<tr>
<td>Defending our allies’ security</td>
<td>61%</td>
<td>56%</td>
</tr>
<tr>
<td>Preventing the spread of nuclear weapons</td>
<td>59%</td>
<td>94%</td>
</tr>
<tr>
<td>Promoting and defending human rights in</td>
<td></td>
<td></td>
</tr>
<tr>
<td>other countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improving the global environment</td>
<td>58%</td>
<td>72%</td>
</tr>
<tr>
<td>Protecting weaker nations against foreign</td>
<td></td>
<td></td>
</tr>
<tr>
<td>aggression</td>
<td>57%</td>
<td>28%</td>
</tr>
<tr>
<td>Reducing our trade deficit with foreign</td>
<td>56%</td>
<td>62%</td>
</tr>
<tr>
<td>countries</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matching Soviet military power</td>
<td>56%</td>
<td>20%</td>
</tr>
<tr>
<td>Containing communism</td>
<td>56%</td>
<td>10%</td>
</tr>
<tr>
<td>Worldwide arms control</td>
<td>51%</td>
<td>80%</td>
</tr>
<tr>
<td>Strengthening the United Nations</td>
<td>44%</td>
<td>39%</td>
</tr>
<tr>
<td>Helping to improve the standard of living</td>
<td></td>
<td></td>
</tr>
<tr>
<td>of less developed nations</td>
<td>41%</td>
<td>42%</td>
</tr>
<tr>
<td>Helping to bring a democratic form of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>government to other nations</td>
<td>28%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Source: Rielly, p. 95.
Chart Five

Foreign Direct Investment Position in the United States

Billions of dollars


Chart Six

Top Five Foreign Direct Investors in the U.S.

Source: Fortune, Fall 1990 (Pacific Rim Issue), p. 100.

Chart Seven

Capital flows into US by country

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>18,774</td>
<td>20,225</td>
<td>1,210</td>
</tr>
<tr>
<td>Britain</td>
<td>18,774</td>
<td>20,225</td>
<td>1,210</td>
</tr>
<tr>
<td>Japan</td>
<td>17,628</td>
<td>17,269</td>
<td>4,981</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4,705</td>
<td>9,628</td>
<td>2,033</td>
</tr>
<tr>
<td>W. Germany</td>
<td>2,306</td>
<td>4,229</td>
<td>-705</td>
</tr>
</tbody>
</table>

Total foreign direct investment in the US

<table>
<thead>
<tr>
<th>Country</th>
<th>Jan.-June 1989</th>
<th>Jan.-June 1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>New equity investments</td>
<td>17,628</td>
<td>16,769</td>
</tr>
<tr>
<td>Reinvested earnings</td>
<td>-614</td>
<td>-2,921</td>
</tr>
<tr>
<td>Intercompany accounts</td>
<td>21,203</td>
<td>-3,224</td>
</tr>
</tbody>
</table>

## Chart Eight

**INTERNATIONAL MERGERS AND ACQUISITIONS, 1988**

<table>
<thead>
<tr>
<th>Country/Region</th>
<th>Number of Transactions</th>
<th>$ Billion Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Inward:</td>
<td>Outward:</td>
</tr>
<tr>
<td>North America</td>
<td>1246</td>
<td>550</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>226</td>
<td>884</td>
</tr>
<tr>
<td>Other EC</td>
<td>527</td>
<td>422</td>
</tr>
<tr>
<td>Japan</td>
<td>-</td>
<td>81</td>
</tr>
<tr>
<td>All Other Countries</td>
<td>327</td>
<td>389</td>
</tr>
<tr>
<td><strong>World Total</strong></td>
<td><strong>2326</strong></td>
<td><strong>2326</strong></td>
</tr>
</tbody>
</table>

Source: World Economic Monitor

## Chart Nine

**WORLDWIDE STOCK OF FOREIGN DIRECT INVESTMENT (Year-end 1987)**

<table>
<thead>
<tr>
<th>Country</th>
<th>% of World Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>33.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>18.1</td>
</tr>
<tr>
<td>West Germany</td>
<td>9</td>
</tr>
<tr>
<td>Japan</td>
<td>8.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>8.5</td>
</tr>
<tr>
<td>Canada</td>
<td>5.2</td>
</tr>
<tr>
<td>All Other Countries</td>
<td>17.4</td>
</tr>
</tbody>
</table>

