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Still the American Century

BRUCE CUMINGS

At the inception of the twenty-first century—not to mention the next millennium—books on 'the American Century' proliferate monthly, if not daily.[1] We now have *The American Century Dictionary*, *The American Century Thesaurus*, and even *The American Century Cookbook*; perhaps the American Century baseball cap or cologne is not far behind. With one or two exceptions, the authors celebrate the unipolar pre-eminence and comprehensive economic advantage that the United States now enjoys. Surveys of public opinion show that most people agree: the American wave appears to be surging just as the year 2000 beckons. Unemployment and inflation are both at twenty-year lows, sending economists (who say you can't get lows for both at the same time) back to the drawing board. The stock market roars past the magic 10,000 mark, and the monster federal budget deficit of a decade ago miraculously metamorphoses into a surplus that may soon reach upwards of $1 trillion. Meanwhile President William Jefferson Clinton, not long after a humiliating impeachment, is rated in 1999 as the best of all postwar presidents in conducting foreign policy (a dizzying ascent from eighth place in 1994), according to a nationwide poll by the Chicago Council on Foreign Relations. This surprising result might also, of course, bespeak inattention: when asked to name the two or three most important foreign policy issues facing the US, fully 21 per cent of the public couldn't think of one (they answered 'don't know'), and a mere seven per cent thought foreign policy issues were important to the nation.[2] But who cares, when all is for the best in the best of all possible worlds?

If this intoxicating optimism is commonplace today, it would have seemed demented just a few short years ago: back then, the scholars and popular pundits who are supposed to know the occult science of international affairs were full of dread about American decline and Japanese and German advance. The American century looked like an unaccountably short one.

This prematurely-reported demise was surrounded in the public and the academic sphere by a great deal of nonsense. Today it is disconcerting to recall the towering influence of work by 'declinists' like Paul Kennedy (*The Rise and Fall of the Great Powers*), Robert Keohane (*After Hegemony*), Thomas McCormick (*America's Half-Century*), and Clyde Prestowitz (*Trading Places*); and it is positively embarrassing to

[1] Mindy and Norman Cantor, *The American Century* (New York: HarperCollins, 1998); Harold Evans, *The American Century* (New York: Knopf, 1998); Studs Terkel, *My American Century* (New York: Simon & Schuster, 1998); David Traxel. *1898: The Birth of the American Century* (New York: Knopf, 1998); Donald W. White, *The American Century* (New Haven, CT: Yale University Press, 1996); Olivier Zunz, *Why the American Century?* (University of Chicago Press, 1998).

[2] John E. Reilly (ed.), *American Public Opinion and US Foreign Policy 1999* (Chicago Council on Foreign Relations, 1999), pp. 8, 37.

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read recent accounts like Samuel Huntington's *Clash of Civilizations* and Donald White's *The American Century* that still seem to assume an America on the road to ruin.[3] These authors cover the American political spectrum: Huntington identifies himself with conservative politics, Keohane and White with moderate (or neo-) liberalism, Prestowitz with neoconservatism and a new American nationalism, and McCormick with a liberal/left position long identified with the work of historian William Appleman Williams.

The 'key question' of Keohane's book, for example, was 'how international cooperation can be maintained among the advanced capitalist states in the absence of American hegemony.'[4] Samuel Huntington had a realpolitik conception of hegemony that mistook maturity for decline: 'European globalism is no more, and American hegemony is receding, if only because it is no longer needed to protect the United States against a Cold War Soviet threat.'[5] This presumed conclusion to American preeminence was also metaphorical, a vehicle for the passions: Huntington wrapped the end of the Cold War into a coming 'clash of civilizations', through a nostalgic reprise of 1950s modernization theory and a disillusioned lament on the passing of the Eastern establishment and its Anglo-Saxon counterparts in Europe, thus yielding a plea for a renewed Atlanticism (precisely at a time when American trade with Asia towers over Atlantic exchange). From a very different perspective Thomas McCormick, in an otherwise fine book on the postwar period, deployed an understanding of hegemony that propelled him toward a final chapter of deep pessimism: 'American hegemony was dead', he wrote, but that decline might also 'be ushering in frightening developments that would make Lenin a prophet twice in this century'.[6]

Paul Kennedy's book was the most careful and thoughtful in this genre, examining the American position in the world in the light of earlier declining empires and focusing on infirmity in the basic sinews of economic vitality—particularly waning productivity growth in the American economy, which fell from 2.4 per cent growth in 1965–72 to 1.6 per cent in 1972–77, thence to a mere 0.2 per cent in 1977–82. The decline of heavy industrial manufacturing in the 1970s and 80s, much of it in rust-belt factories, did not at the time seem to be matched by a corresponding growth in high-tech or leading edge industries: Kennedy thought 'efficiency measures' would not close the gap with low-wage newly industrializing countries in basic manufacturing, and that the US was falling behind in one leading edge industry after another (he pointed out that the American trade surplus in high-tech goods plunged from $27 bn in 1980 to a mere $4 bn in 1985). The US had become a debtor nation '*in the space of a few years*' (his italics), the federal deficit was at an

[3] Samuel Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York, 1996); Paul M. Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York, 1989); Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, 1984); Clyde V. Prestowitz, Jr., *Trading Places: How We Are Giving Our Future to Japan and How to Reclaim It* (New York, 1993). Historian Donald White may have been first on the *fin-de-siècle* scene with his 1996 book (*ibid.*), but still managed some resoundingly bad timing—the subtitle was 'The Rise and Decline of the United States as a World Power'.

[4] Keohane, *After Hegemony*, p. 43.

[5] Huntington, 'The West: Unique, not Universal', *Foreign Affairs*, 75 (November/December 1996), pp. 28–46. See idem., *The Clash of Civilizations*.

[6] McCormick, *America's Half-Century*, pp. 240–41.

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all-time high, and estimates were that the national debt might be $13 trillion in year 2000 (or 14 times the level in 1980).[7] Around the same time Harry Figge, a corporate executive, wrote a best-seller (*Bankrupcy 1995*) claiming that public debt would consume the US within a decade.

The end of the Cold War also prompted a spate of melodramatic literature seeking to find in this evidently cataclysmic event a portent of historical closure—a solipsistic genre which we might label 'the end of the Cold War and me'. This tendency was perhaps most pronounced in John Lukacs' fatuously self-important 1993 book entitled *The End of the Twentieth Century and the End of the Modern Age*, but he was by no means alone. The most celebrated account, Francis Fukuyama's *The End of History*, was unarguably different: Fukuyama did view the end of the Cold War as a millennial transition, but few would have imagined doing so through a reprise of the thought of Georg W. F. Hegel—and perhaps least of all the great philosopher himself, who would roll in his grave to see his dialectic grinding to a halt in the valhalla of George Bush and Bill Clinton's philistine United States. Hegel gave us history with a purpose, with a telos, with a capital H, an unfolding with a beginning, a middle and an end: behold, all the past as prehistory, as mere prelude to the manifest world-historical spirit of the present age. Fukuyama's argument had an unquestionable ingenuity, taking the thinker perhaps most alien to the pragmatic and unphilosophical American soul, Hegel, and using his thought to proclaim something quintessentially American: that the pot of gold at the end of History's rainbow is free market liberalism. History just happened to culminate in the reigning orthodoxy of our era, the neoliberalism of Thatcher and Reagan.

Others thought a pretender to the hegemonic throne waited in the wings, as the real victor in the Cold War. In his influential book *Trading Places*, published ten years ago, Clyde Prestowitz thought Japan was ahead of the US in nearly every important industry, and argued that Japan was verging on hegemonic predominance in the world economy.[8] But now it is difficult to find any American who takes Japan seriously. In 1990 63 per cent of foreign policy elites fretted about competition from Japan; that fell to 21 per cent in 1994 and a mere 14 per cent in 1998.[9] Still, many influential writers continue to argue that even if America's decline is not as bad as thought a decade ago, it still lacks the capacity for coherent global leadership. Least of all would it occur to foreign policy 'professionals' to rank Bill Clinton higher than Harry Truman or Richard Nixon—but then they seem to be curiously out of synch with the public on many counts.

Before the war in Kosovo, in a lead article in *The New York Times* titled 'Who's in charge here?' Barbara Crossette lamented Washington's retreat from foreign policy leadership (especially collective leadership at the UN)—just at the time when 'Washington's consistent leadership is needed most'. 'In the last year of the century', she wrote in January 1999, 'the newer, saner world order confidently anticipated when Communism collapsed a decade ago is nowhere to be seen.'[10] This perception

[7] Kennedy, *Rise and Fall*, pp. 434–35, 525–35.
[8] Prestowitz, preface to *Trading Places*.
[9] Reilly (ed.), *American Public Opinion*, p. 5.
[10] Crossette, 'The World Expected Peace. It Found a New Brutality', *The New York Times*, 24 Jan., 1999.

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owed something to the alarms and diversions of the Lewinsky debauch and a President understandably preoccupied with impeachment. But many others, like Samuel Huntington, have been consistent Cassandras throughout the 1990s: recently he again argued for civilizational conflict as the dominant force in the post-Cold War world, and expressed doubt as to whether the United States has 'the domestic political base' necessary for it really to lead a unipolar world (he found a 1997 poll showing that only 13 per cent of the American people said they preferred a preeminent role for the US).[11] Another Harvard analyst of international affairs, Stanley Hoffman, argued that even if American power is preponderant today, 'a world that is more fluid, in which we remain "No. 1" but without the ability to control it, is unsettling'. In his view 'a dominant state must also have the will to use [power], and this is conspicuously lacking in the United States today'.[12]

I couldn't disagree more with these authors. They were wrong about American decline, and they are wrong about American global leadership today—which prevailed in Kosovo while managing to keep eighteen other NATO nations in tenuous but effective coalition. But it isn't easy to say *why* they were wrong. Many arguments and predictions look bad from the hindsight of a decade, including some of my own; furthermore there was no lack of facts and events testifying to American decline, just as the inability of the US to get its way in places like Iraq or North Korea remains palpable today. I believe they were wrong not because of the evidence they brought to bear, but because of a flawed understanding of America's position and role in the world in the first place.

