Journal of American Studies, 43 (2009), 1, 19–47
doi:10.1017/S0021875809006033 Printed in the United Kingdom

Anatomy of a Scare: Yellow Peril Politics in America, 1980–1993

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This article maps the rise and dissemination of Yellow Peril fears in the United States between about 1980 and 1993 and seeks to explain them. Anti-communism had been an animating force in Ronald Reagan's career, but shortly after he left office an opinion poll revealed that Japan had replaced the Soviet Union as the greatest perceived threat to the US. While economic anxieties contributed to the resurgence of Yellow Peril sentiments, this article emphasizes the vital parts played by other phenomena, notably Reagan's economic policies, partisan politics, a media war, and the ending of the Cold War. The Yellow Peril scare was widely criticized, and by the early 1990s the controversy had invaded popular culture. Ronald Reagan is frequently applauded for restoring American self-confidence after the "malaise" of the Carter years, but the apprehensions discussed here suggest that he enjoyed only limited success in this respect.

One of the driving forces of Ronald Reagan's career was his passionate anti-communism. While campaigning for President he insisted that the Soviet Union was at the bottom of all the trouble in the world, and in 1983 he famously referred to it as "the evil empire." Yet by the time his presidency ended growing numbers of Americans were arguing that the real enemy was not the Soviet Union but Japan. "The 'Yellow Peril' is back," complained one journalist in 1988. There was talk of the Yellow Peril replacing the Red Menace, of anti-Japanese hysteria, of a new McCarthyism. In December 1989 the *Boston Globe* surveyed the decade that was ending and listed among its worst features "anti-Japanese racism." According to a survey in 1990, while "anticommunism is fading as a factor in American politics, anti-Japanese sentiment has soared as economic expectations plummet." In such cities as Philadelphia and Boston statistics now indicated that Asian Americans were more likely to be victims of hate crimes than any other racial minority.

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Whatever credit Ronald Reagan may deserve for taming the Soviets, "victory" in the Cold War came at a price, one which included the unleashing of old fears about an Asian master race.[1]

These anti-Asian fears were not as intensive as those that agitated Americans at the turn of the twentieth century and were not as pervasive as the McCarthyism with which they were sometimes compared. They also had to compete with other public worries. A culture of apprehension had been inherited from the very origins of the republic. Americans of this generation believed as much as their predecessors had that the price of liberty was eternal vigilance, and they were as wary as ever of their nation's vulnerability to internal subversion or external attack. George Bush articulated one widespread fear in his inaugural address of January 1989, departing from his focus on foreign affairs to raise an alarm about drugs, though this was not solely a domestic matter, for "that first cocaine was smuggled in on a ship," a "deadly virus" eating at "the soul of our country." For a time General Manuel Noriega became the administration's primary foreign villain, soon to be displaced by Saddam Hussein, who was vigorously characterized during the Persian Gulf Crisis of 1990–91 as another Adolf Hitler, with all the threat to national security and world stability that that implied.[2]

But for many Japan was the greatest threat to the United States. With the crumbling of the Soviet bloc there was a growing conviction that a country's international status would be determined by its economic power, and it was the Japanese economy rather than the American that now appeared to be performing miracles. Yet Japan was a close ally of the United States, the connection between the two countries was often characterized by Ambassador Mike Mansfield as "the world's most important bilateral relationship," and American consumers were conducting a passionate love affair with Japanese products. These influences indeed helped to contain anti-Japanese sentiment for a time, but apprehensions over a new Yellow Peril eventually commanded considerable public attention and began to infiltrate popular culture. But just how was it that such a scare could be generated and disseminated? This article argues that Reagan's economic policies

[1] 'Buying into a Good Thing," *National Review*, 14 Oct. 1988; David B. Wilson, "Globe Columnists Pick the Highs and the Lows of the Decade," *Boston Globe*, 28 Dec. 1989, 69; "Voters Dissatisfied with Both Parties," *Boston Globe*, 19 Sept. 1990, 15; "Racial Violence against Asian Americans," *Harvard Law Review*, 106 (June 1993), 1927–28.

[2] For various discussions of the belief in US vulnerability see e.g. Richard Hofstadter, *The Paranoid Style in American Politics* (New York: Knopf, 1964); M. J. Heale, *American Anticommunism* (Baltimore: Johns Hopkins University Press, 1990); John A. Thompson, "The Exaggeration of American Vulnerability," *Diplomatic History*, 16 (Winter 1992), 23–43.

inadvertently helped to create the conditions in which it could take hold, and it identifies party politics as one critical ingredient. Essential to the scare's amplification was the widespread unease about American decline as the Cold War was ending. Almost all accounts of the Reagan presidency credit Ronald Reagan with restoring American morale after the "malaise" of the Carter years, but if so the anxieties of the late 1980s suggest that his service in this respect did not strike very deep or last very long.

Unease about a Yellow Peril was deeply embedded in American political culture. Europeans had nursed fears of an Asiatic invasion since at least the time of Genghis Khan, and in 1895 Kaiser Wilhelm II called on the Western nations to unite against a possible threat posed by a resurgent Orient. Yellow Peril fears in the United States were already surfacing, prompted by apprehensions over an "awakened" China and amplified by popular novels imagining a military invasion of California, and by the influx of legions of Chinese immigrants, to whom immoral and savage characteristics were often imputed. By the new century American anxieties about the Chinese were being displaced by fears focussed on the Japanese, largely as a consequence of Japan's growing military prowess as displayed in its wars against China and Russia, allied to the possible threat posed by Japan to American ambitions in the Pacific. Japan's stunning victory over Russia in 1904–5 in particular was seen by such diverse figures as W. E. B. Du Bois and Lothrop Stoddard as a challenge to white world supremacy. Dark suspicions of Japan persisted in popular and journalistic literature and in policy debate in the United States through the early decades of the twentieth century, and were sharply reawakened by the Japanese assault on Pearl Harbor in December 1941. "By the way, Captain, I hear the Japs done declared war on you white folks," a black sharecropper was reputed to have said to his boss. John W. Dower, in his authoritative study of race hate in the Pacific War, concluded that racial attitudes were "sublimated" but not eliminated after August 1945: "They remained latent, capable of being revived by both sides in times of crisis and tension."[3]

Racial considerations, recent historians have argued, conditioned American foreign policy through the post-war years, fostering some ambiguity towards nationalist movements in the Third World, though in the case

[3] Stanford M. Lyman, "The 'Yellow Peril' Mystique: Origins and Vicissitudes of a Racial Discourse," *International Journal of Politics, Culture and Society*, 13, 4 (2000), 683–747; Gerald Horne, "Race from Power: U.S. Foreign Policy and the General Crisis of 'White Supremacy'," *Diplomatic History*, 23 (Summer 1999), 437–62; John W. Dower, *War without Mercy: Race and Power in the Pacific War* (New York: Pantheon Books, 1986), 13, 310.

of the Japanese Cold War imperatives required that they be cherished by Americans. Yellow Peril fears were eclipsed as Japan became a favoured ward of the United States, which wrote its constitution and helped its industry revive. With democratic elections and an increasingly vibrant economy, Japan proved a great American success story, a truly exemplary illustration of non-communist progress. Except that in little over a generation it was beginning to outgrow its American mentor.[4]

By the late 1970s the success of its protégé was occasioning friction in the United States. Japanese imports were undermining American manufactures in the motor, consumer electronics and other industries. Auto executives and trade unionists complained of unfair Japanese competition. When journalist Haynes Johnson told a top auto executive that he drove a Toyota, he was accused of being "unpatriotic" and "un-American."[5] And a trade deficit was opening up, with the United States importing more from Japan than it exported. Many American business and political leaders suspected that the Japanese were deliberately keeping their markets closed while exploiting the openness of the American market. American policymakers were also frustrated by Japan's reluctance to increase defence spending and assume a larger responsibility for policing the Pacific.

These resentments were surfacing at a time when Americans were encountering a range of distinctly unwelcome realities. The recurring spluttering of the American economy, an unwelcome novelty after the buoyancy of the 1950s and 1960s, as well as humiliating foreign policy reverses, had called the American mission into question. Inflation seemed out of control, and governmental helplessness was underlined by the unexpected return of massive immigration, much of it illegal. Jimmy Carter famously contended in a televised speech in July 1979 that the United States was suffering from "a crisis of confidence." In that year one academic book to become a best-seller was *Japan as Number One*, by Harvard sociologist Ezra Vogel. In fact Vogel conceded that by most measures Japan had not yet become the world's premier economic power, but the moment was not far off if Americans remained wedded to their complacent assumptions about their own superiority. In the subsequent controversy, Vogel excoriated those

[4] On race and foreign policy see e.g. Thomas Borstelmann, *The Cold War and the Color Line: American Race Relations in the Global Arena* (Cambridge, MA: Harvard University Press, 2001); and Horne.

[5] Haynes Johnson, *Sleepwalking through History: America in the Reagan Years* (New York: Norton, 1991), 120, n.

