

Hi John,

Thanks for putting this together. It's an interesting debate, and I'm glad you pinged me on it. I am technically a diplomatic historian, so I figured I'd attempt a response. I'm going to be critical of Chomsky's position here, but I am and have always been a huge admirer of him; I've learned more from him over the years than from just about anyone.

Let me try to summarize the argument here as I read it. You say the PPS document "means what it says" -- i.e. that Kennan believed US policy should be geared towards preventing any significant reduction in the huge wealth gap between the US and the rest of the world; that to accomplish this the US needed to dispense with humanitarian illusions and deal in straight power concepts; and that this also reflected the general thrust of US policy at the time.

Perlstien says no, postwar US policy was pretty much about raising foreign living standards, based on a mix of hubris, abundance, and Cold War geopolitics. The result can be seen in Japan's eventual emergence as a rich and formidable competitor.

Noam thinks you got the better of the argument, but he stresses that this particular document was only one part of a larger framework of postwar policy planning. That framework was based on economic reconstruction of the industrial powers (Europe, Japan) in order to guarantee US export markets, which in turn required restoring triangular trade relations with poor areas. In fact, "that was the motivating factor for the Indochina wars, from 1950, after the 'loss of China.'"

There are other points of contention (such as "plans" vs actual outcomes, or whether the goal was to keep the US itself disproportionately rich or to serve the more cosmopolitan interests of multinational companies), but let's leave it there for now.

So there are two main questions here: the meaning of a specific passage in a specific document, and the general question of US objectives in the postwar period.

On the question of US objectives, I think some parts of what Chomsky says are pretty uncontroversial, though not everyone would phrase things the way he does. The US did engage in elaborate postwar planning (most comprehensively documented, I think, in Patrick Hearden's book *Architects of Globalism*). This planning did include the economic reconstruction of Japan and Europe, and to that end the restoration of prewar triangular trade patterns was in fact envisaged.

However, there's a larger, deeper thrust to Chomsky's argument, beyond just reporting those widely accepted historical facts. He presents a picture, partly explicit and partly implicit, in which the postwar US-Asia relationship can be characterized by the following interlinked features:

(1) nationalist-progressive and Communist movements in Asia (and pretty much only those movements) sought to close the wealth gap with the rich countries by pursuing rapid economic development through state-led industrialization;

(2) this created the looming specter of a unilateral withdrawal from traditional "complementary" trade patterns;

(3) US officials saw this economic danger as the primary threat facing them in Asia, or at least one of the central threats;

(4) they therefore launched an all-out commitment, up to and including the use of force, ultimately designed to force those countries to stay trapped, against their will, in the traditional economic relationships;

(5) these were long-lasting and enduring principles of US strategy, not just a momentary phase of policy;

and (6) much or most of the history of postwar US policy in Asia (and perhaps the world) can be explained in these terms.

Now, I'm going to criticize this view, which I don't think I'm summarizing unfairly. But first let me point out that it's this broader set of arguments that the Kennan quote is meant to illustrate. In the quoted passage, you argue, Kennan is supposedly explicitly admitting (in private) that maintaining the wealth disparity is the goal.

I think you're misreading this document. (By the way, just to make it clear, this is not considered some landmark document in diplomatic history like NSC-68 or the Long Telegram; if it's "famous," it's only famous because Chomsky has often quoted it.)

I'd suggest that you're reading the document more like an oppo researcher than a historian. Here's the full passage:

Furthermore, we have about 50% of the world's wealth but only 6.3% of its population. This disparity is particularly great as between ourselves and the peoples of Asia. In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction.

A historian trying to figure out what Kennan meant about "maintaining the disparity" would try to do some "source critique." For example, if you're studying a 16th century French village and you find that the local priest is constantly denouncing fornication in his homilies, what should

you surmise: that this village must have been a strict no-fornication zone, or that, precisely to the contrary, there was probably a lot of fornication going on? I'd say the latter probably. In other words, you have to ask, "why is this person saying this, to *this* audience, at *this* moment"? What thoughts are driving him to make this point?

So in our Kennan case, one way to answer that question is to say: "Well, in Feb. 1948, George Kennan must have been very worried that the US would lose its enormous advantage in relative wealth to a rapidly developing Asia under leftist leadership." But does this make any sense at all? Go back and look at some random issues of the NY Times from Feb. 1948. You will not get the impression that the world is contemplating the specter of an Asia (or a world) thrust into breakneck economic growth – either in the immediate or the long term. You will find that Europe is an impoverished shambles, Japan is in ruins, much of Asia is in a state of total postwar chaos, violence and confusion. US policy is, as Chomsky himself points out, geared toward "reconstruction" of a destroyed world. Why the hell would George Kennan be worried about the US losing its dominant economic position, even in the long term?