For one thing, American pundits confuse a comprehensive and in many ways unparalleled hegemony with omnipotence, with America's ability to get its way on every issue: there is no such power in the world, and there never was. They compare the presumed bipolar stability of the Cold War (or what some have called 'the long peace') with an overwrought image of 1990s global disorder. Yet only a superficial account of the Cold War could overlook the decades marked by an astonishing combination of American omnipotence and inability to render the world tractable. During the height of American power we couldn't win the Korean War but instead were fought to a standstill by Chinese and Korean peasant armies. We redoubled our efforts only to lose in Vietnam, and we couldn't control many other outcomes—in the Suez crisis in 1956, the Cuban revolution, the fiasco of the Bay of Pigs, the Nicaraguan revolution, and catastrophes like the blasting to death of 250 Marines in Beirut in 1983. People forget how unruly the Cold War world was and the degree to which its passing in the late 1980s also closed the chapter on a host of regional contests, some of the them civil wars and some superpower proxy conflicts (in Angola, Afghanistan, Nicaragua, Cambodia, the horn of Africa, to name a few).

The most dangerous period in the past fifty years was precisely when the American century was at high tide—in the 1960s. Then the Soviet Union imagined itself to be overtaking the United States (a contributing cause of the Cuban missile crisis), China went nuclear, and anti-colonial revolutions that had won or were winning power throughout the Third World gave a towering influence to a variety of Third World leaders (Mao, Ho Chi Minh, Kim Il Sung, Patrice Lumumba, Castro, Quadaffi) that would be unimaginable today. Now such people are gone or stuck in a

[11] Samuel P. Huntington, 'The Lonely Superpower', *Foreign Affairs* 78:2 (1999), pp. 39–40.
[12] Stanley Hoffman, *World Disorders* (Rowman & Littlefield, 1998), pp. 105, 155.

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time warp, along with all the significant alternatives to American power. Then, we had the will to use our power but often enough, not the wisdom; today we may sometimes lack the will to deploy American force, but there is wisdom in that as well—Americans can't solve all the problems of the world: we never could, and we never will. Furthermore if we ask the question, for what contemporary problem is the use of military power the solution, few cases come to mind beyond blunting the worst excesses of a barbarian like Slobodan Milosevic.

Perhaps former UN chief Boutrous Boutrous-Ghali put his finger on the deepest truth about US foreign policy: 'Like in Roman times', he said, the Americans 'have no diplomacy; you don't need diplomacy if you are so powerful'.[13] The United States has such comprehensive advantage in the world that it can occupy itself for a full year with the Monica Lewinsky scandal, a year punctuated by the disastrous collapse of several of the world's important economies (South Korea, Thailand, Indonesia, Russia) and followed by a major new war, and nothing happens except that the American economic lead lengthens. The stock market went up again in 1998 against most predictions and in spite of the global financial crisis, which included a very expensive implosion of the Russian economy in August; it expanded all through the war in Kosovo. Economic growth in the last quarter of 1998 was so robust (6.1 per cent) that in GNP terms it created a Spain overnight; it dropped to a mere four per cent in early 1999, creating another South Korea.[14]

Let me try to isolate five elements that I think account for the American ascendancy, each of which has little to do with preponderant military strength (even though the US has that, too): and these are mass consumption and mass culture, the advantages of a continent—an unappreciated aspect of American technological prowess—and the peculiarities of both American liberalism and the global hegemony that results from it.

I shop, therefore I am

A curious incongruity in our halcyon era is the American savings rate: it hit exactly zero in early 1999, as consumption outran savings for the first time, and continued going south. Meanwhile in Japan the savings rate remains high, as always, but bank interest rates are just above zero for preferred customers, and in March the government handed out free coupons worth about $160 in hopes that consumers would go out and spend them. If the Japanese couldn't sell in the vast American market (like just about every other exporter), their economy would expire. What gives? Basically the Japanese do not get it: capitalism is about spending, not about saving—and the US pioneered incomparable ways to spend money not yesterday, but eighty years ago. The 'Roaring 20s' were not just an era of flappers and the Charleston, but years of pioneering innovation when Americans first sampled the seductive possibilities of mass consumption and mass culture that the rest of the world now absorbs as part of its own lifestyle: automobiles, radios, Hollywood films, professional sports,

[13] Quoted in *The New York Times*, Nov. 20, 1998, p. A7.
[14] That is, the US GNP of $8.1 trillion (see *CIA Factbook* below) multiplied by 6.1 per cent=Spain's GNP of about $520 bn.

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'consumer durables' like refrigerators. At that time American industry perfected both mass production and the means to digest the same goods—*en masse*.

That decade capped an amazingly quick American rise to world pre-eminence: the US had 29 per cent of global industrial production in the 1880s, 36 per cent by 1913 (compared to Britain's 14 per cent), and 42 per cent in 1929—the highest percentage ever, save for the abnormal period just after World War II when all the advanced industrial economies had suffered extensive war damage, except for the unscathed United States—which temporarily held half of all global production.[15] This period witnessed the fruition of assembly-line mass production, as is well known, with Henry Ford's Model T symbolizing both the capacity to turn out automobiles like cookies, and the high $5-a-day wage that enabled Ford's workers to purchase them. Less appreciated was the pioneering combination of salesmanship, mass advertising, and easy credit that General Motors used to compete with Ford and to saturate the American market with automobiles (from 1920 to 1929 the *per capita* auto ownership rate went from 1 in 13 people to 1 in 5, a level not reached by other industrial countries until the 1960s).[16]

Alfred Sloan of GM found a way to splash lots of DuPont paint on to cars (DuPont owned GM at the time), adding colour and style in place of the always-black Model Ts, and parleying graduated brand-names into a national ritual in which Americans climbed the greasy pole by moving from a blue Chevrolet to a green Pontiac, a two-toned Oldsmobile, a big Buick, and finally a black Cadillac that symbolized ultimate status arrival. Hollywood recapitulated the American dream in film, with LA policemen pulling up in black-and-white Chevrolets, and movie stars like Valentino stepping out of alabaster Cadillacs. Sloan also inaugurated the autumnal sacrament of unveiling the next year's new models; buying one was the best way to instantly devalue your neighbour's car: 'used'. The General Motors Acceptance Corporation made the purchase easy by stringing monthly car payments out over several years. And so Americans moved from savers to spenders, strung out on credit unlike any people in the world—but loving it.[17] To be an American is to be maxed out: from 1989 to 1995 average credit-card balances swelled by 135 per cent, but among the poorest 20 per cent of the population, by a whopping 400 per cent.[18]

A Russian immigrant named David Sarnoff, a self-taught engineer working in wireless communications for the Navy, had the vision of a radio in every home; in the 1920s RCA emerged under his leadership, and American firms paid for the free radio programmes by advertising their wares—in every home. Seventy years later another government invention called the Internet, also plastered with advertising, would invade the household. Historian Olivier Zunz, whose book is a useful contribution amid the current *American Century* hailstorm, reminds us that as early as 1914 Walter Lippmann linked democracy to 'the right to purchase consumers' goods at low prices;'[19] Zunz highlights a pragmatic American coalition of business, science

[15] W. W. Rostow, *The World Economy* (University of Texas Press, 1978), pp. 52–3.
[16] Emma Rothschild, *Paradise Lost: The Decline of the Auto-Industrial Age* (Vintage Books, 1974), pp. 26–30. The British did not reach the 1929 US rate until 1966, according to data in Rothschild.
[17] Ibid., pp. 39, 82.
[18] Dough Henwood, 'The Nation Indicators', *The Nation*, 19 July, 1999, p. 12.
[19] Lippmann, *Drift and Mastery: An Attempt to Diagnose the Current Unrest* (University of Wisconsin Press rev. edn., 1985), p. 56; quoted in Zunz, *Why the American Century*? (University of Chicago Press, 1998).

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and government yielding a huge variety of applied technology oriented toward mass consumption and commercialism, in the 1920s and after—'an array of original achievements in science and industry' that led to 'a concurrent and deliberate reorganization of society.'[20]

In this eruption of mass culture the middle class was the ideal and the normal, average individual—the building block (if many Americans were far from middle class status, they all aspired to it). A vast expansion of higher education, most obvious in the huge land-grant universities still unrivalled by any other country even today, was essential to the creation of a broad middle class and remains a great American advantage.

The pleasures of Austrian economics

It might appear that John Maynard Keynes was the intellectual architect of American-style mass consumption, with his emphasis on demand-led economics and deficit spending by the government to put money in people's pockets. But it was Austrian thinker Joseph Schumpeter who best understood the extraordinary growth spurt of the 1920s. Schumpeter, who taught for years at Harvard, was among other things a theorist of business cycles of all kinds and understood this new burst of wealth to be a combination of new technologies (the assembly line), cheap credit (like GMAC), and cheap energy (petroleum, gushing into the market as American firms developed California and Texas wells) combining to produce a 'leading sector' or flagship industry: automobiles. He placed special weight on innovators and entrepreneurs (like Ford and Sloan), and thought that bank-created money (otherwise called credit) was the element that merged magically (or at least inexplicably) with innovation, ceaselessly to create entirely new industries and—like the auto—entirely new ways of life. Schumpeter focused on structural changes in the economy, qualitative changes that conventional economists—with their emphasis on incremental quantitative change and equilibrium models—have trouble explaining.[21] His ideas also caused trouble for Keynes' theory: American deficit spending reached its height under Roosevelt's New Deal (at about five per cent of GNP), yet it was World War II that finally pulled the US out of the depression; deficit spending reached an all-time high of six per cent of GNP in the Reagan era—precisely the period of ostensible American stagnation and decline.