$\text{\$913 billion}=100.00\%$

Source: World Economic Monitor
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>5489</td>
<td>13.1</td>
<td>5534</td>
<td>2.9</td>
<td>3665</td>
<td>0.9</td>
<td>-3670</td>
<td>-831</td>
<td>243</td>
<td>1133</td>
<td>2050</td>
</tr>
<tr>
<td>a.a.</td>
<td>549</td>
<td>13.1</td>
<td>553</td>
<td>2.9</td>
<td>3665</td>
<td>0.9</td>
<td>-3670</td>
<td>-831</td>
<td>243</td>
<td>1133</td>
<td>2050</td>
</tr>
<tr>
<td>France</td>
<td>2804</td>
<td>6.7</td>
<td>16908</td>
<td>9.0</td>
<td>24127</td>
<td>6.1</td>
<td>2426</td>
<td>1563</td>
<td>1631</td>
<td>2198</td>
<td>2210</td>
</tr>
<tr>
<td>a.a.</td>
<td>280</td>
<td>6.7</td>
<td>1690</td>
<td>9.0</td>
<td>24127</td>
<td>6.1</td>
<td>2426</td>
<td>1563</td>
<td>1631</td>
<td>2198</td>
<td>2210</td>
</tr>
<tr>
<td>Germany</td>
<td>6270</td>
<td>15.0</td>
<td>13957</td>
<td>7.4</td>
<td>8716</td>
<td>2.2</td>
<td>340</td>
<td>819</td>
<td>1775</td>
<td>553</td>
<td>587</td>
</tr>
<tr>
<td>a.a.</td>
<td>627</td>
<td>15.0</td>
<td>1396</td>
<td>7.4</td>
<td>8716</td>
<td>2.2</td>
<td>340</td>
<td>819</td>
<td>1775</td>
<td>553</td>
<td>587</td>
</tr>
<tr>
<td>Italy</td>
<td>3634</td>
<td>8.6</td>
<td>5698</td>
<td>3.0</td>
<td>16148</td>
<td>2.3</td>
<td>1146</td>
<td>636</td>
<td>1190</td>
<td>1290</td>
<td>1003</td>
</tr>
<tr>
<td>a.a.</td>
<td>363</td>
<td>8.6</td>
<td>570</td>
<td>3.0</td>
<td>16148</td>
<td>2.3</td>
<td>1146</td>
<td>636</td>
<td>1190</td>
<td>1290</td>
<td>1003</td>
</tr>
<tr>
<td>Japan</td>
<td>624</td>
<td>1.5</td>
<td>1424</td>
<td>0.8</td>
<td>2582</td>
<td>0.7</td>
<td>189</td>
<td>439</td>
<td>416</td>
<td>-10</td>
<td>642</td>
</tr>
<tr>
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<td>1.5</td>
<td>142</td>
<td>0.8</td>
<td>2582</td>
<td>0.7</td>
<td>189</td>
<td>439</td>
<td>416</td>
<td>-10</td>
<td>642</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>4310</td>
<td>10.2</td>
<td>40503</td>
<td>21.6</td>
<td>53940</td>
<td>13.6</td>
<td>5891</td>
<td>5286</td>
<td>5132</td>
<td>-241</td>
<td>4856</td>
</tr>
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<td>a.a.</td>
<td>431</td>
<td>10.2</td>
<td>4050</td>
<td>21.6</td>
<td>53940</td>
<td>13.6</td>
<td>5891</td>
<td>5286</td>
<td>5132</td>
<td>-241</td>
<td>4856</td>
</tr>
<tr>
<td>United States</td>
<td>6202</td>
<td>14.9</td>
<td>56276</td>
<td>30.0</td>
<td>213690</td>
<td>53.8</td>
<td>25190</td>
<td>13800</td>
<td>11960</td>
<td>25390</td>
<td>19030</td>
</tr>
<tr>
<td>a.a.</td>
<td>628</td>
<td>14.9</td>
<td>5628</td>
<td>30.0</td>
<td>213690</td>
<td>53.8</td>
<td>25190</td>
<td>13800</td>
<td>11960</td>
<td>25390</td>
<td>19030</td>
</tr>
</tbody>
</table>

a.a. Annual average.