"provincial, self-satisfied Americans" whose blind parochialism was allowing Japan to become number one.[6]

By the 1980 presidential campaign the trade gap with Japan was a political issue. One contender was John Connally, the former Democratic governor of Texas whom Richard Nixon had made Secretary of the Treasury. He liked to remark of Japan, "Don't they remember who won the war?" Formally switching to the Republican Party, he fancied his chances for the 1980 nomination, and decided to exploit the emerging unease over Japan. As he notoriously expressed it in one speech,

> It's time we said to Japan: "If we can't come into your markets with equal openness and fairness as you come into ours, you had better be prepared to sit on the docks of Yokohama in your little Datsuns and your little Toyotas while you stare at your own little TV sets and eat your mandarin oranges, because we've had all we're going to take!"[7]

Criticized as a racist taunt, this did not get Connally far. Securing only one delegate to the Republican convention, he dropped out of the race. Yet he had introduced what was to become a distinctive theme of American political life in the 1980s.

It was Ronald Reagan who benefited from the popular disaffection with the Carter administration, though his election as President was accomplished without resort to xenophobia. But anti-Japanese sentiment deepened with the recession of the early 1980s, especially in 1982 when many workers who lost their jobs blamed Japanese competition. According to one poll, in 1980 only 12 per cent of Americans had an unfavourable attitude towards Japan, but the proportion had jumped to 29 percent two years later. In California, where high-tech firms were hit by Japanese competition while West Coast fruits and vegetables were largely barred from the Japanese market, there was talk of a boycott of Japanese goods. Governor Jerry Brown, now running for the US Senate, complained that "we are forming a type of colonial relationship with Japan. We ship her raw materials, she ships us finished goods." An NBC programme in August characterized the trade conflict with Japan as a "range war" and warned that the United States could become "an underdeveloped country." In Michigan anti-Japanese sentiment ran high; in cities like Flint and Lansing there were reports of Japanese cars

[6] Ezra F. Vogel, *Japan as Number One: Lessons for America* (Cambridge, MA: Harvard University Press, 1979); *idem*, *Japan as Number One Revisited* (Singapore: Institute of Southeast Asian Studies, 1986); *idem*, "Disappointed," *New York Review of Books*, 3 April 1980.

[7] Bruce Cumings, "The Conjurings of Japan," *The Nation*, 13 Feb. 1982, 181; Martin Schram, "Big Fritz," *Washington Post*, 7 Oct. 1982, A1.

having windscreens broken and tires slashed. Detroit boasted parking lots with signs saying "No Japanese Cars Allowed." A Chinese American was horrifically beaten to death with a baseball bat in Detroit by a pair of unemployed white auto workers who apparently took him to be Japanese and so responsible for their plight. However, the recession did not last long, and all might have been well had it not been for the Reagan administration's economic policies.[8]

On taking office Ronald Reagan made sorting out the economy his first priority, and he determined to revitalize it through the application of supply-side theory. This meant a big tax cut. Reduce taxes, the theory went, and the resources would flow back into the economy – there would be more spending, saving and investment; the economy would rebound; and in turn a booming economy would generate more tax revenue for the government. Within a few years the budget deficit that had opened up in the 1970s would be closed. Reagan did get his whopping tax cut in 1981, and it may have helped the economy recover from the 1982 recession, but what it did not do was balance the budget. Instead the budget deficit grew alarmingly, partly because Reagan was also boosting defence. Instead of saving their tax concession, Americans embarked on a spending spree, which served to suck in yet more imports. In order to pay its bills, the government had to borrow money – that is, issue Treasury bonds – but Americans were spending instead of saving and it was foreigners who obliged, especially the Japanese with their accumulating dollar holdings. To attract investors the government offered high interest rates, which had the effect of strengthening the dollar, which in turn made it yet more difficult for American exporters but easier for importers. So the trade deficit ballooned alongside the budget deficit.[9]

In 1982 the United States was the largest creditor nation in the world. By 1986 it was the largest debtor nation. Japan, of course, was not the only country running a trade surplus with the Americans, but it was at the heart of this phenomenon. In 1981 the US trade deficit with Japan was about $10 billion; by 1985 it was a staggering $50 billion – the largest trade imbalance ever recorded between two economies. So the Japanese were making

[8] Jay Mathews, "Economic Invasion by Japan Revives Worry about Racism," *Washington Post*, 14 May 1982, A26; Tom Shales, "Shootout at Hi-Tech Corral," *Washington Post*, 14 Aug. 1982, C1; Schram; Frank H. Wu, "The Fall-Out from Japan-Bashing," *Washington Post*, 3 Feb. 1992, A11.

[9] During Reagan's first term Japanese investors, public and private, purchased about 35 percent of the debt sold by the US Treasury: Michael Schaller, *Altered States: The United States and Japan since the Occupation* (New York: Oxford University Press, 1997), 254–55. Good on the deficit is John Killick, "The External Trade of the USA," in Europa Publications, *The USA and Canada, 1990* (1989), 77–83.

$50 billion a year from the Americans, and then largely lending it back, in a sense allowing them a kind of overdraft, indulging their consumer and defence spending. Senator Pat Moynihan remarked that the President "borrowed a trillion dollars from the Japanese and threw a party." Representative John Bryant, a Texas Democrat, held a similar view in 1986: "America has been selling off the family jewels to pay for a night on the town." America's cherished standard-of-living increases, economist Paul Krugman attested, had been "borrowed from foreigners."[10]

The yawning trade gap and the growing dependence on Japanese and other investors were legitimate causes for concern. The rapidly escalating trade deficit with Japan was evidence, some felt, of "one-way free trade." American (and European) exporters complained that they did not have comparable access to the Japanese market, with its maze of bureaucratic standards and cultural barriers not only in such areas as electronics, telecommunications, financial services and medicine, but also in beef, oranges, cigarettes and even baseball bats. One irritation in the mid-1980s was Japanese reluctance to allow American firms to compete for a part of the mammoth construction project for a new international airport near Osaka. The Commerce Department usually wanted to take a hard line on such issues, but could not prevail against more powerful departments determined to keep the relationship with Japan sweet. To State and Defense Japan was a vital Pacific ally, while the Treasury valued the influx of Japanese funds. Formally the Reagan administration repeatedly affirmed its support for free-trade principles, but it could not altogether ignore protectionist demands. In its first months in office it prevailed on Japan to accept a "voluntary export restraint" agreement on Japanese autos, and later secured similar arrangements on steel and machine tools. Reagan himself showed little interest in these matters, beyond using his charm to establish a rapport with the Japanese Prime Minister, Nakasone Yasuhiro, the so-called "Ron–Yasu" relationship. On one occasion, when Commerce officials were allowed to make a presentation to the Cabinet on the seriousness of the trade issue, the President apparently fell asleep. The angry rhetorical outbursts against Japan

[10] Clyde V. Prestowitz, *Trading Places: How We Allowed Japan to Take the Lead* (New York: Basic Books, 1988), 16, 18; Chalmers Johnson, "Japanese 'Capitalism' Revisited," JPRI Occasional Paper No. 22 (Aug. 2001), available at www.jpri.org/publications/occasionalpapers/op22.html; Alan Murray and Ellen Hume, "Reagan's Fiscal Policy May Blight the future Despite Current Gains," *Wall Street Journal*, 17 Nov. 1987, 1, 32; Martin Tolchin and Susan Tolchin, *Buying into America: How Foreign Money Is Changing the Face of Our Nation* (New York: Times Books, 1988), 216; Norman Jonas, "Can America Compete?" *International BusinessWeek*, 27 April 1987, 42.

in the press and in Congress throughout the 1980s were in part a reflection of the White House's inability to develop a coherent trade strategy.[11]

By the mid-1980s protectionist and anti-Japanese rhetoric was turning Congress into a kind of grumbling appendix in the American body politic, and at times the grumbling became very loud indeed. Traditional industries were slow to adjust to the emergence of a post-industrial and increasingly globalized economy. Prodded by some private-sector lobbies and labour unions, congressmen rarely attributed the problems of American business to the logic of the marketplace, charging instead that the success of foreign competitors was owed to illicit help from their governments or to cartels or other unfair practices, particularly in the case of Japan, against which angry legislators threatened reprisals when the White House seemed reluctant to act. Yet while particular industries were still suffering, this upsurge of protectionism was not the immediate product of hard times, since the Reagan boom was in full swing and even the auto industry was buoyant in 1984. Rather, the explosion of Japan-bashing, as the phenomenon was known, was related to two interacting phenomena. The first was Reaganomics, which was reinforcing the escalating trade gap. And the second was partisan politics, as Democrats sought a way of taking on the Reagan administration. Rather as party politics had been one of the ingredients generating McCarthyism, so it also played a role in the revival of Yellow Peril fears.[12]

Since 1968 the United States had normally experienced a form of divided government. Usually the Republicans held the White House and the Democrats controlled Congress, especially the lower house. Thus the executive and legislative branches of government had only limited interest in co-operation, and Democratic politicians calculated how best to use their power in Congress to score over the Republican White House. By the mid-1980s it was evident that Reagan had in effect formed a political alliance with Japanese interests, a stance that might render his administration politically vulnerable. The trade deficit was getting worse, and Japanese markets were still largely closed, but the Reagan people could not get tough with the

[11] Richard Alm, "Trade War with Japan?", *U.S. News and World Report*, 15 April 1985, 22; Gerald L. Curtis, "U.S. Policy toward Japan from Nixon to Clinton," in *idem*, ed., *New Perspectives on U.S.–Japan Relations* (Tokyo: Japan Center for International Exchange, 2000), 23; George Russell, "Trade Face-off," *Time*, 13 April 1987, 17; Prestowitz, 18.