Now think about our era: for the past several years economists, not least among them Federal Reserve Chairman Alan Greenspan, have been trying to figure out how the American economy can grow so fast with effective full employment, and yet not create inflation. The conventional explanation would look for gains in labour productivity, but (at least until recently) the data did not show gains sufficient to account for this phenomenon. Chairman Greenspan has frequently speculated, therefore, that something new must be happening—perhaps the efficiencies of the

[20] Zunz, *American Century*, p. xi.

[21] Joseph A. Schumpeter, *The Theory of Economic Development* , trans. Redvers Opie (New Brunswick, NJ: Transaction Books, 1983), pp. xix, 61–66; see also his often impenetrable tome called *Business Cycles: A Theoretical, Historical and Statistical Analysis of the Capitalist Process*, abridged edn. (New York, Porcupine Press, 1989), first published in 1934.

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information age could not be captured by conventional data-gathering, or they would show up in the future. Lo and behold, productivity gains began climbing again in 1996; productivity rose 2.2 per cent in 1998, but manufacturing had a 4.3 per cent rise for the year, and an astounding 5.6 per cent jump in the fourth quarter of 1998.[22]

Were Schumpeter alive, he would say that we have a new leading sector technology (the microchip); cheap energy (petroleum costs less today than it did in the 1950s); a unique combination of the two in that the silicon chip requires raw material inputs that are no more than three per cent of its cost (compared to 40 per cent for automobiles[23]) and the energy to run them is so miniscule that computers can be turned on all the time; the information courses through fibre optic cables, which can transmit 20 times as many messages as copper telephone wire, yet require five per cent of the energy to produce as compared to copper; and finally that credit and wealth creation has been so dizzying (American credit card consumption driving the domestic and world economy in the 1990s; Internet stock offerings jumping 500 per cent in one day) that entire cities seem to be transformed almost overnight—like San Jose, for example, now undergoing a growth spurt worthy of LA's in the 1920s, and suddenly the third largest exporting city in the US. At least one author from the mid-1980s did not mistake temporary difficulties for irremediable American decline; Peter Drucker saw all this coming fifteen years ago. He also thought that Schumpeter, and not Keynes or Friedman, was the thinker who best explained it all: indeed, he thought Schumpeter's ideas would shape our time and the next several decades.[24]

The sign of a good brand

According to Drucker it was not men of ideology, or even intellect, but men of vision who built the American century. If we retrieve the 17 February 1941 issue of *Life* that carried Henry Luce's original essay entitled 'The American Century', we find not much intellect but a heavy dose of ideology—which he called vision, and not just any vision: 'the American vision'. Like Alfred Sloan, Luce was a great salesman; *The American Century* was a wonderful logo for this eternal optimist to merchandise the American dream, even if his ideas didn't go beyond vexation about creeping 'national socialism' in America (read New Deal), the bankruptcy of isolationists who still could not grasp why Americans should fight and die for 'dear old Danzig or dear old Dong Dang', and the recommendation that the consumptive paradise that had arisen in the 1920s ('the abundant life', as Luce called it), is or should be available 'for all mankind' once they wake up to 'America's vision'. This programme, of course, should not march forward just with an overflow of consumer durables, but under the banner of American idealism: 'It must be a sharing with all peoples of our Bill of Rights, our Declaration of Independence, our Constitution,

[22] *The New York Times*, 10 Feb., 1999, p. C3; 27 March, 1999, p. B3.
[23] Peter F. Drucker, *The Frontiers of Management: Where Tomorrow's Decisions are Being Shaped Today* (New York: Plume Books reprint, 1999), p. 27.
[24] All information in this paragraph from Drucker, *ibid*., pp. 27–28, and Drucker, 'Modern Prophets: Schumpter or Keynes', 1983, reprinted in *ibid*., pp. 104–115.

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our magnificent industrial products, our technical skills. It must be an internationalism of the people, by the people and for the people'.

Amid much frothy rhetoric like this ('We must undertake now to be the Good Samaritan of the entire world', etc.), Luce held out to underdeveloped peoples the chance to escape their problems by becoming American—an absurd proposition in 1941. But he put his finger on a truth—one that keeps people from all corners of the world immigrating to this country. Even in remote Tibet people seek consumer (or couch-potato) heaven: take 'Darchi', a middle-aged peasant who, as he harvested barley near his mud-brick village, told an American reporter that he didn't really care about independence from China: 'I want to buy a television, and then sit back and drink barley beer and watch TV'.[25] Or as Luce put it, 'Once we cease to distract ourselves with lifeless arguments about isolationism, we shall be amazed to discover that there is already an immense American internationalism. American jazz, Hollywood movies, American slang, American machines and patented products, are in fact the only things that every community in the world, from Zanzibar to Hamburg, recognizes in common'. Jean Baudrillard once wrote that the American flag itself was the 'trademark of a good brand;'[26] Henry Luce recognized that in 1941.

We can take a Communist country like North Korea as the antithesis of the American Century (just as it seems to be the Pentagon's *bete-noire* today)—the vanguard of the anti-imperial, anti-American rejectionist front. I first visited that country in 1981, when its industrial strategy had not yet run aground (*per capita* income was then about the same as the South's according to the CIA) and its go-it-alone policies of self-reliance and isolation from the world economy still seemed a plausible path of development to many people in the Third World. As soon as we arrived at the hotel, set on a picturesque riverbank full of weeping willows in the middle of P'yongyang, my omnipresent guides wanted to finger and cluck over my Asahi Pentax 'Spotmatic' camera (then fifteen years old); they were well aware of Boeing aircraft, the dominant industry in the city where I then lived, and asked me how many passengers a 747 jumbo could hold and how long it took to fly across the continent—and exchanged amazed glances when I told them 400 people and four hours. They were fascinated by the Hollywood movies they had managed to see, like their current leader, Kim Jong Il—who is said to possess 10,000 films and to love *Gone with the Wind*. With this experience I grasped the truth of Baudrillard's observation: 'Whatever happens, and whatever one thinks of the arrogance of the dollar or the multinationals, it is this culture which, the world over, fascinates those very people who suffer most at its hands, and it does so through the deep, insane conviction that it has made all their dreams come true.'[27]

If Henry Luce both understood and epitomized this 'insane conviction', the world's peoples did not provide much evidence of a thirst for the American way in 1941 or, for that matter, during 30 years of anti-imperial wars after World War II. Henry Luce's concern, however, was not with 'worlds' but with directions: toward Europe, or away from it. He preferred the latter as the most prominent of the 'Asia-firsters' (dear-old-Dong-Dang again). But his Asia was a place to be led by whites

[25] *The New York Times*, Sept. 22, 1990.
[26] Jean Baudrillard, *America* (New York, 1989), p. 95.
[27] Baudrillard, *America*, p. 77.

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and ultimately to be dissolved not in anti-imperial revolt, but in the solvent of Americanism. The preferred direction of American expansionists like Luce was westward toward the Pacific, symbolized by the nineteenth-century imagery of pioneers, manifest destiny, and the ever-receding frontier.

At the same time another influential body of opinion, the *Council on Foreign Relations* in New York, was moving away from Europe—but in a different sense. Germany dominated continental Europe in 1941, with Britain blocking its way to the rest of the world. The council therefore envisioned 'a great residual area potentially available to us and upon the basis of which American foreign policy may be framed'. Later termed 'the Grand Area', this space became the council's metaphor for American expansion into various corners of the globe theretofore off limits, especially the British, French and Dutch colonies but also China and Japan, a vast expanse now undermined or made 'open' by the effects of the ongoing European war.

This was not simply a reflection of the council's accustomed Atlanticism, but a Pacific strategy aimed at expansion into a domain marred only by ongoing Japanese aggression. One month before the appearance of Luce's essay the council issued 'American Far Eastern Policy', which recommended all-out aid to China to keep Japan pinned down on the continent, and the embargo of war materials to Japan—policies that Franklin Roosevelt implemented within months.[28] Obviously the Grand Area included what later came to be called the Third World: but what should be the mechanism of American operation within this global realm? Did the Council propose to colonize it like Burma or Indochina, to police it, or to Americanize it *à la* Henry Luce? The answer is that the Grand Area was the world economy and it was to be open for trade, not necessarily human uplift, and the mechanisms of operation would be those later established at Bretton Woods. The American who, in my view, did the most to bring this about had already sketched this future when the European war began, almost two years earlier.

Henry Luce was a publisher, and a most successful one. But his world view was narrow, particularly in its either/or attitude to Europe and Asia. The true captains of the American Century were those who thought in both/and terms: Europe and Asia, the open door and partnership with imperial Britain, intervention in both Latin America and Europe,[29] a world economy with no ultimate limit. Dean Acheson embodied the fullness of American ambition and expressed it concisely in a speech delivered shortly after Germany invaded Poland, entitled 'An American Attitude Toward Foreign Affairs', a text truly pregnant with ideas that built the American Century. As he later put it in reflecting back on this speech, he had really sought at the time to 'begin work on a new postwar world system'.[30]

[28] Council on Foreign Relations, aide-memoire E-B26, 'American Far Eastern Policy', 15 January 1941, cited in Laurence H. Shoup and William Minter, *Imperial Brain Trust: The Council on Foreign Relations and United States Foreign Policy* (New York, 1977), pp. 129–36.

[29] Time has not dimmed the impact of a stunning phone conversation between John J. McCloy and Henry Stimson in May 1945: McCloy remarked that 'we ought to have our cake and eat it too; that we ought to be free to operate under this regional arrangement in South America, at the same time intervene promptly in Europe. . .', to which Stimson replied, 'I think that it's not asking too much to have our little region over here which never bothered anybody'. I first read this colloquy in Gabriel Kolko, *The Politics of War* (New York, 1968), pp. 470–71.