1. Including reinvested earnings.
2. Shares of OECD total inward flow of direct investment.
3. Revised figures.
4. Provisional figures.

Source: Dept. of Economics and Statistics, OECD (taken from various national Economic Surveys and Trade and Balance of Payments Statistics.)
Chart Eleven

**Tokyo Round Tariff Cuts by Stage of Processing, Selected Countries**

<table>
<thead>
<tr>
<th>Country and Period</th>
<th>All Industrial Products</th>
<th>Raw Materials</th>
<th>Semi-manufactures</th>
<th>Finished Manufactures</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates before Tokyo</td>
<td>6.5</td>
<td>6.5</td>
<td>4.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Rates after Tokyo</td>
<td>4.4</td>
<td>4.4</td>
<td>2.7</td>
<td>3.0</td>
</tr>
<tr>
<td>Percent cut</td>
<td>31</td>
<td>31</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>European Community:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates before Tokyo</td>
<td>6.6</td>
<td>2</td>
<td>5.1</td>
<td>9.7</td>
</tr>
<tr>
<td>Rates after Tokyo</td>
<td>4.7</td>
<td>4.7</td>
<td>2.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Percent cut</td>
<td>29</td>
<td>29</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Japan:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates before Tokyo</td>
<td>5.5</td>
<td>1.5</td>
<td>6.6</td>
<td>12.5</td>
</tr>
<tr>
<td>Rates after Tokyo</td>
<td>2.3</td>
<td>2.3</td>
<td>4.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Percent cut</td>
<td>57</td>
<td>57</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Canada:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rates before Tokyo</td>
<td>13.6</td>
<td>1.0</td>
<td>14.4</td>
<td>13.8</td>
</tr>
<tr>
<td>Rates after Tokyo</td>
<td>7.5</td>
<td>7.5</td>
<td>8.3</td>
<td>8.3</td>
</tr>
<tr>
<td>Percent cut</td>
<td>42</td>
<td>42</td>
<td>41</td>
<td>41</td>
</tr>
</tbody>
</table>


**Tokyo Round Tariff Cuts by Industry for United States, European Community, and Japan**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Pre-Tokyo Round Tariff Rates</th>
<th>Post-Tokyo Round Tariff Rates</th>
<th>Percent Cut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry, and related</td>
<td>2.2</td>
<td>7.1</td>
<td>18.4</td>
</tr>
<tr>
<td>Food, beverages, and tobacco products</td>
<td>6.4</td>
<td>12.4</td>
<td>25.4</td>
</tr>
<tr>
<td>Textiles</td>
<td>14.6</td>
<td>18.6</td>
<td>21.1</td>
</tr>
<tr>
<td>Machinery</td>
<td>2.5</td>
<td>2.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Footwear</td>
<td>13.4</td>
<td>17.4</td>
<td>16.6</td>
</tr>
<tr>
<td>Wood products</td>
<td>4.3</td>
<td>4.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>6.1</td>
<td>8.5</td>
<td>7.0</td>
</tr>
<tr>
<td>Fiber and products</td>
<td>4.0</td>
<td>4.0</td>
<td>2.7</td>
</tr>
<tr>
<td>Paving and publishing</td>
<td>1.2</td>
<td>2.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Chemicals</td>
<td>3.8</td>
<td>11.5</td>
<td>6.2</td>
</tr>
<tr>
<td>Petroleum and related products</td>
<td>3.4</td>
<td>15.5</td>
<td>5.8</td>
</tr>
<tr>
<td>Rubber products</td>
<td>3.6</td>
<td>13.5</td>
<td>5.1</td>
</tr>
<tr>
<td>Nonmetallic mineral products</td>
<td>5.1</td>
<td>5.2</td>
<td>6.3</td>
</tr>
<tr>
<td>Glass and glass products</td>
<td>10.7</td>
<td>9.9</td>
<td>7.5</td>
</tr>
<tr>
<td>Nonferrous metals</td>
<td>7.3</td>
<td>7.3</td>
<td>6.8</td>
</tr>
<tr>
<td>Nonferrous minerals</td>
<td>5.0</td>
<td>6.3</td>
<td>8.1</td>
</tr>
<tr>
<td>Nonmetallic machinery</td>
<td>9.6</td>
<td>9.5</td>
<td>7.4</td>
</tr>
<tr>
<td>Electrical machinery</td>
<td>9.5</td>
<td>9.3</td>
<td>7.8</td>
</tr>
<tr>
<td>Transportation equipment</td>
<td>7.8</td>
<td>7.7</td>
<td>6.8</td>
</tr>
<tr>
<td>Miscellaneous manufactures</td>
<td>7.8</td>
<td>7.7</td>
<td>6.8</td>
</tr>
</tbody>
</table>