This makes no sense. 1948 was not 1975 or 2005 – there were no Asian tigers, capitalist or Communist. The CCP was still widely perceived as a group of "agrarian populists," and even among those who viewed them as hardened Communists, few were expecting that a victorious peasant-led CCP would undertake Stalin-style industrialization. So it is just extremely difficult to credit your interpretation of this passage.

Here's how I would read the passage: "Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security." Kennan is saying, we are rich and they are poor. Poor people always hate and resent rich people ("we cannot fail to be the object of envy and resentment") and since there are billions of them and we're only 6% of the world's population, this presents us with all kinds of national security dangers. So, *given that this disparity exists* -- and it goes without saying that it will continue to exist -- we have to figure out how to protect ourselves from the inevitable vengeful mob. We can't be all sentimental and angelic about their plight. This is a *saue qui peut* situation, and it is one of the biggest problems we'll face.

Re-read the whole paragraph again. Doesn't this reading make lots more sense? See how this reading follows naturally from the previous sentence? Notice how in this particular document, he never uses the word "industrialization" or mentions any potential *opposition* to the restoration of colonial trade patterns (much less how to combat such opposition), which is something you might expect to see if the document were really about that subject?

My reading is also more in keeping with Kennan's personal and peculiarly old-fashioned racist view of the Third World, as a frightening but hopelessly chaotic and incompetent mob, rather than a dynamic or constructive force (either for good or evil).

Of course, if your reading still makes more sense to you, far be it from me to tell you you're wrong. This is a matter of interpretation after all, and I have no monopoly on interpretive ability. (Also, I might sound to you like a typical apologist for blood-stained imperialism. But please, don't blame me - I just do what the Democrats tell me to!)

So let's go back to the larger question of US goals. There are two issues I want to raise – one is about the precise nature of Washington's fears regarding Communism in Asia, and the other is about the window of time Chomsky is talking about.

Chomsky says, or at least implies, that Washington feared Communist victories in places like China or Vietnam because Truman era policymakers believed Communist governments would extract themselves from traditional trade relations (exporting raw materials, importing manufactured goods), leaving Japan and/or Europe without traditional markets or materials. In fact, I believe the real concern of policymakers in this period was almost exactly the opposite. They were *not* afraid that Communist governments in SEA would extract themselves from peacetime trade with Japan; on the contrary, they feared precisely that Communist governments in SEA would *continue* to trade with Japan, and that this would lead to Japan's dependence on "Moscow-controlled" markets, leading to irresistible pressure within Japan for recognition and rapprochement with such governments – thus violating America's Cold War policy of isolation.

But that begs the question: why did the US want to isolate Communist governments in the first place? And the answer is *not* economic, but geopolitical. Chomsky praises William Borden's study of US foreign economic policy and the origins of the Indochina War (Pacific Alliance), but Borden himself concludes: "Balance of power considerations were paramount; the loss of Germany and Japan to the Soviets would irrevocably tip the balance in the Soviets' favor."

This is the key point. There was a specific window of time – roughly 1947-1953 – that was perceived to be an extremely volatile emergency situation, in which there was a constant danger of Europe and/or Japan's collapse and capitulation to Moscow. That could happen either due to internal politics (e.g. Communist parties in France and Italy) or, for a brief period around 1949-50, due to a feared preemptive Soviet war. Resuscitating the European economy was considered absolutely key to combatting both perceived dangers. Also, there was another concern: this period was marked by a deep-seated fear that world war was imminent, and this was not yet the era of MAD: such a war was still assumed to be a protracted series of battles, like WWII was. And just as in WWII, strategic control of raw materials would be important during the war. So that was another consideration. But again, these were military considerations for wartime, not economic considerations concerning normal peacetime trade. Most of the documents Chomsky quotes come from this relatively brief postwar period and were directly or indirectly addressing this particular crisis when sudden war or collapse in Europe or Japan were considered imminent possibilities.

But this was a temporary crisis. By, say, 1958, nobody was seriously worried anymore about West European or Japanese capitulation due to starvation-driven turmoil or Soviet attack.

Now, in 1958 what *could* theoretically cause such capitulation, over the long term, was, in the case of Japan, dependence on trade with China. Thus, we find that it was *not* Communist China that refused to trade with Japan – on the contrary!!! It was the US that strictly forbade an eager Japan from trading with an eager China. In the early days after the CCP victory, Mao kept issuing requests to the US to let China export raw materials to Japan, but the US generally refused. And then after Korea, the US forced Japan to join the total embargo of China. For years afterwards, Japan kept trying to convince the US to let it trade with China, but the US always refused. This does not look like a country (China) desperately trying to escape from complementary trade relations with Japan but getting stymied by the US. It looks like two countries desperately trying to engage in complementary trade relations but getting stymied by the US for geopolitical reasons.