[30] Dean Acheson, 'An American Attitude Toward Foreign Affairs', 28 November 1939, in *Morning and Noon* (Boston, 1965), pp. 267–75; see also Acheson's reflections on the speech, pp. 216–17. I am indebted to Heajeong Lee for bringing this text to my attention.

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'Our vital interests', Acheson said in this speech delivered at Yale, 'do not permit us to be indifferent to the outcome' of the wars in Europe and Asia; nor was it possible for Americans to remain isolated from them—unless they wished a kind of eternal 'internment on this continent' (only an Anglophile like Acheson would liken North America to a concentration camp). He located the causes of the war and the global depression that preceded it in 'the failure of some mechanisms of the Nineteenth Century world economy' that had led to 'this break-up of the world into exclusive areas for armed exploitation administered along oriental [*sic*] lines'. In its time, 'the economic and political system of the Nineteenth Century . . . produced an amazing increase in the production of wealth', but for many years it had been in an 'obvious process of decline'. Reconstruction of the foundations of peace would require new mechanisms: ways to make capital available for industrial production, the removal of tariffs, 'a broader market for goods made under decent standards', 'a stable international monetary system', and the removal of 'exclusive or preferential trade arrangements'. The world economy was his main emphasis, but in good Achesonian realpolitik fashion he also called for the immediate creation of 'a navy and air force adequate to secure us in both oceans simultaneously and with striking power sufficient to reach to the other side of each of them'.

Dean Acheson later had the opportunity to implement these ideas, first at Bretton Woods, then with the Marshall Plan and the Truman Doctrine, and finally with NSC-68; he was a realist, of course, but unlike others (say, Henry Kissinger) his long Wall Street career had educated him in the logic of the grand area—the world economy. He thus became the person who comes closest to being the singular architect of American strategy from 1944 to 1953. A short few years after he gave this prescient speech and Henry Luce claimed the century for Americans, the United States accounted for half of the industrial production of all the world, emerging from the war as the single unscathed and emboldened superpower—thus making both men look like visionaries. Yet by the turn of the last century the United States was the most productive industrial economy in the world, and everyone knew this by the early 1920s as American firms pioneered mass production and consumption and its banks became the effective centre of global commerce. But it had a laughably small military, and neither the political will nor the domestic political base for global hegemony. The years from 1914 to 1941 were thus not part of an American century, but years of hegemonic interregnum in which England could no longer lead and the United States was not yet ready to do so. The German invasion of Poland changed all that, culminating in the Pearl Harbor attack, which finally committed the United States to global leadership at a time when economic collapse, global war, and the resultant chaos required the construction of the new world system that Acheson envisioned in 1939. Moreover, If Henry Luce's Asia-firstism reflected the time-honoured American idea of a remove into an uncivilized wilderness, Acheson's ambition to secure 'both oceans simultaneously' reflected his precocious comprehension of the enormous advantages deriving from America's bi-coastal position.

Massive fog grips Europe; continent isolated

So read a London newspaper headline during the heyday of the empire on which the

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sun never set. The global leader whom the United States replaced had the same curiosity as the one that was going to replace it in the dawning 21st century: England and Japan both occupy small islands, set just far enough away from the mainland to breed a solipsistic sense of ineffable superiority. Once the United States was also called an 'island country', sheltered by two great oceans; and it was still so when it pioneered mass consumption and mass culture in the 1920s. The continuing incompletion of the continental market, however, gave us isolationism instead of global hegemony: the US is the only great power that for more than a century was entirely self-sufficient unto itself and therefore invulnerable to external dependencies, and the only one with vast reaches yet to be filled up with people and enterprise (save perhaps for Russia's frigid and still undeveloped frontier in Siberia).

The American position in the world owes much to being the first hegemonic power to inhabit an immense land mass: not an island empire like England or Pacific Century-pretender Japan, but a continent open at both ends to vast potential markets. The US is the only industrial country with long Atlantic and Pacific coasts, making it simultaneously an Atlantic and a Pacific power; the historic dominance of Atlanticists (Henry Kissinger, Samuel Huntington and Stanley Hoffman are contemporary examples), gazing upon a Europe whose civilization gave birth to our own, averts our eyes from this fact. Indeed, the continental divide still makes a New Yorker uncomfortable in Los Angeles (and *vice-versa*).

The transcontinental railroad symbolized the completion of the national territory—by the 1860s America was a linked continental empire. But distant connections to isolated Western towns and farms, Pony Express mail service, and peripheral mudflats like the Los Angeles of the late 19th century, do not a national market make. Instead for fifty years (roughly from 1890 to 1940) Americans peopled and filled in the national territory, at the same time that the US became the leading industrial power in the world. There was but a brief lunge toward formal empire, with the Spanish-American War and the colonizing of the Philippines at the turn of the century, and the limited American participation in World War I; the dominant tendency was expansion to the coast and exploitation of a vast and relatively new market.

The isolationism of the interwar period cannot be understood apart from a political economy founded on protection of the home market and conscious unconcern with the rest of the world. One of Henry Ford's publicists, Samuel Crowther, summed up this homeward-bound dynamic in a book called *America Self-Contained*.[31] The American nationalist was always made to seem 'the boorish provincial' instead of the patriot, while free traders lowered tariffs and let foreigners 'cavort without an admission fee in the largest market in the world'. He thought the US should make its isolation more complete, 'shape our own destinies', instead of doing a lot of 'sordid international shop-keeping' in that 'old system of world economy'. December 7, 1941 was the last day when anyone took Crowther seriously (when I checked his book out of a large university library, the last reader had done so in 1949). 1941 was thus a pregnant year in more than one respect; it marked the beginning of the full industrialization of the far West, which in the postwar period grew apace with a rapidly-developing Pacific Rim—an imperfectly appreciated aspect of American global power.

[31] Samuel Crowther, *American Self-Contained* (New York: Doubleday, Doran, 1933).

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Franklin D. Roosevelt's New Deal signalled the direct involvement of the federal government in the industrial development of the far West. The New Deal was instrumental in building massive infrastructures (like the Grand Coulee Dam), in the management of western lands and the immense water works necessary to till them (through the Soil Conservation Service and other means) and under federal government auspices and emergency conditions, in subsidizing heavy industries connected to the war effort.[32] Southern California's rapidly-emerging aircraft business was completely dependent on government contracts; defence industries ran three shifts during the war, with airplanes accounting for 34 per cent of all production. Washington also subsidized all kinds of social overhead in the area: the railroads, the highways, the airlines, and the water needed for a vast commercialization and suburbanization. Firms like Lockheed (whose Santa Monica plant was the largest firm and employer in the 1940s), failed several times before the war but flourished thereafter, until the Cold War ended and defence contracts began drying up (in 1996 Disney spent $45m to turn Lockheed's Stealth aircraft design facility, long known as 'the skunkworks', into an animation studio).[33]

If Los Angeles symbolized the prowess of America's West coast at mid-century, at the end of it the symbolic city is Seattle. I lived in Seattle for ten years, beginning in 1977. Coming from New York, it struck me as an isolated and insulated backwater: an Omaha that happened to be situated on the Pacific Coast; the city fathers seemed unaware of the opportunities beckoning from across this great ocean. The city was just then emerging from the 'Boeing bust' of the early 1970s, when severe job cuts caused an even more severe recession; the joke was to ask the last person leaving Seattle to turn out the lights.

A decade later Microsoft had replaced Boeing as the flagship industry of Seattle, a world-class monopoly every bit as important to the American position in the world as John D. Rockefeller's Standard Oil a century earlier. City fathers funded an enormous new dock sprouting hundreds of container-ship cranes helping to make of Seattle a major American exporting city, and nearly foamed at the mouth to deepen the burgeoning Pacific Rim trade. The state's Congressional delegation had become the leading pillar of free-trade legislation. Boeing had long backlogs of 747s on order—from China. The city was so dynamic and expansive that when I read the 'declinist' literature of the 1980s I kept asking myself, 'what about Seattle?'

In other words, the advantage of a continental economy is that things can be falling apart in one region (the rustbelt in the 1980s) and coming together in another (America's Pacific Rim). Today Los Angeles and Seattle are enormously dynamic, polyglot Pacific Rim cities of extraordinary multiethnic and multicultural diversity, wired-up centres of the revolution in communications, entertainment ('grunge' rock, one of Seattle's exports we could have done without), and Internet commerce (recently I sent three books to a colleague in Beijing with a few mouse clicks on Seattle-based Amazon.com's website).

[32] John Walton, *Western Times and Water Wars: State, Culture and Rebellion in California* (University of California Press, 1992), pp. 233–5.
[33] *Weekly Variety*, 18 March, 1996, p. 123.

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Hegemony means never having to say you're sorry

In 1985 American and Japanese negotiators met at the Plaza Hotel in New York to hammer out an agreement on driving down the value of the dollar in relation to the undervalued yen, the latter having been a cornerstone of Japanese exports. By the time they were done the dollar's value had dropped from 250 yen to 180—a massive devaluation that enabled the US to rebuild its own export position. An observant Frenchman, Jean-Claude Derian, saw in this episode an exercise of America's hegemonic birthright: by using the privileged position of the dollar as 'the cornerstone of the world monetary system', Washington had forced the rest of the world 'to share the cost of reestablishing the US balance of trade'.

What is hegemony? After a recent lecture a student asked me why it was so difficult in this country to have a reasoned discussion about this phenomenon; the minute you use the word, someone accuses you of being a Marxist. Recently postmodern scholar Judith Butler tried to explain her views in a *New York Times* editorial: hegemony, she explained , is when something is so powerful that you have no conscious awareness of it.[34] Roland Barthes believed that a potent surreptitious mastery came from that which could not be named; that is also where Rumpelstiltskin got his power. By refusing the name 'hegemony', we also refuse a debate about what it is, and what it means for the American people. The result, in my opinion, is that hegemony is least understood in its own point of origin—the United States.