US, EC, Japanese Trade Balances (in $Billions)

Chart Twelve

Source: Blake and Walters, p. 19.

Chart Thirteen

U.S. Merchandise Exports and Imports by Area, 1981-1990


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>277.1</td>
<td>211.2</td>
<td>201.8</td>
<td>219.3</td>
<td>215.9</td>
<td>221.4</td>
<td>250.3</td>
<td>226.3</td>
<td>360.5</td>
<td>383.6</td>
</tr>
<tr>
<td>Industrial countries</td>
<td>141.9</td>
<td>137.0</td>
<td>138.4</td>
<td>141.9</td>
<td>140.5</td>
<td>150.3</td>
<td>163.6</td>
<td>207.3</td>
<td>222.8</td>
<td>251.2</td>
</tr>
<tr>
<td>Canada</td>
<td>46.0</td>
<td>39.7</td>
<td>44.5</td>
<td>52.0</td>
<td>55.4</td>
<td>56.5</td>
<td>62.0</td>
<td>72.3</td>
<td>70.7</td>
<td>81.0</td>
</tr>
<tr>
<td>Japan</td>
<td>31.8</td>
<td>33.7</td>
<td>31.8</td>
<td>33.3</td>
<td>32.1</td>
<td>33.4</td>
<td>37.6</td>
<td>37.2</td>
<td>42.7</td>
<td>47.0</td>
</tr>
<tr>
<td>Western Europe</td>
<td>63.1</td>
<td>59.7</td>
<td>53.4</td>
<td>56.0</td>
<td>58.0</td>
<td>61.4</td>
<td>68.6</td>
<td>69.4</td>
<td>73.5</td>
<td>100.2</td>
</tr>
<tr>
<td>Australia, New Zealand, and South Africa</td>
<td>8.0</td>
<td>7.7</td>
<td>6.6</td>
<td>7.8</td>
<td>7.0</td>
<td>7.3</td>
<td>7.6</td>
<td>9.4</td>
<td>10.9</td>
<td>11.0</td>
</tr>
<tr>
<td>Other countries, except Eastern Europe</td>
<td>5.1</td>
<td>4.4</td>
<td>3.9</td>
<td>4.8</td>
<td>5.1</td>
<td>5.1</td>
<td>5.3</td>
<td>6.8</td>
<td>8.1</td>
<td>8.3</td>
</tr>
<tr>
<td>OPEC*</td>
<td>90.7</td>
<td>80.1</td>
<td>70.4</td>
<td>74.6</td>
<td>72.0</td>
<td>71.0</td>
<td>72.4</td>
<td>109.1</td>
<td>121.9</td>
<td>123.7</td>
</tr>
<tr>
<td>Other *</td>
<td>81.6</td>
<td>79.4</td>
<td>69.2</td>
<td>66.8</td>
<td>61.0</td>
<td>52.7</td>
<td>59.3</td>
<td>103.0</td>
<td>116.9</td>
<td>116.1</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>4.4</td>
<td>3.7</td>
<td>3.0</td>
<td>4.3</td>
<td>3.3</td>
<td>2.1</td>
<td>2.3</td>
<td>3.8</td>
<td>5.6</td>
<td>4.8</td>
</tr>
<tr>
<td>International organizations and unallocated</td>
<td>0.1</td>
<td>0.1</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
| * Preliminary; seasonally adjusted.