[12] Hobart Rowen, "A Protectionist Tide," *Washington Post*, 29 March 1984, A21; Jack A. Seamonds, "A Resurgent Auto Industry – And More to Come," *US News & World Report*, 2 April 1984. On the role of party politics in generating McCarthyism see e.g. Robert Griffith, *The Politics of Fear: Joseph R. McCarthy and the Senate*, 2nd edn (Amherst, MA: University of Massachusetts Press, 1987); and M. J. Heale, *McCarthy's Americans: Red Scare Politics in State and Nation, 1935–1965* (London: Macmillan, 1998).

Japanese because they were in hock to them. Of course, for strategic political and defence reasons they needed a close relationship with Japan, as had been the case since the war. But now they had other reasons too. The *New York Times* in 1984 cited Federal Reserve chief Paul Volcker as saying that the country was "hostage" to its foreign investors. Others agreed. "We have made ourselves hostage" to the Japanese "by gorging on their cars, VCRs and TVs," as *Forbes* magazine reported the views of a former Reagan aide: "We better keep them happy." Or as a *Business Week* article put it, "You don't argue much with your banker, especially if he is also your landlord and employer." The nightmare that the Japanese might not show up to buy bonds was said to make the Secretary of the Treasury "sit upright in bed in the middle of the night."[13]

Here was a potentially powerful issue for the Democrats, one that they could mobilize against the administration without making personal attacks on a popular President. They could accuse the White House of being soft on the Japanese and allowing them to flatten American manufacturing. Such attacks often became attacks on Japanese business practices. The issue afforded the Democrats some advantages. First, they could use it to mobilize their traditional constituencies, especially blue-collar workers afraid of losing their jobs. Reagan's victory in 1980 was often attributed to working-class whites who had defected to the Republicans; perhaps this issue would win back these "Reagan Democrats." Second, by emphasizing the need to protect America first, the Democrats could develop their own brand of patriotism, one which played on the national security implications of high-tech industries disappearing to the Far East. Reagan's success owed something to his capacity to embody American values, and the Democrats might balance this with a patriotic stance of their own in the form of "economic nationalism."[14]

Many of the Democratic leaders of the 1980s resorted to Japan-bashing or to forms of economic nationalism, especially as elections approached. During the depression and mid-term election year of 1982, the Speaker of the House, Tip O'Neill, in a visit to Detroit told reporters that if he were

[13] James Sterngold, "A Nation Hooked on Foreign Funds," *New York Times*, 18 Nov. 1984, F1; Allan Dodds Frank, "We Better Keep Them Happy," *Forbes*, 30 Nov. 1987, 37; Bruce Nussbaum, "And Now the Bill Comes Due," *International BusinessWeek*, 16 Nov. 1987, 45; Donna K. H. Walters and William C. Rempel, "Trade War Victim," *Los Angeles Times*, 1 Dec. 1987, 1-1.

[14] *Congressional Quarterly* (hereafter *CQ*) *Weekly Report*, 14 Sept. 1985, 1793, 17 May 1986, 1125, 5 July 1986, 1543, 18 Oct. 1986, 2603, 14 May 1988, 1274; Michael Kinsley, "Fear of Foreign Money," *Washington Post*, 25 Feb. 1988, A25.

President he would "fix the Japanese like they've never been fixed before." Potential Democratic presidential candidate Walter Mondale was emphatic:

> We have to stop showing that white flag, to start running up the American flag, and to turn around, fight, and make America No.1 again in international commerce so that American jobs are filled in this country. If we don't get cracking, get serious, and get leadership ... our kids will be cheated by us. Their jobs will consist of sweeping up around Japanese computers and spending a lifetime serving McDonald's hamburgers.[15]

With the approach of the 1984 presidential election, Democratic exploitation of the issue intensified. At the beginning of the year some eight candidates vied for the Democratic nomination, most trying to talk tough on trade and Japan. California's Alan Cranston promoted a "domestic content" bill that would require imported cars to contain a large percentage of parts made in the United States. In the event the nomination went to Walter Mondale, who had made a firm stance in trade negotiations a central theme of his nomination bid. "Until now," observed the *Washington Post*'s Hobart Rowen in March, the administration

> has successfully resisted the most virulent of the anti-Japanese proposals in Congress. The Democratic Party approach, especially from the Mondale–Labor wing, has been notably more protectionist, and in a political year that adds to the pressure on Reagan to be perceived as at least as worried as Democrats over the 'loss' of jobs and markets.

The quarrel over trade became – and remained for the rest of the decade – more a struggle between Congress and the White House than between the White House and Japan, which calculated which concessions it could make to help the administration. While the outcome of the 1984 election was primarily determined by other issues, protectionist rhetoric was threaded through the Democratic campaign. "We fight to get our oranges, our meat and our baseball bats into Japan, while their cars, their cameras and their stereos flow into our homes," complained vice-presidential candidate Geraldine Ferraro, pointing out to a Silicon Valley audience that their "high-tech industries face the same competitive challenge as the smokestack industries."[16]

[15] Gregory Witcher, "Tattered Dreams," *Boston Globe*, 31 March 1986, 1; Hobart Rowen, "Protectionist Baloney," *Washington Post*, 21 Oct. 1982, A19.

[16] Stephen M. Gillon, *The Democrats' Dilemma: Walter F. Mondale and the Liberal Legacy* (New York: Columbia University Press, 1992), 311, 319, 345; Curtis, 20; W. Dale Nelson, "Support for Domestic Content Bill Dogs Cranston in Iowa," Associated Press, 27 Jan. 1984, a.m. cycle; Robert Pear, "Democratic Candidates Sharply Split on Bill to Help Auto Makers Compete," *New York Times*, 4 Feb. 1984, 1–8; Rowen, "A Protectionist Tide";

Democratic assaults, congressional pressure, and mounting Japan-bashing in the media obliged an uncomfortable White House to accord greater attention to Japan. Reagan's Secretary of Commerce was reported as saying that Japan's commercial policy "had as its objective not participation in, but dominance of, world markets." Less restrained was a senior US official who snapped that "the next time we send a trade negotiator to Tokyo, he may be sitting in the nose of a B-52." In July 1985, shortly before the fortieth anniversary of Hiroshima and Nagasaki, the celebrated political writer Theodore H. White joined the fray in an article in the *New York Times Magazine* entitled "The Danger from Japan." He credited Japan's "brilliant" commercial offensive with "dismantling American industry," and questioned whether the United States really had won the Second World War. During 1985 the White House shifted from a policy of enjoining Japan to curb its exports to the United States to one of urging it to open its markets further to American goods. The Plaza Accord in September, agreed between five leading nations, in effect revalued the yen against the dollar, thus reducing the cost of American products to the Japanese.[17]

Some Republican legislators, too, were deeply exercised by the yawning trade gap. Senator John Danforth of Missouri deplored the administration's reliance on negotiations as "ineffectual verbiage" and called the Japanese "leeches." But it was security rather than commercial issues that perturbed several Republicans. CIA director William J. Casey characterized Japanese investment in American computer companies as "a Trojan horse." In May 1987 it was revealed that the Toshiba Machine Corporation had illegally sold sophisticated propeller-milling equipment to the Soviet Union, precipitating considerable outrage in the United States that its military secrets were being relayed to an enemy. Three Republican members of Congress vented their anger in the Capitol grounds by taking a sledgehammer to a Toshiba radio set. (This scene was to be replayed on Japanese television for years.) In 1987, too, there was a furore over the attempt by Fujitsu, a Japanese electronics company, to buy Fairchild Semiconductor, a pioneer of American high technology. A number of administration officials, such as Assistant Secretary of Defense Richard Perle, opposed the deal on the grounds that the United States needed to keep its semiconductor lead in the interests of military independence. The row caused the Japanese to withdraw their offer.

Robert Mackay, "Kennedy, Ferraro Rip Reagan," United Press International, 25 Oct. 1984, p.m. cycle.

[17] Schaller, 255; David Gergen, "Japan: The New OPEC?", *US News and World Report*, 1 April 1985, 78; Theodore H. White, "The Danger from Japan," *New York Times Magazine*, 28 July 1985, 18–59; Curtis, 23–24.