When Dean Acheson spoke at Yale in 1939, the US had a laughably small military, and neither the political will nor the domestic political base for global hegemony: the Army had 185,000 men and an annual budget of $500m. The German invasion of Poland changed all that, culminating in the Pearl Harbor attack, which finally committed the United States to global leadership at a time when economic collapse, global war, and the resultant chaos required the construction of the new world system that Acheson envisioned. A few years later the Army numbered more than one million, the Air Force and the Navy were almost as large, the defence budget was over $100 bn, and the US had 1.5 million soldiers, airmen and sailors stationed in 119 countries.[35]

The moment when the baton of world leadership finally and definitively passed from London to Washington came on 21 February 1947, when a British Embassy official informed Acheson that England could not give Greece and Turkey $250m in military and economic aid. Two days later Acheson walked off to lunch with a friend, remarking that 'there are only two powers in the world now', the United States and the Soviet Union.[36] Acheson did not mean that an era of bipolarity had dawned, although he meant that as well; he meant something much deeper—the substitution of American for British leadership. As he later put it privately, when America grasped for world leadership amid the regression of the British empire, it was for the first time in the position of a person who, 'on the death of a parent,

[34] Op-Ed Page, *The New York Times*, 20 March, 1999.
[35] Stephen E. Ambrose, *Rise to Globalism* (New York: Penguin 1983), p. 13.
[36] Thomas J. McCormick, *America's Half-Century: United States Foreign Policy in the Cold War* (Baltimore, 1989), p. 72.

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hears in a new way the roaring of the cataract'.[37] Acheson's problem was to be pregnant with an idea that he could not articulate, lest Harry Truman lose the next election (for example, by announcing that the United States had now replaced England as the power with all the burdens-of-last-resort in the world system).

To put it differently, the internationalist forces in American politics lacked a strong domestic base, particularly in Congress, which held many former isolationists. George Kennan provided the solution to this dilemma with an elegant metaphor: *containment*. Imagine, for an America to march outward and inherit Britain's role, and you mark it up for the defence. Imagine, a doctrine defining hegemony by what it opposes, obviating the necessity to explain to the American people what it is, and what its consequences will be for them. It is only today, after the fall of the Berlin Wall and the collapse of the Soviet Union, that Americans can see this obscured, underlying system that keeps going in spite of the disappearance of its ostensible *raison d'etre*—the Soviet Union and its many allies.

A central aspect of the containment project was to revive the industrial production of just-defeated German and Japan, to knit together a productive coalition that would revive both countries, keep communism at bay, get them off the American dole, rejuvenate middle classes, and thereby extend American-style mass consumption to our allies. As Japan and West Germany were posted as industrial workshops, cheap energy from the Middle East fuelled their recovery and also created markets for American goods. In September 1947 the Truman administration ruled that huge deals involving Anglo-Iranian, Gulf, and Shell did not violate anti-trust laws, and thus, in Daniel Yergin's words, 'the mechanisms, capital and marketing systems were in place to move vast quantities of Middle Eastern oil into the European market,' and to move Europe off coal and onto oil.[38] Germans drove off in their Volkswagens, Italians in their Fiats, Frenchmen in their Renaults, and Japanese in their Toyotas—into a consumer paradise that recapitulated America's leap forward in the 1920s.

A liberal hegemony?

We still haven't figured out a good name for the postwar American 'grand area', now approximating the globe itself. Is it an empire? If so, where are the exclusively-controlled territories that would approximate colonial India? Has it been neoimperial, exploiting the economies of its members as if they were colonies? How then did Japan or Korea develop so rapidly? This system has not created onerous or inescapable dependencies, and it has not dominated its constituent members. It has established boundaries of inclusion, but it has not necessarily punished exit, if that exit is to a middle ground of neutrality or irrelevance. This order has been a hegemonic one, and it has had—and must have—a hegemonic leader. But hegemony is most effective when it is indirect, inclusive, plural, heterogeneous, and con-

[37] Acheson's notes to himself in preparation for Congressional testimony in August 1950, in *Foreign Relations of the United States* (1950), v. 1, pp. 393–5.

[38] Kai Bird, *The Chairman: John J. McCloy and the Making of the American Establishment* (Simon & Schuster, 1992), pp. 143, 178; Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (Simon & Schuster, 1991), pp. 422–4.

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sensual—less a form of domination than a form of legitimate global leadership. It is hegemonic and liberal at the same time—but how? How did the new system emerge? Was it just a matter of letting Dean Acheson and the other 'wise men' loose?

In retrospect, the construction of the postwar world order looks relatively simple: Bretton Woods in 1944, containment and the Marshall Plan in 1947, NSC-68 and general rearmament in 1950—a mere five years to bring about another '*belle époque*'. The order was to be a liberal one, but in 1945 hardly anyone knew what that meant, since the world had been so illiberal for so long. It might mean a Wilsonian quest to make *this* brave new world safe for democracy, once and for all. It might mean the creed of the Anglophile internationalists, like wartime Secretary of State Cordell Hull, that free trade would create the greatest good for the greatest number, form the preconditions for representative democracy on a world scale, and thereby yield peace among nations. It might mean an extension of Franklin Roosevelt's New Deal to the world, as a kind of regulated 'open door'. It might even be the libertarianism of Senator Robert Taft, the patron saint of Midwestern Republicanism, with its emphasis on the fullest extension of the market, minimal government, and fiscal austerity—even with regard to military spending. Whichever understanding of liberalism one might choose, the question still would remain of how to implement a liberal order in a world that had never experienced one.

All of these definitions are inadequate to grasp the sinews of American power and influence—just like the unexamined triumphalist liberalism that swept the American scene after 1989. In his recent book called *The Liberal Moment*,[39] political scientist Robert Latham argues that the liberal ascendancy of the 1940s involved a beguiling, seductive, spreading, even contagious liberal hegemony, constructed through 'the permeation of values and understandings throughout the global system'. It was also a complex and problematic episode in the history of a modern practice that had defined as liberal an England that had a sharply inegalitarian class society, a highly restricted franchise (even after the reform act of 1867, only 30 per cent of the adult population could vote), and an empire—one that had included not just a host of disenfranchised colonial populations, but through its trading relations, cotton production by millions of slaves or sharecroppers in the American South. The liberal state would include a United States that in 1945 was a democracy for the adult white population and an apartheid-like southern autocracy for the black population. And during the Cold War, a liberal world order led by the United States included Trujillo's Dominican Republic, Tito's Yugoslavia, Suharto's Indonesia, Park Chung Hee's South Korea, and Mobutu's Zaire.

A dictatorship like Trujillo's was obviously not liberal—indeed he was one of the most venal tyrants of this century—but its partial incorporation into the American-organized world order (long connoted as the 'free world') was a commonplace aspect of a plural and diverse system. Trujillo's partial inclusion reflected an essential element of liberal hegemony: the demarcation of boundaries, of limits to the realm, most often expressed negatively. The best thing one could say about Trujillo was that he was not a Communist, and Washington would only support his overthrow if it were assured that the Dominican Republic would not go Communist as a result.

[39] Robert Latham, *The Liberal Moment: Modernity, Security, and the Making of the Postwar International Order* (New York: Columbia University Press, 1997).

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In other words liberal hegemony was (and is) a complex, heterogeneous historical system that cannot be categorized simply as market driven or democratically governed. But there is still something distinct about the American-built liberal order: it cannot be reduced to a mere capitalist modernity, a sly cloak for empire, or a libertarian empyrean where firms interact in the market and free individuals construct a civil society. Liberalism may have transformed states and markets in important ways, but to stop with that (say, representative democracy as a liberal political form) would ignore the international dimension of liberal modernity: it is closely associated with open international exchange. But there is also the logic of individual rights, representative government, and collective self-determination. Then there is the historical recognition that so much of this was brand spanking new in the 1940s: most of those practices associated with liberalism—free trade, basic civil and political rights, universal suffrage, and national self-determination—can only be dated from the mid-nineteenth century as doctrine and (limited) practice, and only achieved global dominion after 1945. That states could be liberal but not democratic was a commonplace before that time.

One of the great strengths of liberalism is an *accretion of norms* over time coming from demands that liberalism fulfill the promises by which the liberal doctrine itself is defined: by writing its ideals, liberalism inspires a future call to action; by declaring its principles, it calls forth a commitment. An example characteristic of our time would be the now common but historically unprecedented experience of 'humanitarian interventions'. As this article was being prepared, NATO warplanes pounded Serbian targets in hopes of stopping the fighting and the ethnic slaughter of Albanians in Kosovo. By the time I had finished it, the war was over and NATO won a clear victory—in spite of any number of expert warnings to the contrary. Often derided by 'realists' like Henry Kissinger as an idealism or Wilsonianism equating the conduct of foreign policy 'with choices between good and evil',[40] or by Michael Mandelbaum's dictum that intervention in defence of liberal values equals 'foreign policy as social work',[41] this new phenomenon also is an outcome of the mutability (and therefore the attractiveness) of liberalism.