Source: Department of Commerce, Bureau of Economic Analysis.
### Chart Fourteen

**PERCENT GDP GAINED FROM EXPORTS (Year-end 1990)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>27.6</td>
</tr>
<tr>
<td>Canada</td>
<td>23.4</td>
</tr>
<tr>
<td>France</td>
<td>18.5</td>
</tr>
<tr>
<td>Japan</td>
<td>9.7</td>
</tr>
<tr>
<td>United States</td>
<td>7.2</td>
</tr>
</tbody>
</table>

### Chart Fifteen

**U.S.$ millions**

<table>
<thead>
<tr>
<th>Cumulative flows</th>
<th>Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/31/89</td>
<td></td>
</tr>
<tr>
<td>Europe</td>
<td>3,013</td>
</tr>
<tr>
<td>France</td>
<td>202</td>
</tr>
<tr>
<td>Germany</td>
<td>546</td>
</tr>
<tr>
<td>Netherlands</td>
<td>482</td>
</tr>
<tr>
<td>Switzerland</td>
<td>928</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>518</td>
</tr>
<tr>
<td>Other OECD countries</td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>152</td>
</tr>
<tr>
<td>United States</td>
<td>6,280</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>320</td>
</tr>
</tbody>
</table>

**NOTE:**

These figures are collected on an approval or notification basis and are not strictly comparable to balance-of-payments data. Moreover, there is a divergence between the methods used to measure inward and outward direct investment. Reinvestment to acquire equity is generally included.
Chart Sixteen

JAPANESE IMPORTS, 1985-1990 (in $ millions)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>From the United States:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26,099</td>
<td>29,410</td>
<td>31,957</td>
<td>42,267</td>
<td>48,253</td>
<td>52,842</td>
<td></td>
</tr>
<tr>
<td>From the Industrialized Countries:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51,680</td>
<td>60,391</td>
<td>69,888</td>
<td>92,742</td>
<td>104,780</td>
<td>118,110*</td>
<td></td>
</tr>
</tbody>
</table>

UNITED STATES IMPORTS

From Japan:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>72,380</td>
<td>85,457</td>
<td>88,074</td>
<td>93,128</td>
<td>97,110</td>
<td>93,070</td>
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</tr>
</tbody>
</table>

From Canada:
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>69,427</td>
<td>68,662</td>
<td>71,510</td>
<td>81,430</td>
<td>89,550</td>
<td>93,780**</td>
<td></td>
</tr>
</tbody>
</table>

From the Industrialized Countries:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>228,755</td>
<td>250,930</td>
<td>262,150</td>
<td>282,716</td>
<td>295,954</td>
<td>304,103*</td>
<td></td>
</tr>
</tbody>
</table>

* Between 1985 and 1990, 46% of Japan's imports from industrialized countries have come from the US; roughly 33% of US imports from industrialized countries come from Japan.
** Note the growth in US imports from Canada vis a vis a decline in imports from Japan.

PER CAPITA IMPORTS

<table>
<thead>
<tr>
<th>Year</th>
<th>1988</th>
<th>1989</th>
<th>1990</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Imports from the US:</td>
<td>$341</td>
<td>$389</td>
<td>$426</td>
</tr>
<tr>
<td>US Imports from Japan:</td>
<td>$372</td>
<td>$388</td>
<td>$372</td>
</tr>
</tbody>
</table>

Chart Seventeen

JAPAN'S TRADE SURPLUS (1985-1990) (expressed in $ billions)

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>With</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World:</td>
<td>47</td>
<td>83</td>
<td>80</td>
<td>78</td>
<td>64</td>
<td>53</td>
</tr>
<tr>
<td>With US:</td>
<td>41</td>
<td>53</td>
<td>53</td>
<td>48</td>
<td>46</td>
<td>38</td>
</tr>
</tbody>
</table>

US TRADE DEFICIT (1985-1990)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>With</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>World:</td>
<td>-133</td>
<td>-155</td>
<td>-170</td>
<td>-138</td>
<td>-129</td>
<td>-123</td>
</tr>
<tr>
<td>With Japan:</td>
<td>-50</td>
<td>-58</td>
<td>-60</td>
<td>-55</td>
<td>-52</td>
<td>-44</td>
</tr>
</tbody>
</table>