(They politely pointed to the irony that Fairchild was actually owned by the French!) In the same year, as Congress was poised to enact measures specifically targeting the Japanese, the administration finally imposed trade restrictions on Japan, which it held to be violating a 1986 agreement on the marketing of microchips.[18]

The anti-Japanese rhetoric was widely credited with stirring up racial prejudice. Newspaper columns carried letters punctuated with such emotive terms as "Pearl Harbor" and "stab in the back." One visitor to Arlington Cemetery was outraged to discover that "the graves of our military heroes are being mowed with Japanese-built Ford tractors." "How long will it be before we return to a World War II mentality of prejudice and discrimination?" asked one correspondent who blamed irresponsible congressmen for inflaming prejudice: "Will shop owners again put "No Japs Allowed" signs in their windows?" There were periodic reports of growing anti-Asian violence in local communities, and while this was primarily a response to the recent influx of immigrants from South-East Asia rather than Japan, Asian American spokespersons believed that tensions had been heightened by the Japan-bashing in Washington.[19]

But the Japan-bashing did not abate. Trade was "the real bread-and-butter issue" during the mid-term campaigns of 1986, according to Tip O'Neill, and the Democrats attributed their success in those elections, when they regained control of the Senate and increased their majority in the House, in part to the salience of the issue in a number of states. Exit polls indicated that many Reagan Democrats had gone back to the Democrats. Early in 1987 Democratic presidential hopefuls drew cheers when they denounced the Japanese before labour audiences. A few politicians gave in to ugly impulses. Democratic Texas congressman Jack Brooks regretted that Harry Truman had dropped only two nuclear bombs on Japan: "He should have dropped four." "Racism has come back into fashion," growled one reporter: "The Yellow Peril is widely viewed as the issue that could retake the White House in 1988." In the House of Representatives Richard Gephardt of Missouri emerged as a champion of economic nationalism as well as a contender for

[18] *CQ Weekly Report*, 2 March 1985, 421; Gerald L. Curtis, "Enough U.S.–Japan Poison," *New York Times*, 17 June 1987, A41; Tolchin and Tolchin, 13; Ronald A. Morse, "Japan's Drive to Pre-eminence," *Foreign Policy*, 69 (Winter 1987–88), 5; Hobart Rowen, "Japan Needs Its Friends," *Washington Post*, 26 July 1987, H1; Walters and Rempel,; Bill Javetski et al., "The Showdown with Japan," *International BusinessWeek*, 13 April 1987, 22–23; Russell, 12–18.

[19] "Trade War with Japan," *Los Angeles Times*, 19 April 1985, 2–4; Ayako Doi, "Is Hatred of the Japanese Making a Comeback?", *Washington Post*, 7 July 1985, B1; Witcher, 1; Lisa Levitt Ryckman, "Wave of Violence against Asians Plagues the Nation," *Los Angeles Times*, 1 Feb. 1987, 1–3.

the Democratic presidential nomination. In April 1987 he persuaded the House to adopt what was widely seen as a Japan-bashing amendment to a trade bill, designed to impose stiff sanctions on countries running a trade surplus with the United States. "In Congress," as a Washington correspondent put it, "Japan-bashing has become almost popular, and, as Gephardt has now demonstrated, a way to political visibility and advancement."[20]

During the primary season Gephardt rested his hopes on Michigan, where the beleaguered auto workers and their families might respond to his protectionist stance. "Don't you think it's time we had a president in this country who would stand up for the rights of American workers?" he asked his labour audiences. In the event Gephardt's reliance on the resentments of Michigan workers proved insufficient and he finished third in the primary. Nonetheless, Chinese American writer Joyce Howe believed that "a lasting effect of his short-lived run for the Presidency was to give an unnecessary boost to the so-called yellow peril," a judgement that was to be echoed by others. Michael Dukakis became the Democratic presidential candidate, and while he was much less strident than Gephardt, he was accused of invoking the Yellow Peril when he attacked increasing foreign ownership of American plants, and one of his campaign ads featured the Japanese flag – an ominously Rising Sun. Many Japanese politicians and businessmen evidently hoped for a Republican victory, and according to banker Jeffrey Garten Japanese governmental officials found ways of helping George Bush in the 1988 presidential campaign.[21]

Yet the Democrats failed to make the political gains they hoped for with their exploitation of the Japan issue. During both the 1984 and 1988 presidential elections, the candidates most identified with protectionist stances failed to win the party's nomination, and the more moderate protectionism of the nominees also failed to win discernible electoral advantage. With the possible exception of the 1986 mid-term elections, the electorate seemed to

[20] *CQ Weekly Report*, 18 Oct. 1986, 2603, 2 May 1987, 811–15, 11 July 1987, 1511–13; *CQ Almanac*, XLII, 1986, 339; Richard Reeves, *President Reagan: The Triumph of Imagination* (New York: Simon & Schuster, 2005), 360; "An Obsession with Japan," *Washington Post*, 19 Feb. 1987, A26; Curtis, "Enough U.S.–Japan Poison"; Michael Brody, "Yellow Peril Politics," *Barron's*, 6 July 1987, 9; William McGurn, "Tricky Dick ... Gephardt," *National Review*, 16 April 1990; Wilbur G. Landrey, "Nakasone on Mound, Congress at Bat," *St. Petersburg Times* (Florida), 30 April 1987, 1A.

[21] Jerry Roberts, "Gephardt Hoping for Miracle in Michigan," *San Francisco Chronicle*, 25 March 1988, A6; Joyce Howe, "The Ugly 'Yellow Peril' Stigma Lives on," *New York Times*, 11 April 1988, A19; Robert Barnes, "Senate Candidates Spar over Dukakis," *Washington Post*, 20 Oct. 1988, D4; Charles Krauthammer, "No New Enemies for the U.S.," *Time*, 23 March 1992, 70; Jeffrey E. Garten, "How Bonn, Tokyo Slyly Help Bush," *New York Times*, 21 July 1988.

be perversely indifferent to the Japan-bashing in Congress and on the campaign trail. Indeed, according to some opinion polls, Japan was actually rising in the public's estimation. Why? Part of the explanation lies in the economic boom that Reagan's "military Keynesianism" had fostered. Further, despite the trade deficit, Americans were selling more abroad, and firms and workers in these sectors as well as consumer groups were cool towards Gephardt-style protectionism. And there were at least two other major influences protecting Japan.[22]

Back in the early 1980s, when labour unions were worrying about losing jobs, Douglas Fraser of the United Auto Workers said, "If the Japanese want to sell in this market, let them make cars over here." That is exactly what they did. Through the middle years of the 1980s there was enormous Japanese investment in the United States, not just in Treasury bonds, but in factories, new plant and real estate. Between 1980 and 1988 Japanese investment in the country multiplied roughly six times. The Plaza Accord of 1985 was meant to reduce the trade deficit by raising the value of the yen against the dollar, making Japanese imports more expensive, but the depreciation of the dollar also meant that American real estate and companies were correspondingly cheaper, tempting Japanese investors into these sectors. In September 1987 *Time* ran a cover story entitled "For Sale: America," comparing the United States to "a huge shopping mart in which foreigners are energetically filling up their carts." Japan had "the biggest bankroll of all to engage in buying America." While some worried that the United States was losing its independence, the decaying communities that were being revitalized by the Japanese were mostly very grateful. American governors and mayors actively sought Japanese capital for their regions. The governor of Tennessee visited Tokyo more often than he visited Washington in a four-year period in the mid-1980s. When the governor of Kentucky travelled to Japan in search of investment she trailed fourteen other state governors. In La Vergne, Tennessee, the faltering Firestone tyre-maker bought by a Japanese firm in 1983 was booming by 1987 and preparing to open another plant. "Morale is at least 300% better than it was under Firestone," said a veteran employee. Another was quoted as saying that the change of management had been "like going from hell to heaven." Whenever a Japanese factory was opened in the Mid-west, it was usually given a great reception. One example was the Illinois town of Ottawa. The Japanese opened a typewriter factory there in 1989, and

[22] Bob Secter and James Risen, "Postwar Admiration of U.S. Fading in Japan," *Los Angeles Times*, 26 April 1987, 1-1; "The Gephardt Message," *Boston Globe*, 29 March 1988, 14; *CQ Weekly Report*, 11 April 1987, 678.

local dignitaries dressed up in Japanese robes to welcome them, including the state governor, the mayor, the Chamber of Commerce president – and the local beauty queen.[23]

And there was perhaps an even more important influence turning public opinion towards the Japanese. The Reaganomics-fostered consumer boom encouraged a heightened appreciation of Japanese products, which were held to be good value for money. A *New York Times* editor cited a survey that showed that Americans now blamed the inefficiency of American industry rather than Japanese chicanery for the trade deficit. An investigation by two *Los Angeles Times* reporters in 1987 came to the same conclusion, arguing that there was "far less" anti-Japanese "hostility and hysteria" outside Washington than in it. "Americans in growing numbers," they found, "appear to blame trade shortcomings on the past greed, inaction and lack of foresight of their own institutions – business, labour and government." A recent Gallup poll had indicated that 60 percent of Americans surveyed considered the present state of relations between the United States and Japan to be "good" or "very good," up 13 points from a comparable 1982 survey. In 1989, in a customer satisfaction survey of motor sales, Japanese cars occupied six of the top ten slots. Consumers, it seemed, shared the sentiment of a Johnny Carson joke during the controversy over whether the US should develop the MX missile: "The bad news is we're going to build them. The good news is we're going to build them in Japan so they'll work."[24]

The anti-Japanese sentiment in Washington towards the end of Reagan's term was seemingly at odds with public opinion. Many legislators, harried by auto, steel and labour lobbies, and with no significant counterlobbies representing Asian Americans, overestimated the electoral advantages of Japan-bashing.[25] Protectionism lacked universal appeal in a consumer-oriented and increasingly globalized economy. But if public opinion for a time evinced a healthy disrespect for the Japan-bashers, how was it that

[23] Hobart Rowen, "Buying into America," *Washington Post*, 20 March 1988, H1; "For Sale: America," *Time*, 14 Sept. 1987, 30–37; Prestowitz, *Trading Places*, 310; Jonathan P. Hicks, "Bridgestone's New U.S. Challenge," *New York Times*, 22 Feb. 1988, D4; John Burgess, "One Town's Foreign Policy," *Washington Post*, 11 June 1989, H1; Secter and Risen; "Ohio Communities Enjoy Boom," *Los Angeles Times*, 28 June 1988, 4–8; James Risen, "Japanese Investment in Indiana Big Issue in Gubernatorial Race," *Los Angeles Times*, 5 Nov. 1988, 4-1; Peter Osterlund, "US–Japan Trade Tangle," *Christian Science Monitor*, 12 Jan. 1988, 1. On the strategies employed by Japanese auto companies to win the confidence of American communities and workers see David Gelsanliter, *Jump Start: Japan Comes to the Heartland* (New York: Farrar, Straus, Giroux, 1990).