The list of attempted humanitarian interventions is long, and the successes are comparatively few; because the problems are both ubiquitous and intractable and yet all of them are covered by global media like CNN, the perception of a world out of control is widespread. The late Judith Shklar' wrote that a 'liberalism of fear' called forth demands to protect individuals from cruelty and oppression in remote locations,[42] ones that many Americans have never heard of—Rwanda, Somalia, Zaire, Bosnia, Kosovo, Sri Lanka, Sudan, Haiti, and Nagorno-Karabakh; wars in Chechnya and Eritrea; Hutus and Tutsis slaughtering each other in Rwanda—few of these places were heard of during the Cold War. UN peacekeepers have been active in Angola, Mozambique, El Salvador, Nicaragua, and Cambodia; the UN is currently involved in sixteen peacekeeping missions around the world. Many are much more successful than generally recognized: who would have thought that even

[40] Henry Kissinger, *Years of Renewal* (New York: Simon & Schuster, 1999), p. 33.
[41] Michael Mandelbaum, 'Foreign Policy as Social Work', *Foreign Affairs*, 75:1 (1996), pp. 16–32. Edwin Feulner, president of the Heritage Foundation, called humanitarian interventions 'feel-good foreign policy'. See 'What Are America's Vital Interests?', *Washington Post*, 6 Feb., 1996.
[42] Judith Shklar, 'The Liberalism of Fear', in Nancy Rosenblum (ed.), *Liberalism and the Moral Life* (HUP 1989), pp. 21–38.

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Khmer Rouge leaders like Ta Mok, an architect of the genocide in Cambodia, would not only be defeated, but scheduled for war crimes trials? The next prominent figure in the same dock may well be Slobodan Milosevic.

Woodrow Wilson's clarion call of self-determination for small nations became in the 1990s a micronationalism yielding a host of micronations. But this has also been much less troubled than often thought, or than one would have predicted: Czechoslovakia split in two without serious conflict; former Soviet Central Asia was supposed to erupt as it divided into several nations, but hasn't; and even the breakup of Yugoslavia, which detonated wars over Bosnia and Kosovo, did not do so when Slovenia and Macedonia broke off in 1991–92. The Northern Ireland conflict appears to have been put to rest. Many of these conflicts were settled precisely *because* the big powers chose not to extend their lines of influence and interest to the respective sides of the conflict (something especially true of the Balkans), but also because of a new willingness to participate in collective security operations and to risk the credibility of the United States or the European Community to achieve peaceful settlements.[43]

An old and forgotten book by a disgraced President, Herbert Hoover, illustrates the extraordinary bipartisan hold that liberal idealism has on the American people—even in 1958, when Hoover published his book, and when the cloud of the depression still hung over his head—he was thought to epitomize a discredited conservatism based on the presumed virtues of the self-regulating market. Yet his book—*The Ordeal of Woodrow Wilson*—is full of praise for this Democratic President's valiant attempt to transform old-world politics at the Versailles peace conference in 1919, and for his achievements in spite of the opposition of Clemenceau and other leaders: Wilson came to Paris and saved the League of Nations, helped to found the International Labor Organization and the Permanent Court of International Justice at the Hague, and fostered the beginnings of colonial independence and self-determination through the League's mandate system.[44]

It would have been impossible for another 'idealist', President Jimmy Carter, to have promoted human rights in the 1970s without the success of the civil rights movement in the 1960s, just as the Reagan administration could not have promoted global democratization in the mid-1980s without the previous extension of democratic rights in the US (and the quiet abandonment of its 'Kirkpatrick doctrine', which led to Reagan's coddling of the vicious Argentine junta, Chilean dictator Pinochet, Korea's Chun Doo Hwan and other authoritarian leaders, on the grounds that they weren't as bad as Communists)[45]. One could not have imagined the other big powers allowing German unification in 1989 without West Germany's post-1945 history as the most self-conscious exemplar of liberal values in Europe; it would be impossible to imagine the election of long-term dissident Kim Dae Jung in Korea in the midst of a devastating economic crisis in December 1997, without the decades-long struggle for civil and labour rights in that country. Even something mundane like the cashiering of most members of the International Olympic Committee or the

[43] On the US role in Northern Ireland see Michael Cox, 'The War That Came in From the Cold: Clinton and the Irish Question', *World Policy Journal*, 16:1, (1999), pp. 59–67.

[44] Herbert Hoover, *The Ordeal of Woodrow Wilson* (New York: McGraw-Hill Book Company, 1958), p. 262.

[45] This is documented in William I. Robinson, *Promoting Polyarchy: Globalization, US Intervention, and Hegemony* (New York: Cambridge University Press, 1996), pp. 91–2, 121–5.

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firing of the members of the European Commission in March 1999 (in both cases for corruption) exemplifies the enhanced scrutiny of all international organs. A globalized world system founded on the unprecedented 'transparency' afforded by global media, also makes it very difficult to run a command economy today—meaning economies that are predatory and don't play by the rules—which explains much of Japan's predicament in the past few years.

This same liberal order encompassed a vast global militarization (eventually encompassing millions of American troops stationed in hundreds of bases in 35 countries, a blue ocean Navy, and an Air Force that was for decades the key carrier of nuclear weapons—i.e., the full expression of the two-ocean 'striking force' Acheson called for in 1939), a phenomenon often treated as an unfortunate result of the bipolar confrontation. I have called this structure an archipelago of empire: advisory groups, military bases, and transnational military and even economic planning (through the Agency for International Development, the IMF and the World Bank).[46] The acid test of the American kind of liberal hegemony will come if and when this archipelago is dismantled; today it still holds the post-World War II settlement in place, and denies us the opportunity to see if the pacifist norms inculcated in Japan, or the liberal norms of Germany, will survive the removal of US troops and a return to full security autonomy.

So, military power was of course important in constructing a liberal order, then and now: the postwar system took shape through positive policy and through the establishment of distinct outer limits, the transgression of which was rare or even inconceivable, provoking immediate crisis—the orientation of West Berlin toward the Soviet bloc, for example. But the typical experience of this hegemony was a mundane, benign and mostly unremarked daily life of subtle constraint, in which the United States kept allied states on defence, resource, and, for many years, financial dependencies. This penetration of allied nations was clearest in the front line states like Japan, West Germany, and South Korea, which were (and remain today) semi-sovereign states that rely on American defence; it was conceived by people like Kennan as an indirect, outer-limit control on the worst outcome, namely, orientation to the other side.[47]

In sum, this liberal form of hegemony is potent, and it has a message: in the 1940s it crushed one form of statist empire and in the 1980s, another. Today it is eroding if not erasing the last formidable alternative system, the Japan-Korea model of state-directed neomercantilism (one undermined and made vulnerable by its inclusion in the postwar regional order). What is the message? The capitalist market, the open door, pluralist democracy, and self-determination. If this last element was often honoured in the breach by Washington, it nonetheless has been a potent political and cultural ideal in the American arsenal since Woodrow Wilson first articulated his famous '14 Points'. Today this heterogenous mix of Wilson and Trujillo, Roosevelt and Batista, Bill Clinton and Jesse Helms, seems to have no rival on the horizon that could possibly hope to take its measure.

[46] Cumings, 'Global Realm With No Limit, Global Realm With No Name', *Radical History Review* (Spring 1993).

[47] Cumings, *Origins of the Korean War, II: The Roaring of the Cataract, 1947–1950* (Princeton University Press, 1990), pp. 57–8.

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The making and remaking of American hegemony

Most analysts focus far too much attention on the doctrine underlying America's military archipelago, namely, containment. George Kennan's strategy did have the qualities, as Robert Latham writes, 'of flexibility, openness and universality'.[48] It's just that internationalist doctrines were more flexible, more open, and more universal. Kennan famously located five global nodes of advanced industrial production and declared that we had four and Moscow had one and containment meant keeping things that way. But his theoretical presuppositions were based in a turn-of-the-century *realpolitik* that had little to offer policymakers on the burgeoning crisis of the colonies, and little to offer on the puzzling predicament of how to restart the engines of the allied industrial economies, still at an impasse as late as 1950. Kennan was self-conscious enough to realize that what we call 'Cold War policy' meant something much deeper in the 1940s—'*politics* on a world scale'.[49] But he was not the architect of the new order: he was the engineer of the regional positions of strength that sustained the postwar order. The closest approximation to a single architect was Acheson, and the Secretary of State stopped listening to Kennan in 1949: Why?

Kennan has been famously unhappy with the implementation of his containment doctrine, during and after the Truman period, but in 1994 he was also less sure of what the end of the Cold War meant than most analysts:

> I viewed [containment] as primarily a diplomatic and political task, though not wholly without military implications. I considered that if and when we had succeeded in persuading the Soviet leadership that the continuation of the[ir] expansionist pressures . . . would be, in many respects, to their disadvantage, then the moment would have come for serious talks with them about the future of Europe. But when, some three years later [1950], this moment had arrived—when we had made our point with the Marshall Plan, with . . . the Berlin blockade and other measures—when the lesson I wanted to see us convey to Moscow had been successfully conveyed, then it was one of the great disappointments of my life to discover that neither our Government nor our Western European allies had any interest in entering into such discussions at all. What they and the others wanted from Moscow, with respect to the future of Europe, was essentially 'unconditional surrender'. They were prepared to wait for it. And this was the beginning of the 40 years of Cold War.[50]

What does this mean? How can we interpret this rendering of Cold War history? When American defence spending is scaled throughout the period of the Cold War, there is a curious upward blip that most Americans have never noticed: in real FY 1996 dollars, defence spending hit $500 bn—almost double what it is now—just once: during the Korean War. It never got above $400 bn during the Vietnam War, and its next crest was at $425 bn during the Reagan buildup, or 6.5 per cent of GDP

[48] Latham, *Liberal Moment*, p. 143.
[49] Kennan's italics, in Latham, p. 147.
[50] *New York Times*, Op-Ed Page, 14 March 1994. Kennan added, 'Those of my opponents of that day who have survived [read Paul Nitze] would say, I am sure, 'You see. We were right. The collapse of the Soviet Union amounted to the unconditional surrender we envisaged. . . . And we paid nothing for it.' To which I should have to reply: 'But we did pay a great deal for it. We paid with 40 years of enormous and otherwise unnecessary military expenditure'.