---

Chart Eighteen

JAPANESE EXPORTS TO THE UNITED STATES, 1985-1990 (measured in $ millions)

<table>
<thead>
<tr>
<th></th>
<th>1985 \</th>
<th>1986 \</th>
<th>1987 \</th>
<th>1988 \</th>
<th>1989 \</th>
<th>1990 \</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>66,684 \</td>
<td>81,926 \</td>
<td>85,017 \</td>
<td>90,245 \</td>
<td>93,954 \</td>
<td>91,721 \</td>
</tr>
</tbody>
</table>

% Growth in Exports: 23% 3.8% 6% 4% -3%

US EXPORTS TO JAPAN

<table>
<thead>
<tr>
<th></th>
<th>1985 \</th>
<th>1986 \</th>
<th>1987 \</th>
<th>1988 \</th>
<th>1989 \</th>
<th>1990 \</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>22,631 \</td>
<td>26,882 \</td>
<td>28,249 \</td>
<td>37,620 \</td>
<td>44,584 \</td>
<td>48,585 \</td>
</tr>
</tbody>
</table>

% Growth in Exports: 4% 31.9% 16.5% 12.3% 6%

<table>
<thead>
<tr>
<th>Country</th>
<th>U.S.$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative Flows</strong></td>
<td>03/31/89</td>
</tr>
<tr>
<td><strong>Europe, total</strong></td>
<td>30164</td>
</tr>
<tr>
<td>Belgium</td>
<td>1027</td>
</tr>
<tr>
<td>France</td>
<td>1764</td>
</tr>
<tr>
<td>Germany</td>
<td>2364</td>
</tr>
<tr>
<td>Italy</td>
<td>370</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>4729</td>
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<tr>
<td>Netherlands</td>
<td>5525</td>
</tr>
<tr>
<td>Spain</td>
<td>1045</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1432</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>10554</td>
</tr>
<tr>
<td><strong>Other OECD countries</strong></td>
<td></td>
</tr>
<tr>
<td>Canada</td>
<td>3231</td>
</tr>
<tr>
<td>United States</td>
<td>71860</td>
</tr>
<tr>
<td>Latin America Inc. offshore bank</td>
<td>31617</td>
</tr>
<tr>
<td>Middle East Inc. OPEC</td>
<td>33088</td>
</tr>
<tr>
<td>Asia</td>
<td>32227</td>
</tr>
<tr>
<td>Africa</td>
<td>4604</td>
</tr>
</tbody>
</table>

**NOTE:** These figures are collected on an approval or notification basis and are not strictly comparable to balance-of-payments data. Moreover, there is a divergence between the methods used to measure inward and outward direct investment. Reinvestment to acquire equity is generally included.
Acting Secretary of State C.M. Conrad
to Secretary of the Navy John P.
Kennedy, 5 November 1852.

As the squadron destined for Japan will shortly be prepared to sail, I
am directed by the President to explain the objects of the expedition, and
to give some general directions as to the mode by which those objects
are to be accomplished.

Since the islands of Japan were first visited by European nations, efforts
have constantly been made by the various maritime powers to establish
commercial intercourse with a country whose large population and re-
puted wealth hold out great temptations to mercantile enterprise. Portugal
was the first to make the attempt, and her example was followed by Hol-
land, England, Spain, and Russia; and finally by the United States. All
these attempts, however, have thus far been unsuccessful; the permission
enjoyed for a short period by the Portuguese to trade with the islands,
and that granted to Holland to send annually a single vessel to the port of
Nagasaki, hardly deserving to be considered exceptions to this remark.

China is the only country which carries on any considerable trade with
these islands.

So rigorously is this system of exclusion carried out, that foreign vessels
are not permitted to enter their ports in distress, or even to do an act of
kindness to their own people. . . .

When vessels are wrecked or driven ashore on the islands their crews
are subjected to the most cruel treatment. Two instances of this have re-
cently occurred. . . .