[24] Andrew J. Dabilis, "West Meets East," *Boston Globe*, 26 Jan. 1986, Magazine, 18; Secter and Risen; Gelsanliter, 234.

[25] *CQ Weekly Report*, 2 May 1987, 812.

Yellow Peril fears flared up again at the very end of the decade? A major part of the answer lay in the ending of the Cold War, but important too was the outbreak of a book or media war, one which helped to cast in ominous light a series of blows to American pride in 1989.

The late 1980s witnessed a flood of books and articles focussing on the Yellow Peril, or at least on the Japanese as serious economic rivals. Hitherto there had been very few American experts on Japan, and they were found mostly in the universities. Now the pool of expertise was rapidly expanding. Think tanks were investigating Japan, so were serious journalists, and more academics, too.

Since the Second World War the few academic authorities on Japan had mostly been sympathetic, tending to see the country evolving along American lines. In 1946 Ruth Benedict had told Americans that Japan was well-suited to democracy; later specialists happily welcomed the "modernization" of Japan. In this positive treatment Japan was an American success story, a former enemy transformed into a dependable ally that was successfully evolving a democratic polity and a dynamic free-market economy. The scholars who wrote in this vein were sometimes known as the Chrysanthemum Club, or, less happily, Chrysanthemum Kissers. Pre-eminent among them was Mike Mansfield, who had been something of an academic expert on the Far East before embarking on the political career that carried him to the office of majority leader in the Senate. Mansfield had been appointed ambassador to Japan by President Carter, a position he continued to hold through the Reagan administration, devoting his energies to strengthening the bonds between the two countries, and, according to his critics, apologizing for Japan's failings.[26]

But the Chrysanthemum Club was now being challenged by a new group that *Business Week* called the "revisionists," though impugned by their opponents as "Japan-bashers." The doyen of the revisionists was Chalmers Johnson, whose 1982 book *MITI and the Japanese Miracle* was one of the first to question whether Japan's economic success could be attributed to American-style free-market principles, instead emphasizing the guiding hand of the

[26] Ruth Benedict, *The Chrysanthemum and the Sword: Patterns of Japanese Culture* (Boston: Houghton Mifflin, 1946); Fred R. Dickinson, "Japan – Who Listens?, *Orbis*, 41 (Summer 1997), 489–98; Stuart Auerbach, "New Ammunition for Critics of Japan," *Washington Post*, 1 Oct. 1989, H1; Andreas Hippin, "Japan as Number 30," *H-Net Reviews*, August 2002, available at www.h-net.msu.edu/reviews/showrev.cgi?path=32722103561853O; Art Pine and Tom Redburn, "Shift of Priorities," *Los Angeles Times*, 6 Aug. 1989, 1-1; Mike Mansfield, "The U.S. and Japan: Sharing Our Destinies,' *Foreign Affairs*, 68 (Spring 1989), 3–15.

state. In the late 1980s, as controversy over Japan flared, Johnson was reiterating his views in media interviews and articles, observing in 1987 that in inventing a new form of capitalism, one that neither Adam Smith nor Karl Marx would recognize, the Japanese had fostered "a supply-side monster." Given the long American obsession with Soviet communism, he added in November 1989, "we no longer recognize challenges to our way of thinking based on non-Marxist, non-Smithian principles."[27]

Offering a similar argument was Clyde V. Prestowitz, an old Japan hand who had finally resigned from the Reagan administration after several frustrating years trying to resolve the trade issue. With a bow to a popular 1983 film, he entitled his 1988 book *Trading Places*, though the real message was in the subtitle, *How We Allowed the Japanese to Take the Lead.* It proved a best-seller and featured prominently in ill-tempered Congressional debates. The United States, he argued, was becoming "a kind of fourth-world country." In the same year a *New York Times* correspondent and his academic partner, Martin and Susan Tolchin, published *Buying into America: How Foreign Money Is Changing the Face of Our Nation.* The Japanese, they said, were "the most active players" in the dangerous process that was undermining the capacity of Americans to determine their own fate. Even more alarmist was the message of journalist Daniel Burstein in *Yen! Japan's New Financial Empire and Its Threat to America.* This opens with a flash-forward to the year 2004, when a wealthy Japan sat at the apex of a global financial empire, while a rather dystopian and resentful United States survived on Japanese handouts.[28]

Other studies in similar vein followed. Two business reporters jumped on the bandwagon in 1989 with *Selling Out: How We Are Letting Japan Buy Our Land, Our Industries, Our Financial Institutions, and Our Future.* Attracting great attention in 1990 was Pat Choate's *Agents of Influence*, which argued that Japanese lobbyists were successfully manipulating the American political system. "Hundreds of Washington's power elite," he insisted, were in the pay of the Japanese, and he obligingly named 207 persons who had represented foreign interests after leaving high federal office, including several former senators, Cabinet members and White House aides. And yet more

[27] Chalmers Johnson, "How to Think about Economic Competition from Japan," *Journal of Japanese Studies*, 13 (Summer 1987), 426; Johnson, *MITI and the Japanese Miracle* (Stanford, CA: Stanford University Press, 1982); "An Interview with Chalmers Johnson," *Multinational Monitor*, 11 (Nov. 1989), available at multinationalmonitor.org/hyper/issues/1989/11/mon8911.html. MITI was the Ministry of International Trade and Industry.

[28] Prestowitz, 305; Dabilis; Tolchin and Tolchin, *Buying Into America*, 3, 7; Burstein, *Yen! Japan's New Financial Empire and Its Threat to America* (New York: Simon & Schuster, 1988), 13–20, 72–76.

such studies followed. Consummating this publishing bonanza was a 1991 book entitled *The Coming War with Japan*, which anticipated a bloody military conflict, fearing that with the end of the Cold War the United States would inexorably be drawn into a collision course with its chief economic rival.[29]

Four authors, known in Japan as the Gang of Four, in particular came to be identified with the revisionist school, among them Chalmers Johnson and Clyde Prestowitz. A third was journalist James Fallows, whose May 1989 article in *Atlantic Monthly*, "Containing Japan," was widely circulated in the Bush administration and in Congress. The title was intended to invoke George Kennan's celebrated 1947 article in *Foreign Affairs* on the need to contain the Soviet Union, and thus suggested that Japan, supposedly an ally of the United States, was actually an enemy. The fourth member of the gang was Dutch journalist Karel van Wolferen, who achieved great visibility with his book *The Enigma of Japanese Power* in 1989. This pursued the Chalmers Johnson theme of the Japanese economy as a partnership between bureaucrats and industrialists, but differed from Johnson in arguing that Japan was not a sovereign state in the Western sense, with a responsible central government, but was run by semi-autonomous groups embracing certain powerful bureaucrats, businessmen, politicians and a monolithic press, which he dubbed "the System." So he added to Johnson's argument that Japan did not believe in the free market an argument that Japan was not a democracy. Thus two basic tenets underpinning America's policy towards Japan were misconceived.[30]

These studies helped to effect a change in the intellectual climate. Chalmers Johnson's reputation as a distinguished scholar could not be ignored, while Prestowitz added the authoritative insights of an insider. According to Asian studies specialist Nathaniel Thayer, Van Wolferen's

[29] Douglas Frantz and Catherine Collins, *Selling Out* (Chicago: Contemporary Books, 1989); Pat Choate, *Agents of Influence* (New York: Knopf, 1990), 15, 208–49; George Friedman and Meredith Lebard, *The Coming War with Japan* (New York: St. Martin's Press, 1991). Other titles included John E. Fitzgibbon, *Deceitful Practices: Nomura Securities and the Japanese Invasion of Wall Street* (New York: Carol Publishing, 1991), and Robert L. Kearns, *Zaibatsu America: How Japanese Firms Are Colonizing Vital U.S. Industries* (New York: Free Press, 1992). For studies playing down the threat from Japan see e.g. Bill Emmott, *The Sun Also Sets: The Limits to Japan's Economic Power* (New York: Times Books, 1989); and Christopher Wood, *The Bubble Economy* (New York: Atlantic Monthly Press, 1992).