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in 1986. Since the Cold War ended, defence spending has dropped to about $265 bn, or less than four per cent of GDP.[51]

The estrangement between Acheson and Kennan holds the key to unlocking the rapidly unfolding events from the autumn of 1949 (the detonation of the first Soviet atomic bomb and the victory of the Chinese revolution) to the winter of 1950 (Sino-American war, defeat in northern Korea, and the quadrupling of defence spending).[52] The war in Korea was the lever ('Korea came along and saved us', in Acheson's famous words) through which Washington finally found a reliable method that would pay the bills for cold and hot wars on a global scale. It also committed American leaders to containment for the long term, rather than to 'liberation' or rollback.

For Acheson, however, the struggle with Communism was but one part, and the secondary part, of a project to revive the world economy from the devastation of the global depression and World War II—just as he had originally suggested in 1939. At first the problem seemed to be solved with the Bretton Woods mechanisms elaborated in 1944, but when by 1947 these had not worked to revive the advanced industrial economies, along came the Marshall Plan for Europe and the 'reverse course' in Japan that removed controls on its heavy industries. When by 1950 the allied economies were still not growing sufficiently, NSC-68 (a document mostly written by Paul Nitze but guided by the thinking of Acheson) hit upon military Keynesianism (or deficit spending on defence) as a device that finally floated economic boats and primed pumps not so much at home, but in Japan and Western Europe.[53]

The Korean War, seen by the North Koreans as a war of national liberation in the face of American attempts to re-stitch South Korea's economic linkages with Japan, turned into the crisis that built the American national security state and pushed through the money to pay for it: the vast procurements for this war constituted a 'Marshall Plan' that worked for Western Europe and especially Japan (whose industrial takeoff began in the early 1950s). From June to December 1950 the defence budget quadrupled (from roughly $13 bn to $56 bn in 1950 dollars), but it did so in the midst of a massive crisis over China's intervention in the Korean peninsula: only with the opening of Sino-American war did Congress finally begin to fund the national security state at the levels to which it has since become accustomed.

This is the least understood element in the crisis of postwar order-making and the long-term, bipartisan consensus on containment. The repositioning of Japan as a major industrial producer in the context of a raging anti-imperial revolution on the Asian mainland, explains much of East and Southeast Asian history for the next three decades (until the Indochina War finally ended in 1975). And here we encounter a human agency the Achesons and the Kennans never imagined: the fierce energy of aroused peoples in the 1940s, collectivities for whom imperialism and a recent feudal past were hated realities, and the promises of the American vision—an utter chimera.

[51] US Defense Department numbers, cited in *Boston Sunday Globe*, 11 Feb., 1999, p. B4.
[52] Cumings, *Origins of the Korean War*, vol. 2, pp. 35–61, 408–38.
[53] William Borden, *Pacific Alliance: United States Foreign Economic Policy and Japan's Trade Recovery, 1947–1955* (Madison, 1984), 12–14. Here I also rely on Borden's 'Military Keynesianism in the Early 1950s', a paper presented to my International History Workshop (University of Chicago, 14 February 1994).

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The American struggle with successive anti-imperial revolutions—the Korean, the Chinese, and the Vietnamese—is now over, and in today's world, nearly unimaginable. But then each of these conflicts would also have flabbergasted an American statesman, should a mystic have conjured them in a crystal ball in 1945. The Asian orientation of American policy would not have surprised Henry Luce, perhaps, but the cumulative popular resistance to his 'American vision' would have astonished him. Only in the 1970s would he find evidence that East Asia wanted to join the American Century on his terms: actually, on terms rather close to those he enunciated in 1947, as American firms in declining industries like textiles began to move offshore and to organize production in places like South Korea, Taiwan and Malaysia. A new trope signified this extraordinary shift: 'Pacific Rim'. It miraculously appeared and abruptly closed a decades-long debate about a United States at war with Asia from 1941 to 1975.

The Pacific Rim invoked a new-born community that anyone, socialist or not, could join—as long as they began to go capitalist. Here the great victory, accomplished in the two decades since Deng Xiaoping's epochal 1978 reforms, was China: a China increasingly integrated with the world economy, possessing a market of such obsessive concern to American business as to warm the cockles of Henry Luce's heart. As China waxed and Japan waned on American horizons in the 1990s, perhaps the breadth of this American victory can be appreciated in China's beleaguered efforts to polish its application to the WTO, while Washington continues to demand more reform before approving Beijing's entry. The Asian financial crisis beginning in the summer of 1997, of course, put all the hype about the Pacific Rim and the Pacific Century in the shade, making clear the comprehensive breadth of American hegemony as the century draws to a close.

The techno-world and globalization

The grand area has now become the world, as the Communist bloc and the Pacific Rim dissolved into a new configuration: 'Globalization'. For the past few years, as any academic knows, simply including this term in a grant proposal often guarantees success. But this term hides as much as it illuminates; it is often a euphemism for Americanization, just as the 'multinational' corporation began as, and often remains today, an American or Japanese or German corporation operating in other countries (legend has it that IBM originated this euphemism in the 1960s to hide its American base and its virtual global monopoly in computers). Globalization also muffles attention to new circuits of power in the same old places, ones that have grown apace with the upheavals of the microchip.

Why upheavals? Because one settled industry after another has been undone by information age technology. This is most obvious in the quick obsolescence of the hugely-expensive trunk lines, switching stations and home telephone trappings of the big telephone companies. Fibre optics allow twenty times more messages than the old copper wires, as we have seen; digital switches are so capacious that a single smaller country can be handled with one switch; cellular circuits boom throughout the world, and enable a country like China to leapfrog over the cost of putting a wired telephone in every home; satellites beam messages to any point on the globe:

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two years ago I was amazed to drive into the Czech Republic from eastern Germany, and to see satellite dishes sprouting from even the poorest homes. The massive deregulation of recent years is both a consequence and a cause of these upheavals, but it has been a key element in freeing up the new technologies.

Hegemony means not having to say you're sorry when massive state investments in the military sphere turn out to have serendipitous benefits for the private sector. Vice-President Al Gore may recently have claimed that he invented the Internet, but in fact it grew out of technologies and software systems pioneered at the Pentagon's Advanced Research Projects Agency. By contrast, Japan's research and development was almost entirely in the private sector. Today it is redundant to argue that Japan is clearly ahead of the US in any cutting-edge technology, and one reason is the one-third of the US federal budget annually going for 'defence'—a euphemism for state-directed research and development.

As early as 1990 Jean-Claude Derian was generally optimistic that the US would retain or regain the global technological lead, because of American prowess in what he calls the 'sheltered culture' of technology: the arena of enormous military-related spending.[54] The US operated in both the sheltered and the exposed (or market) technological culture; Japan, however, has critical weaknesses: Japan has virtually no sheltered culture, a weak scientific tradition, far fewer Nobel prize-winners, and significantly lower absolute levels of research and development expenditure when compared to the US. It is in the 'exposed' technological culture that Japan has done well, where technical acquisition and product innovation rather than discovery of new technologies is the key. Even so, Derian expressed worries about America's technological lead in several areas, like semiconducters, supercomputers, gigaflop processors, high-definition television, and the airbus. By now these deficiencies have been overcome, or no longer matter.

The new information technologies make feasible enormous new networks of power, centralizing control and management in several urban nodes (New York, Los Angeles, London, Tokyo). A key reason for the renaissance of New York City as a financial and cultural capital in the 1990s is its enormous concentration of service industries (accounting, legal, financial especially, advertising, stock markets); services are by far the largest sector in the American economy now (accounting for about 85 per cent of GNP), and yet few appreciate how dominant American firms are in this sector. Susan Strange has shown that the top six accounting firms in the world are all Anglo-American; together they audit fully 494 of the Fortune 500 firms, yielding a combined income of $30 bn a year. Nine of the top fifteen public telephone operators are based in the US, with five more in Europe, and only one in Japan (state-owned Nippon Telephone and Telegraph). Thus North America and Europe accounted for 75 per cent of all telecom revenues in 1993.[55]

As my colleague Saskia Sassen has argued,[56] this process does not weaken national governments and make of our era one in which transnational corporations rule, because only states can legislate the rules of globalization—something evident in the coordination of the US, the UK, and the European Union in legislating the

[54] Jean-Claude Derian, *America's Struggle for Leadership in Technology*, trans. Severen Schaeffer (Cambridge: MIT Press, 1990), pp. 5–6, 175, 267.

[55] Susan Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge University Press, 1996), pp. 106, 135.

[56] Saskia Sassen, *Globalization and its Discontents* (New York: New Press, 1998), pp. xii-xiii.

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domain and the rules for new internation zones like the EU and NAFTA (united markets for transnational business), thus to support and propel globalization. New arrangements like the World Trade Organization also spring forth to provide a kind of 'governance without government', as political scientist James Rosenau has called it.[57]

American standards of all kinds are the standards of globalization: practices that group under the august category of 'the rule of law' are organizing the globe in their image, through the growth of transnational legal regimes based on Western practices of property rights, contracts, transparency—the highly developed legal framework for the conduct of capitalism, and something on which every global corporation depends. Even the American flag, as a French intellectual observed, is a kind of logo, 'the evidence of a good brand' (a quintessentially Lucean phenomenon).

The champions of the Internet and cyberspace pride themselves on the democratic and egalitarian openness of their transparent electronic sphere: websites spring up overnight, the web has no controlling centre, cyberspace fanatics abhor censorship, and so on. But power also abhors a vacuum. The race will go to the swift here, to those whose economic interests most benefit from instantaneous global connections. Financial services have been quickest to exploit the new communications network, made up of people whose fondest wish is to be bionically capable of everlasting 24-hour workdays, thus to track all the globe's stock markets. Corporations are hierarchical organizations in competitive environments that make transparency anathema; they are opaque, making secret and often unaccountable decisions, with phalanxes of highly-paid lawyers to protect them; meanwhile they demand transparency of everyone else in their environment—especially consumers (who can feel like they have visited a proctologist just by applying for a mortgage), but also entire nations subjected to the prying eyes of the IMF and the World Bank.