And presumably the same thing would have happened in Vietnam if the Viet Minh had won in 1954 – the US would have refused to let Japan trade with a Communist Vietnam.

I will freely make one important concession to Chomsky's argument. In May 1950, Washington decided to support Britain and France's colonial struggles in SEA because it believed a British defeat in Malaya and a French defeat in Vietnam would cripple those countries' ability to contribute to NATO at a time of perceived military emergency. Britain would lose precious foreign exchange earned by its rubber-exporting Malayan colony, since an independent Malay would presumably withdraw from the sterling bloc. (In France's case, the fear was that Vietnam was distracting Paris from European defense.) So yes: in the case of Malay, there actually was a fear that a Communist victory would result in a policy that would harm the economy of an industrialized country, and this was one important factor that contributed to one important policy decision, among many subsequent policy decisions (1954, 1959-60, 1963, 1965), that ultimately led to the Vietnam War.

But the whole subject had largely disappeared by the late 1950s. Certainly no one would argue that in 1965 LBJ was seriously worried about the pattern of raw materials trade in Southeast Asia anymore. In the famous 1965 McNaughton memo listing US aims, there's nothing about triangular trade. The triangular trade issue was only important for a few years during the fragile phase of Europe/Japan's early postwar reconstruction. Its importance stemmed from concerns that were ultimately geopolitical and military, not economic. And then it disappeared as an important issue in US foreign policy.

Finally, Perlstein makes the point that Japan *did* in fact industrialize and close the wealth gap with the US. Chomsky says this is a distraction. Plans fail sometimes. Just because they fail doesn't mean they didn't happen.

Well that's fair enough, but the “failure” of the plan raises a lot of puzzling questions that bear on the nature of the plan itself, questions that Chomsky doesn't really answer. First, let's briefly take note of the sheer massiveness of the scale of the failure. Not just Japan, but also China, South Korea, Taiwan, Malaysia, Indonesia, etc., have all significantly, in some cases vastly, increased their per capita income relative to the US.

If the plan was to keep Asia relatively poor and exporting raw materials, then we can say that the historic failure of postwar US foreign policy is probably the most important fact about the global economy today. Yet for some reason, the US powers that be don't seem so glum about the global economy. Remember the 90's? Tom Friedman, Davos, Bill Clinton, globalization, etc? Weren't they always praising what was going on in Asia? It just begs some kind of explanation: how could the world-historical failure of US foreign policy result in all this Establishment cheerleading?

So, for example, is it *still* US policy to keep Asia poor and non-industrialized (or just producing knick-knacks)? Is US policy *still* failing? Presumably not -- in which case, when exactly did they abandon the plan and switch it to something else? Chomsky says, “the failure came long before Japan's rise in the 70s. The major ‘loss’ was of course the famous ‘loss of China’ by 1949.” So is 1949 when they gave up trying to keep Asia from industrializing? Apparently not, because he also says that “from 1950,” keeping SEA an economic colony of Japan was “the motivating factor for the Indochina wars.”

I don't want to nitpick – this was an email, not a treatise. But when you look at the Asian regimes that were ultimately *most* successful in defying Kennan's supposed dictum that Asian countries must be kept poor raw materials producers, those successful regimes were consistently *supported* by US policy, which is puzzling from the standpoint of Chomsky's argument. Park Chung-hee in the 1960s and 70s, Taiwan in the same period, Deng in China. All these regimes were absolutely overturning the doctrine of “complementary trade.” Park's Korea launched the Heavy-Chemical Industrialization drive in the 1970s. Why didn't the hammer come down from Washington?

Of course, various trade officials were always upset about the loss of markets resulting from these successes. And clearly *if all other things were equal*, presumably US officials would *always* want foreign countries to run their economic policies in perfect accordance with US interests – they would want US firms always to prevail over foreign competitors, to enjoy every advantage, fair or unfair. And it's on that basis that they carry out US commercial and foreign policies. So, for example, today, when the Business Roundtable complains that China is “stealing” technology from US MNCs – which is one reason China is getting rich -- obviously the State Department pursues the issue with Beijing. That sort of “customer service” for domestic business interests is a core part of any country's commercial diplomacy.

But all things are not equal. There are many countervailing considerations. Showing that the US *ceteris paribus* *prefers* complementary trade, or prefers Japan producing knick-knacks, is quite different from claiming that such issues are the central focus US foreign policy at a given moment, or that the US would be willing to send in the Marines over such an issue. Showing that the State Department cares about an issue is not the same thing as showing it's a fundamental issue in policy. Maybe it is, maybe it isn't.

I know Noam would disagree, but I would argue, along with most diplomatic historians, that the most fundamental consideration in the postwar era was the perceived balance of politico-military power vis-à-vis the Soviets.

Seth