[30] James Fallows, "Containing Japan," *Atlantic Monthly*, May 1989; Fallows pursued his ideas in *More Like Us: Making America Great Again* (Boston: Houghton Mifflin, 1989); Karel van Wolferen, *The Enigma of Japanese Power* (London: Macmillan, 1989), 5; *idem*, "The Japan Problem Revisited," *Foreign Affairs*, 69 (Fall 1990), 42–55. The concern of authors like Chalmers, Prestowitz and Fallows was not to berate Japan but to persuade Americans to restructure their own economy.

book made it easier to "beat up" Japan when it was "viewed no longer as a democracy." William T. Archey, a US Chamber of Commerce official, agreed that the book was "changing the map" of how Americans viewed Japan: "For the first time, there is an intellectual underpinning to arguments that are critical of Japan that does not make you a protectionist, a racist or a basher." Not that the revisionists were averse to a bit of bashing of the Chrysanthemum Kissers. Fallows suggested that many of them were from an older generation out of touch with contemporary Japan. Van Wolferen deplored the "proliferation of apologists," and charged that a "large proportion of academic research by Western scholars" on Japan was "funded by Japanese institutions." For the Chrysanthemum Kissers, George Packard of Johns Hopkins tartly labelled the revisionists "Japan bashers" and "illiterates" who blithely ignored the facts, and warned that the authentic Japan specialists risked being driven out of public counsels much in the way that Senator Joseph McCarthy had once destroyed a generation of China experts.[31]

The general message of the revisionists was that Japan was different, and it followed that the country should not be treated as a liberal democracy respectful of free-market principles. Prestowitz offered a section on "The Japanese Sense of Difference." "Statecraft in Japan is quite different from in Europe, the Americas and most of contemporary Asia," argued Van Wolferen. Through a kind of combination of state direction and insider dealing the Japanese had created their own distinctive brand of capitalism, one often characterized as "Japan Inc.," at once protectionist and predatory, an unstoppable economic juggernaut. Thus, just as the United States was on the verge of winning the Cold War, Americans were being told that they had backed the wrong kind of capitalism after all. A favourite joke of the period was "The Cold War is over and Japan has won."[32]

This flurry of publications attracted the attention of congressmen, editors, think tank members and others. They were widely reviewed in the major media, though not always favourably – the Chrysanthemum Club had loyal followers, too. They fed articles and radio or television features suggesting that the "American Century" was over, and provided ammunition for those in the public arena wanting to get tough with Japan. "I don't mean to be an alarmist, but I get the uneasy feeling that America is history," began an article in the *Los Angeles Times* in May 1988. In April 1989 a *Wall Street Journal* article

[31] Auerbach; Colin Nickerson, "Japan's Quest," *Boston Globe*, 27 Feb. 1990, 2; George R. Packard, "The Japan-Bashers are Poisoning Foreign Policy," *Washington Post*, 8 Oct. 1989, C4; van Wolferen, *Enigma*, 12–13.

[32] Prestowitz, 81–94; van Wolferen, *Enigma*, 5.

warned, "Yellow Peril Reinfects America." In the same month a Washington lobbyist for a Japanese firm despaired that "a virtual tidal wave" of anti-Japanese sentiment was "sweeping this city." One public opinion poll in the summer of 1989 indicated that Americans now regarded the economic threat from Japan as greater than the military threat from the Soviet Union. In December economist Laurence Summers pointed to the economic powerhouse of Japan, and conceded "the possibility that the majority of American people who now feel that Japan is a greater threat to the U.S. than the Soviet Union are right."[33]

The media war, of course, was taking place against a background in which the Cold War was ending. One expectation was that the New World Order would primarily be an economic one; economic power, not military might, would define international relationships. The awful irony of winning the Cold War so abruptly, as some Americans were beginning to realize, is that they would be pitched into a world in which they were ill-equipped to succeed. For years there had been jeremiads about the lack of competitiveness of the American economy; now its failings could be fatally exposed.

If the book war was deepening public suspicions of Japan, it was perhaps because the images being conjured resonated with half-buried fears of the Oriental. Why were the Japanese doing so well? Were they actually cleverer? There was some evidence that they were. In international tests, Japanese children regularly came at or close to the top, especially in maths and science, while American children just as regularly came low on the list. In Japan by the late 1980s some 98 percent of children completed high school, compared to 70 percent in the United States. Further, Asian children in the United States did better than white children. There was some disquiet over the high rate of college admissions for Asian Americans. In a Doonesbury strip in 1988 the parents of an Asian American student were berated by white neighbours who complained that they were giving their daughter an unfair advantage by teaching her "the value of discipline, hard work, and respect for elders." And perhaps Asians were simply smarter. According to a *Time* report in 1986, the average Japanese IQ was eleven points higher than the average American IQ, and – moreover – the gap was increasing. With the Japanese now well ahead in several branches of science and technology,

[33] Robert Kuttner, "U.S. Must Change '50s Thinking on Japan," *Los Angeles Times*, 8 May 1988, 5-5; David Boaz, "Yellow Peril Reinfects America," *Wall Street Journal*, 7 April 1989; Art Pine, "Nippophobia Affects Making of Trade," *Los Angeles Times*, 24 April 1989, 4-1; Pine and Redburn; Richard Katz, "Japan: The System that Soured," *BusinessWeek Online*, available at www.businessweek.com/chapter/katz.

the suspicion that they were some kind of master race could not be so easily shrugged off.[34]

Yellow Peril talk fed on worries about both internal cohesion and external threat which were particularly acute in 1989. The Cold War itself had served to unify American society, and with its passing Americans became more aware of their divisions. The civil rights revolution had ignited movements celebrating ethnic identity and multicultural diversity, and massive immigration from Latin America and Asia had further undermined the sense of social homogeneity. Ethnic and racial tensions were simmering in the late 1980s, as illustrated by battles over affirmative action and the headlines being grabbed by former Ku Kluxer David Duke. Historian Arthur Schlesinger was not alone in speaking of "the disuniting of America." Another discourse that had threaded its way through the 1980s and also gained salience as the decade ended focussed on the health of the economy and the prospect of decline. And, despite Ronald Reagan's attempts to convince his fellow citizens that it was "morning in America again," there remained corrosive doubts about the United States' international standing. In 1987 Paul Kennedy's *The Rise and Fall of the Great Powers* suggested that the "American Century" was over, and that seismic changes were transforming the wider world. Late in 1989 Americans watched the crumbling of the Berlin Wall on their Sony television sets. At a point when fears of the Soviet Union were dissipating, the book war was providing a different and equally menacing enemy. If the United States always needed an enemy to define itself, Japan was now an inevitable candidate. Further, as columnists pointed out, perhaps it was not just the American Century that was ending but Western civilization itself. For five hundred years white men had ruled the world, but now the tectonic plates were shifting. "It is not history that is about to end," snorted one Japanese official in response to Francis Fukuyama's celebrated essay, "but the modern age of Western origin."[35]

The new political environment was illustrated in the spring of 1989 by the controversy over the FSX. This was an advanced fighter aircraft that Japan had wanted to develop on its own, angering some Americans who believed that Japan should have bought the American F-16 and thus helped the trade gap. After considerable pressure from the US government, the Japanese

[34] Richard Lynn, "Why Johnny Can't Read, but Yoshio Can," *National Review*, 28 Oct. 1988; *International BusinessWeek*, 27 April 1987, 55, 65; Boaz; Ezra Bowen, "Nakasone's World-Class Blunder," *Time*, 6 Oct. 1986, 28–29.

[35] Benjamin M. Friedman, *Day of Reckoning: The Consequences of American Economic Policy* (New York: Random House, 1988); Paul Krugman, *The Age of Diminished Expectations* (Cambridge, MA: MIT Press, 1990); Dickinson, 497.

agreed in November 1988 to a joint US–Japan development. But Congress remained suspicious, and the rising protectionist sentiment of 1989 focussed on the deal, some congressmen raising the uncomfortable question of whether Japan was really a loyal ally. After bitter debate Congress passed measures in the summer insisting that the arrangements should be amended to protect American economic interests, and the Bush administration was obliged to renegotiate the deal. "That's what this FSX dispute is all about," said the Brookings Institution's Robert Z. Lawrence, "a change from a geopolitical contest with the Soviet Union to a rivalry with Japan over economic issues." Alan Webber, the managing editor of the *Harvard Business Review*, put it similarly: "The Cold Peace with Japan is replacing the Cold War with the Soviet Union."[36]

The notion that the United States was entering a Cold Peace with Japan was made the more plausible by a series of shocks in 1989 which further sapped American confidence. That year three American icons fell to the Japanese, and as with the motor industry they had great symbolic import. In September Sony announced its takeover of Columbia Pictures, triggering a torrent of alarmed comment and a *Newsweek* cover story entitled "Japan Invades Hollywood." Having burrowed into the core of the American economy, the Japanese were now buying up the American Dream. Some argued that foreigners should not be allowed to own film studios, in case they used them for insidious propaganda. Similarly alarming was the news in October that Mitsubishi was buying the Rockefeller Center, the symbolic headquarters of American capitalism. Fox TV announced the shocking news of the Rockefeller sale with footage of a Japanese plane bombing Pearl Harbor. NBC News managed to report this item rather more tastefully, showing a picture of Japanese dancers dancing, though they were dancing to the tune of "I'll Take Manhattan." These blows followed the fall earlier in the year of another American icon, Ronald Reagan himself, when the news broke that he was going on a speaking tour of Japan for the princely sum of $2 million.[37]

Yellow Peril rhetoric continued to rise over the next few years, encouraged by a variety of circumstances. One was the Gulf Crisis of 1990–1, when Japan seemed reluctant to join the multinational coalition or even to help pay for it, although it depended on the Gulf for two-thirds of its oil. The

[36] Auerbach, "New Ammunition'; Pine and Redburn, "Shift of Priorities.'