Every nation has undoubtedly the right to determine for itself the ex-
tent to which it will hold intercourse with other nations. The same law of
nations, however, which protects a nation in the exercise of this right im-
pedes upon her certain duties which she cannot justly disregard. Among
these duties none is more imperative than that which requires her to succor
and relieve those persons who are cast by the perils of the ocean upon her
shores. This duty is, it is true, among those that are denominated by writ-
ers on public law imperfect, and which confer on right on other nations
to exact their performances; nevertheless, if a nation not only habitually
and systematically disregards it, but treats such unfortunate persons as if
they were the most atrocious criminals, such nations may justly be con-
sidered as the most common enemy of mankind.

That the civilized nations of the world should for ages have submitted
to such treatment by a weak and semi-barbarous people, can only be ac-
counted for on the supposition that, from the remoteness of the country,
instances of such treatment were of rare occurrence, and the difficulty of
characterising it very great. It can hardly be doubted that if Japan were situ-
ated as near the continent of Europe or of America as it is to that of Asia,
its government would long since have been either treated as barbarians,
or been compelled to respect those usages of civilized states of which it
receives the protection. . . .

Recent events—the navigation of the ocean by steam, the acquisition
and rapid settlement by this country of a vast territory on the Pacific, the
discovery of gold in that region, the rapid communication established
across the isthmus which separates the two oceans—have practically
brought the countries of the east in closer proximity to our own; although
the consequences of these events have scarcely begun to be felt, the inter-
course between them has already greatly increased, and no limits can be
assigned to its future extension.

The object sought by this government is—

1. To effect some permanent arrangement for the protection of Ameri-
can seamen and property wrecked on these islands, or driven into their
ports by stress of weather.

2. The permission to American vessels to enter one or more of their ports
in order to obtain supplies of provisions, water, fuel, &c., or, in case of disas:
to, to refit so as to enable them to prosecute their voyage.

It is very desirable to have permission to establish a depot for coal, if
not on one of the principal islands, at least on some small uninhabited one,
of which it is said, there are several in their vicinity.

3. The permission to our vessels to enter one or more of their ports for
the purpose of disposing of their cargoes by sale or charter. . . .

The next question is, how are the above mentioned objects to be at-
tained?

It is manifest, from past experience, that arguments or persuasion ad-
dressed to this people, unless they be succeeded by some imposing mani-
festation of power, will be utterly unsatisfying.

You will, therefore, be pleased to direct the commander of the squadron
to proceed, with his whole force, to such point on the coast of Japan as
he may deem most advisable, and there endeavor to open a communi-
cation with the government, and, if possible, to see the emperor in person,
and deliver to him the letter of introduction from the President with
which he is charged. He will state that he has been sent across the ocean
by the President to deliver that letter to the emperor, and to communicate
with his government on matters of importance to the two countries. That
the President entertains the most friendly feeling towards Japan, but has
been surprised and grieved to learn, that when any of the people of the
United States go, of their own accord, or are thrown by the perils of the
sea within the dominions of the emperor, they are treated as if they were
his worst enemies.

If, after having exhausted every argument and every means of persua-
sion, the commander should fail to obtain from the government any re-
laxation of their system of exclusion, or even any assurance of humane
reatment of our shipwrecked seamen, he will then change his tone, and
insinuate in the most reasonable terms that it is the determination of
this government to insist, that hereafter all citizens or vessels of the United
States that may be wrecked on their coasts, or driven by stress of weather
into their harbors shall, so long as they are compelled to remain there, be
treated with humanity; and that if any acts of cruelty should hereafter be
practised upon citizens of this country, whether by the government or by
the inhabitants of Japan, they will be severely chastised. In case he should
succeed in obtaining concessions on any of the points above mentioned, it
is desirable that they should be reduced into the form of a treaty, for
negotiating which he will be furnished with the requisite powers.
Chart Twenty-one