[37] Ellis Case, "Yellow-Peril Journalism," *Time*, 27 Nov. 1989, 54; Judy Temes, "Rocky Repercussions," *Crain's New York Business*, 6 Nov. 1989, 1; Choate, 169. The Rockefeller Center investment, like some others, proved to be a poor one; in 1995 Mitsubishi sold its stake back to Americans at a loss: Schaller, *Altered States*, 257.

Japanese constitution prohibited the country from participating in external conflicts, and as Japan hesitated over its response, criticism mounted in the United States. Japan did offer $1 billion, but the sum was perceived as pathetically inadequate. After threatening moves in Congress Japan raised its offer to $4 billion, more than any other country, the United States apart. By the beginning of 1991 major Japanese corporations were advising their managers in the United States to keep their heads down, to avoid holding lavish receptions and instead to make charitable donations. As coalition forces began combat operations in January, the Japanese embassy in Washington and consular offices around the country received angry letters and phone calls, making such demands as "Japanese blood for Japanese oil." The Gulf War was effectively over by the end of February, but resentments lingered. A poll in May showed that 73 percent of the public believed that the Japanese had "got away without contributing their fair share."[38]

Following hard on the Gulf War came the fiftieth anniversary of Pearl Harbor, providing the occasion for renewed recriminations. Asian American leaders regularly charged that anti-Japanese rhetoric in Congress served to intensify the harassment that members of their communities periodically suffered, and there were fears that the commemorations of Pearl Harbor would heighten anti-Japanese sentiment. "Media coverage of the Pearl Harbor anniversary," according to one group, "has uniformly included reminders of Japan's economic competitiveness with the US, likening it to an 'economic war.' Like 'Remember the Alamo' and 'Remember the Maine', 'Remember Pearl Harbor' is a war cry which many people still use as a license for anti-Asian violence." In the event, while there were scattered examples of anti-Japanese sentiments on the day itself, such as an ad placed by an Arkansas company in *USA Today* for a "Pearl Harbor Revenge T-Shirt," complete with mushroom cloud, the number of anti-Asian hate attacks seems to have been no greater than in the recent past.[39]

And then the American economy slid into recession once more, and complaints about the Japanese role in laying waste to American industry again surfaced. The deepening of the recession allowed little opportunity for anti-Japanese sentiments to dissipate. Pressure in Congress for some action to open up Japanese markets remained strong, and the Bush administration

[38] Hobart Rowen, "Japan: Rival or Partner?", *Washington Post*, 28 May 1991, A23.

[39] Terry McCarthy, "Diet Split over Apology for Japan's War," *Independent* (London), 7 Dec. 1991, 17; Sonni Efron, "Japanese-Americans Fear Backlash over Pearl Harbor," *Los Angeles Times*, 2 Nov. 1991, A1; Steve Marantz, "Asians Fear Pearl Harbor Hostility," *Boston Globe*, 7 Dec. 1991, 29; Sonni Efron, "Official Draws Fire for Attack on Japanese," *Los Angeles Times*, 6 Dec. 1991, A3.

was anxious to neutralize the issue before the 1992 presidential election. Further, as well as his Democratic critics, George Bush was now being harried from his right by Pat Buchanan, advocating a platform of retaliation against the Japanese. With the disappearance of the Soviet threat, the Bush administration moved closer to its Democratic critics on Japan.

President Bush agreed to visit Japan in January 1992, along with executives from the major high-technology and auto companies. The trip proved an unhappy one. Bush himself fell ill at a formal dinner and had to endure the embarrassing publication of pictures of him puking into the lap of the Japanese Prime Minister. The American press coverage of the trip represented the President virtually begging the Japanese to buy more American cars, and his failure to return with a written agreement did nothing to redeem his image. Ken Galbraith mocked "quite possibly the most disastrous journey since the Fourth Crusade." Jesse Jackson, referring to Bush's rather querulous demands, charged him with trying to make Japan "the Willie Horton of the 1992 campaign" and with deploying "the yellow peril theme." Columnist Charles Krauthammer agreed, describing Bush's trip as a "begging and bullying expedition that legitimized the rush to find the source of America's troubles abroad." It was arresting that these charges were now being levelled against a Republican President. An unimpressed Pat Buchanan referred to Bush's advisers as "geisha girls of the new world order," and to Bush's wing of the Republican party as "one big pagoda."[40]

The various Democratic presidential hopefuls of 1992 picked up the theme. Iowa senator Tom Harkin avowed himself "proud" to be called a protectionist, and Nebraska senator Bob Kerrey insisted, "If I'm president, the time for begging is through. I'll tell Japan that if we can't sell in their market, they can't sell in ours." Former Massachusetts senator Paul Tsongas, a strong advocate of a Japan-style industrial policy, in an early debate criticized Japan-bashers for blaming Japan instead of recognizing that their economic problems were largely of Americans' own making, but he soon switched to urging consumers to consider boycotting Japanese products unless Japan eased its trade restrictions. He also ran a campaign ad featuring the Rising Sun. "The prevailing sentiment is to blame Japan for the American recession, and all the presidential candidates are talking tough about Japan," observed one reporter in March. In the summer the maverick independent Ross Perot claimed that he would adjust the "tilted deck" of

[40] Kathryn Tolbert, "Pacific Grim," *Boston Globe*, 29 March 1992, Magazine, 14; Kenneth J. Cooper et al., "Jackson, in New Hampshire, Denounces 'Message Gap'," *Washington Post*, 14 Jan. 1992, A6; Charles Krauthammer, "No New Enemies for the U.S.," 70; Walter Russell Mead, "U.S.–Japanese Relations," *Los Angeles Times*, 16 Feb. 1992, M1.

trade with Japan "in a very nice, diplomatic way," although this seemed to include preventing Japanese ships from unloading cars.[41]

The frustration and anger occasioned in parts of the American polity by Bush's hapless mission were exacerbated by critical remarks made by Japanese politicians. By the early 1990s Japanese spokesmen seemed less prepared to hold their tongues. A new generation had grown up which saw less reason to defer to the United States, and the ending of the Cold War called into question the value of the American defence umbrella. Articles in the Japanese press became more outspoken in responding to US pretensions. Americans more frequently appeared as villains in Japanese comic books and films, and some saw a sign of this new Japanese belligerence in the latest Godzilla movie, which had the monster stomping a platoon of American soldiers. Great resentment was caused in the United States by a book, *The Japan that Can Say No*, published in Japanese in late 1989 and in an English-language version in 1991. Written by the right-wing legislator Shintaro Ishihara, and co-authored by the chairman of Sony, it charged that "racism is at the base of U.S.–Japan trade friction," and dismissed claims about the US defending Japan with the comment that the Americans behaved more like "mad dogs" than watchdogs.[42]

The combination of the deepening depression, the disappointment over Bush's trade mission and anger over what were seen as Japanese insults gave rise to increased anti-Japanese feeling. A survey in February 1992 found that 65 percent of those Americans questioned believed that anti-Japanese sentiments were increasing, up from 33 percent two months earlier. As many as 80 percent had regarded Japan in friendly terms a few years previously; by early 1992 the figure had dropped to about 60 percent.[43]

[41] Kenneth T. Walsh, "Isolationism – Dangers, Myths of 'America First' Policy," *San Francisco Chronicle*, 3 Feb. 1992, A13; Jerry Roberts, "Underdog Democrat Tsongas Is No Santa," *San Francisco Chronicle*, 7 Feb. 1992, A2; "Crucial Vote for Kerrey, Harkin," *San Francisco Chronicle*, 25 Feb. 1992; Tolbert; Krauthammer; James Flanigan, "Perot Tells How He'd Fix Economy," *San Francisco Chronicle*, 5 June 1992, A9; Paul Blustein and Shigehiko Togo, "Around the World, Ross Perot Evokes Jitters and 'Who's He?,'" *Washington Post*, 11 July 1992, A16.

[42] Catherine A. Luther, *Press Images, National Identity, and Foreign Policy: A Case Study of U.S.–Japanese Relations from 1955–1995* (New York: Routledge, 2001), 151–58, 182, n. 106; Josh Getlin, "Now that Japanese Businessmen Are Replacing Soviets and Nazis as Villains of American Fiction, Some Observers Are Predicting ... Rough Seas Ahead," *Los Angeles Times*, 7 Feb. 1992, E1; Shintaro Ishihara, *The Japan that Can Say No* (New York: Simon & Schuster, 1991); Karl Schoenberger, "Issue of Japanese Racism Grows with Immigration," *Los Angeles Times*, 1 Jan. 1990, A1.

[43] Richard Morin, "U.S. Gets Negative about Japan," *Washington Post*, 14 Feb. 1992, B1; Philip Bennett, "Americans, Japanese See Relationship Grow Rocky," *Boston Globe*, 4 Feb. 1992, 1.

This was the context of a snowballing Buy America campaign that took off in the early months of 1992. The campaign was attributed to an ear surgeon in Warren, Ohio, who offered his employees four hundred dollars to buy a US model when they purchased a car. After television crews turned up at his office, other companies began to offer their employees incentives to buy American cars. In Los Angeles, the County Transportation Commission had recently awarded a contract to a Japanese company to supply new rail cars for the Metro Green Line, but "shaken by a political earthquake of angry speeches, demonstrations, letters and telephone calls" it speedily reversed its decision. Another furore erupted over the attempt by a Japanese group to buy the Seattle Mariners baseball team, yet another evocative American symbol. The 1992 Buy America campaign won unusually wide acclaim. Buying an American car, it was reasoned, would restore the health of the auto industry and hence that of the economy. A St. Louis barber gave his customers a one-dollar discount if they arrived in American cars. A gas station owner in Edwardsville, Illinois, offered a two-cents-a-gallon discount. A judge in Pontiac, Michigan, sentenced a speed offender to drive only American cars. She said she was moved "by a sense of patriotism and concern for the economy."[44]

By this time the Japanese theme was seeping across American popular culture, facilitated by the literary war, which was publicized in newspapers, magazines and television programmes. The images of Japan in the media or in popular culture were not necessarily hostile. Sometimes the depictions sided with the Chrysanthemum Kissers; others went with the Bashers.

One example was the final episode of the long-running series *Newhart* in May 1990. Starring popular comedian Bob Newhart, this was a sitcom set in a quintessential New England small town in which he ran a colonial inn. In the very last episode the Japanese bought up the village in order to turn it into a luxury resort. This was good-tempered stuff, but nonetheless the message was that an archetypal American community had fallen to the Japanese. When the TV series *Teenage Mutant Ninja Turtles* was made into a movie in 1990, featuring talking reptiles that saw off a Japanese master criminal who was subverting New York's youth, one critic associated it with the recent spate of Japan-bashing books. Popular novelists were mining the

[44] Amy Harmon, "A Sales Pitch Made in U.S.A.," *Los Angeles Times*, 24 Jan. 1992, A1; Jay Mathews, "Storm of Protest Derails California Agency's Plan to Buy Japanese Rail Cars," *Washington Post*, 23 Jan. 1992, A13; John Balzar, "Mariners Needed a Save, so Seattle Drafted Nintendo," *Los Angeles Times*, 25 Jan. 1992, A1; Lance Morrow, "Japan in the Mind of America," *Time*, 10 Feb. 1992, 10; George F. Will, "Patriots on Wheels," *Washington Post*, 9 Feb. 1992, B7.

same vein. *Gate of the Tigers*, by Henry Meigs, focusing on an espionage war over trade secrets, emphasized the cultural difference between Japan and the West. In another novel, *The War in 2020* by Ralph Peters, the Seventh Cavalry went to war on behalf of a Soviet Union overrun by Islamic and rebel forces supplied by a fearsome Japan armed with unnervingly advanced weaponry. The author himself commented that his anti-Japanese passages were "take-offs on a current American nightmare."[45]

Perhaps he was siding with the Kissers, but much the most successful of these novels was a Basher, and that was Michael Crichton's *Rising Sun*, rushed into publication a month ahead of schedule because, the publisher said, of the "extraordinary timeliness with regard to U.S.–Japan relations." It shot to the top of the best-seller list. The Crichton book, a detective story about the murder of a white woman, is set in Los Angeles and its target is the Japanese takeover of America. The Japanese are portrayed as devious and smart, buying up local politicians and infiltrating the media in a warlike assault, provoking a US Senator to remark, "You know, I have colleagues who say sooner or later we're going to have to drop another bomb. They think it'll come to that." Crichton's book was clearly based on the revisionist authors, who feature prominently in its bibliography of forty-one titles. After the book came the movie, but this was not a straightforward matter. By this time three major studios were owned by the Japanese, not to mention a substantial part of the real estate of downtown Los Angeles. Could an anti-Japanese film be made in such a community? In fact only Twentieth Century Fox bid for the film rights. Studio chief Joe Roth said, "I saw the book as a 'wake-up call.' The notion of the United States as a Third World nation taken over by a superior civilization fascinated me." Here was the Asian master race again. Although the anti-Japanese sentiment was toned down, the movie, starring Sean Connery and Wesley Snipes, opened in 1993 to protests staged by Asian American groups in major cities across the country. What these protesters were afraid of was that the film might incite anti-Japanese hate groups to violence against Asian citizens.[46]

[45] Rick Kogan, "Fore!", *Chicago Tribune*, 21 May 1990, C7; Cynthia Rose, "Hey, We're Awesome, Bros!", *Independent* (London), 12 Aug. 1990, Review, 8; Henry Meigs, *Gate of the Tigers* (New York: Viking, 1992); Ralph Peters, *The War in 2020* (New York: Pocket Books, 1991); Getlin.

[46] Dick Roraback, "The Conquest of America," *Los Angeles Times*, 1 March 1992; Michael Crichton, *Rising Sun* (London: Arrow Books, 1992), 269, 404–7; Getlin; Elaine Dutka, "Hollywood Scared of the Japanese?", *Los Angeles Times*, 8 March 1992, Calendar, 24; Elaine Dutka, "Asian Americans: Rising Furor over 'Rising Sun,'" *Los Angeles Times*, 28 July 1993, F1.

In the event *Rising Sun* did not bring a firestorm down on Asian Americans. It proved to be the last expression of this cycle of xenophobia. By 1993 several of the conditions that had given rise to the resurgence of Yellow Peril sentiments were disappearing. The economy was entering a new boom period. There was now a Democrat in the White House, and so the party-political imperative disappeared. And the "Japanese miracle" had imploded. In 1990 the Tokyo stock market collapsed. It took a couple of years for Americans to realize that this was not just a blip or another Oriental trick, but by about 1993 it was evident that there was nothing to fear from Japan. Ironically, market forces had in a sense triumphed after all, subverting a rationale of the Yellow Peril crusade.

Fundamental to the reappearance of the Yellow Peril had been some disturbing economic trends at a time when the notion of American decline had almost become conventional wisdom. It was legitimate for economists, policymakers and others to draw attention to a trade deficit of historic proportions, and companies and workers in threatened industries understandably wondered whether government was according their interests due care. What greatly raised the temperature was the turning of the trade gap into a political football, as Democratic politicians in particular sought to make capital by attacking the Reagan administration on an issue on which it might be vulnerable. As the "Japan problem" gained salience serious analysts investigated it in some depth, and while the principal revisionist authors themselves could not fairly be charged with racial prejudice, arguing rather that they were trying to persuade Americans to put their own economic house in order, in emphasizing Japanese difference they played into the hands of less responsible elements. Some politicians, journalists, and popular media figures did use language that conjured traditional fears about an Oriental enemy. They did not precipitate a general panic – anti-Japanese sentiment as measured by opinion polls remained a minority characteristic even if it did increase substantially when Yellow Peril rhetoric mounted. But suspicions of an alien "other" lingered and affected the debate. In 1989, when alarm was being raised about Japanese buy-outs of American business, Japanese direct investment in the United States was only about half that of the British and about the same as that of the Dutch, though no one talked about an insidious Dutch invasion. While Japan was berated for its apparent reluctance to contribute to the Gulf War, little was said about Germany, which was similarly constrained from making a military contribution. "This is not just xenophobia," said Steven Berger, executive director of the New York Port Authority during the controversy over the Japanese purchase of the Rockefeller Center, "It's racist xenophobia." It was probably a little

more complex than that. The glib use of stereotypes was an easy way to attract the attention of viewers or readers, whether or not there was any deliberate racist intent. But popular fears of the alien were being played on, much as they had been at the beginning of the century.[47]

In seeing off the Soviet Union Ronald Reagan had helped dispel the old obsession with Reds, though in so doing he had unwittingly touched off among some Americans an obsession with the Yellow Peril. But by the mid-1990s that too was history, at least as far as Japan was concerned, though before the end of the decade China was resuming its old place as the Asian power to be feared. Ronald Reagan's election had owed something to economic insecurity, doubts about the nation's future and fears about social cohesion, but these discords were still amply in evidence as his term ended. The revival of national morale would have to await a later date.

[47] Ellis Case, "Yellow-Peril Journalism," 54; Judy Temes, "Rocky Repercussions," *Crain's New York Business*, 6 Nov. 1989, 1.