JAPANESE IMMIGRATION TO, AND EMIGRATION FROM, THE CONTINENTAL UNITED STATES: 1891-1942*

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>1,136</td>
<td>No</td>
<td>2,432</td>
<td>4,653</td>
</tr>
<tr>
<td>1892</td>
<td>1,498</td>
<td>Data</td>
<td>2,596</td>
<td>4,747</td>
</tr>
<tr>
<td>1893</td>
<td>1,380</td>
<td>from</td>
<td>2,828</td>
<td>5,935</td>
</tr>
<tr>
<td>1894</td>
<td>1,501</td>
<td>1891</td>
<td>3,318</td>
<td>6,293</td>
</tr>
<tr>
<td>1895</td>
<td>1,150</td>
<td>to 1913</td>
<td>6,711</td>
<td>7,304</td>
</tr>
<tr>
<td>1896</td>
<td>1,110</td>
<td>1907</td>
<td>8,462</td>
<td>7,613</td>
</tr>
<tr>
<td>1897</td>
<td>1,526</td>
<td>1914</td>
<td>9,092</td>
<td>8,016</td>
</tr>
<tr>
<td>1898</td>
<td>2,230</td>
<td>1915</td>
<td>9,092</td>
<td>8,016</td>
</tr>
<tr>
<td>1899</td>
<td>3,395</td>
<td>1916</td>
<td>9,100</td>
<td>8,025</td>
</tr>
<tr>
<td>1900</td>
<td>12,628</td>
<td>1917</td>
<td>9,159</td>
<td>5,368</td>
</tr>
<tr>
<td>1901</td>
<td>4,911</td>
<td>1918</td>
<td>11,143</td>
<td>5,333</td>
</tr>
<tr>
<td>1902</td>
<td>5,330</td>
<td>1919</td>
<td>11,404</td>
<td>5,279</td>
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<tr>
<td>1903</td>
<td>6,996</td>
<td>1920</td>
<td>12,868</td>
<td>4,245</td>
</tr>
<tr>
<td>1904</td>
<td>7,792</td>
<td>1921</td>
<td>10,675</td>
<td>3,908</td>
</tr>
<tr>
<td>1905</td>
<td>8,329</td>
<td>1922</td>
<td>8,981</td>
<td>3,200</td>
</tr>
<tr>
<td>1906</td>
<td>5,192</td>
<td>1923</td>
<td>8,455</td>
<td>4,265</td>
</tr>
<tr>
<td>1907</td>
<td>9,959</td>
<td>1924</td>
<td>11,526</td>
<td>4,974</td>
</tr>
</tbody>
</table>

Source: Kitano, p. 176.

Chart Twenty-two

NUMBER OF JAPANESE FARMERS IN CALIFORNIA BY DECADE, 1900-1940*

<table>
<thead>
<tr>
<th>Years</th>
<th>No. of Japanese Farmers</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>30</td>
<td>4,698</td>
</tr>
<tr>
<td>1910</td>
<td>1,816</td>
<td>194,809</td>
</tr>
<tr>
<td>1920</td>
<td>5,152</td>
<td>361,276</td>
</tr>
<tr>
<td>1930</td>
<td>3,956</td>
<td>191,427</td>
</tr>
<tr>
<td>1940</td>
<td>5,135</td>
<td>220,094</td>
</tr>
</tbody>
</table>

Includes owned, leased, shared and contract farms.
Total U.S., 37 in California

Source: Kitano, p. 155.
### INVESTMENT AS PERCENTAGE OF GDP (Year-end 1989)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>23.4</td>
</tr>
<tr>
<td>Japan</td>
<td>31.5</td>
</tr>
<tr>
<td>Canada</td>
<td>23.4</td>
</tr>
<tr>
<td>Germany</td>
<td>21.3</td>
</tr>
<tr>
<td>France</td>
<td>21.3</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>19.6</td>
</tr>
<tr>
<td>United States</td>
<td>17</td>
</tr>
</tbody>
</table>

### CONSUMPTION AS PERCENTAGE OF GDP (Year-end 1989)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>73.8</td>
</tr>
<tr>
<td>United States</td>
<td>84.5</td>
</tr>
<tr>
<td>Canada</td>
<td>79.8</td>
</tr>
<tr>
<td>France</td>
<td>78.3</td>
</tr>
<tr>
<td>Germany</td>
<td>72.1</td>
</tr>
<tr>
<td>Japan</td>
<td>66.4</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>64.1</td>
</tr>
</tbody>
</table>

*Only Greece consumes a higher percentage of its GDP.*

Chart Twenty-four
National Production as Percentage of Global GNP

Chart Twenty-five
Exports as Percentage of World Total

Source: Blake and Walters, p. 15.
SELECTED WORKS


157


VITA

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