This same centralization of power estranges and isolates poorer regions of the world which often lack even the most basic technology of our age, electricity. When President Clinton visited a remote village in Africa in 1998 and urged that the local school connect up to the World Wide Web, he did not appear to notice that the school had no electricity. Using the Web I can find satellite photos of this village, learn the ethnicity of its inhabitants, and count the number of homes with running water. But the villagers cannot see me or the World Bank employees who catalogue such information. And because knowledge is power, they are less free than before the advent of the computer. Instead of homogenizing these Africans, turning them into the Americans they no doubt would like to be (given the alternatives), 'the technological annulment of temporal/spatial distances', in Zygmunt Bauman's words, tends to polarize us and them.[58] A deepening spatial segregation between rich and poor both within countries and in the world as a whole defines our era, and enhances central power just as it peripheralizes those left behind, creating new polarizations of wealth and poverty that have only increased in the past two decades.[59] One of the most striking elements in the recent economic boom in the US is that household income has increased slowly and incrementally while wealth has grown geometrically (especially in stock holdings); household income was basically stagnant from 1975 to

[57] Quoted in ibid., p. 98.
[58] Bauman, *Globalization: The Human Consequences* (Columbia University Press, 1998), p. 18.
[59] Ibid., pp. 2–3, 18.

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1995, even if it has increased in the past five years.[60] Such a process, of course, yields a massive transfer of wealth from poor and middle classes to the top decile of the population. While some argue that such data proves that American 'decline' continues, it is far better evidence of the power of the owners of capital and expertise. Corporations are mobile while residential communities are not; professionals who are technically competent and well paid move faster than ever, festooned with portable devices to keep them in touch with some centre (portable computers, cell phones, beepers and pagers), while those in nonprofessional jobs, rooted to a place, lose out. The resulting disparities of wealth seem most obvious in a city like New York, where on any given day a pedestrian can observe amazing opulence and well-nigh medieval squalor.

The ubiquitous service sector tends to polarize income between a handful of very high paying positions and a mass of low-paying and often part-time jobs. This creates an enormous problem for the (Keynesian) demand-promotion so essential to maintaining American-style 'shop-'til-you-drop' consumption, because you can't maintain a Lucean middle-class lifestyle on stagnant wages. Much more important, however, is the pressure brought to bear by neoliberal efficiencies on existing social arrangements that were the ubiquitous products of the post-World War 2 settlements in all the industrial countries (the New Deal in the US, the social market in Germany, the cradle-to-the-grave permanent employment and welfare of postwar Japan), which put a floor on poverty and did so much to create huge middle classes. This pressure has now set off a major oppositional movement to neoliberalism and globalization in Western Europe, with intellectuals coming to see the American challenge as a civilizational confrontation, a matter of life and death: how to protect hard-fought gains for the working and middle classes against an untrammelled 'ecumenical gospel' of neoliberalism pioneered by Thatcher and Reagan, but made into his own by the domestic and foreign economic policies of Bill Clinton.[61]

America's contemporary prowess is by no means as popular as the modern liberal doctrine that it did so much to popularize—as editorials like this one from London's centrist *Independent* illustrate:

> . . . the dumb certitude; the contempt for the poor; the facile amiability; the ostentatious religiosity; the callous laws; the love of guns; the Hollywood sensibility; the all-consuming fetish for material success; the showy insubstantiality of its politics; the celebrity junk; the infantile literal-mindedness; and the faith, withal, in America's planetary moral superiority.'[62]

I might be inclined to agree with this critique—I certainly recognize my fellow Americans in it—but so what? The historian in me would point out that the same thing could have been said—and was more than once, by Sinclair Lewis and other writers—back in the Roaring 20s.

[60] *The New York Times*, 'How the US Consumer Feels', 4 Jan., 1999, p. C7.

[61] French sociologist Pierre Bourdieu has been most prominent in this regard; he wrote that 'the prophets of neoliberalism and the high priests of the Deutschmark and monetary stability' are promoting 'a sort of universal belief, a new ecumenical gospel'. See Bourdieu, 'A Reasoned Utopia and Economic Fatalism', *New Left Review*, no. 227 (January/February 1998), p. 126.

[62] Cited from the September 1998 *World Press Review*, in James Warren, 'A Rising Chorus of Boos for Uncle Sam', *The Chicago Tribune*, 7 Aug., 1998.

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The 'abundant life' and American ascendancy today

Henry Luce's American Century did not begin in 1900, but in 1941. He spoke in the future tense about the creation of 'the first great American century' with the United States as 'the dynamic centre of ever-widening spheres of enterprise'. The last phrase was prophetic: the US remains the driving force and the constantly metamorphozing core of commercial spheres with axes running east and west and north and south: huge North and South American and Atlantic and Pacific markets. The frontier technology of the past twenty years, symbolized by the microchip, also appears ready to homogenize the world in Luce's image: billions of Third World peoples are now exposed to McDonald's hamburgers and 'Coca-Colonization', as Luce put it in 1950. What can we say about Luce's 'American vision' of uplift for all mankind, articulated so bluntly? Is his hope for global Americanization soon to be realized? I don't think so.

The Third World is dominated by the advanced countries in a way unprecedented since the colonial era, and with most of it outside the loop of the prosperity of recent years, it is therefore the prime source of war, instability, and class conflict—but with no convincing anti-systemic model to follow. All the systemic alternatives to the Grand Area, to the One World of multinational capital, have collapsed: above all the Eastern bloc and the Soviet Union in 1989–91, but also the neomercantile model of East Asian development. But the least noticed collapse of our time is that of the Third World, the site of revolutionary nationalism and anti-imperial wars for three decades after 1945, the self-constituted alternative to both blocs in the Cold War that lasted from Bandung through the Non-Aligned Movement and into the late-1970s demands for a New International Economic Order. Twenty years later we have a collection of failed states running from Zambia to North Korea, an enormous if amorphous population of stateless people from Kosovo to Sudan, and the recurrent television spectacle of millions of people starving to death, from Sudan again to North Korea. The Third World moves not up the developmental ladder, but from statehood to catastrophe.

Today the pot of gold at the end of the developmental rainbow seems everywhere to recede into the future, even for the 'miracle' economies of the Pacific Rim. When the 'Second World' of Communist countries, blocs, and 'iron' and 'bamboo' curtains unexpectedly disappeared a decade ago, so did American indulgence for the neomercantilism of its East Asian allies, which was always a function of the Cold War struggle with their opposites. Since 1993 the 'Clinton Doctrine' has been one of aggressive foreign economic policy designed to promote exports, to open targeted economies to American goods and investment (especially in the service industries that now dominate the American economy and in which it has a barely-challenged global lead), while maintaining the Cold War positions that give Washington a diffuse leverage over its allies like Japan and Germany and that pose a subtle but distinct threat to potential adversaries like China. All this goes on under the neoliberal legitimation of Smithean free markets and Lockean democracy and civil society—that is, Luce's 'American vision'. In this way, apparently autonomous 'Asian tigers', prospering within an indulgent security network for thirty years, find themselves rendered bewildered and dependent by a dimly understood hegemonic mechanism that now places their entire society and economy under global juris-

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diction. Today we are left with the daunting reality that among the claimants to comprehensive, advanced industrial status a century ago (England, France, Germany, Italy, the United States, Russia, Japan), there have been no new entrants and only six of the original group remain (with Russia now having an economy smaller than South Korea's).

There is a great exception to this generalization, however, and that is China. Home to one-fifth of the world's population, it has joined the world economy and the developmental race with a vengeance, propelled by double-digit growth rates in the past two decades. Of China's 1.2 billion people, perhaps 300 million are now engrossed in (and indeed obsessed by) Luce's vision of consumer-durable abundance; the well-educated young in cities like Shanghai are fully wired to the Web and fully enthralled by Hollywood mass culture.[63] The world economy centered in the United States is shaking China, and the coming decades will be ones when China—finally—shakes the world. But that is a story for the future.

Conclusion: still the American Century

If England's century began with the Congress of Vienna and ended in 1914, and if America's began in 1941 as Luce thought (and assuming that we get a century like the British did), this means that Americans should only begin to wring their hands and fill themselves with the proper *fin-de-siècle* angst around the year 2040. At the turn of the new century Americans can perhaps revel in the robust middle age of United States' global leadership. Instead of a premature end to the American Century or a coming clash of civilizations, today there appears to be one dominant global civilization, the American, and several atavisms masquerading as civilizational challenges—Islamic fundamentalism, Balkan mayhem, the (not-very) Confucian East, the obsolescing economic nationalism of Japan and South Korea, the declining Chinese Communist grip on a rapidly growing capitalist China, and a Russia that does not clearly appear to have an economy in 1999, let alone a competing civilization. So in this sense, if perhaps only in this sense, Henry Luce was truly a visionary in 1941.

More important, though, were the internationalist presuppositions moulded into the bones of Dean Acheson, Henry Stimson, John Foster Dulles and many others by the collapse of world order in the 1930s. Our 1990s world is the anticipated consequence, the unfolding of an internationalist telos yielding the liberal hegemony that the internationalists envisioned. The boundless global power immanent in the peculiarly American moment of 1945, soon gave way to a global structure based in, and the outgrowth of, the maturing of liberal modernism. Because of the Other—Soviet communism, old-world imperialism, national liberation movements—the boundaries of the system were policed by naval task forces, the nuclear delivery capabilities of air forces, and, above all, the archipelago of American military bases.

[63] I document this in *Parallax Visions: Making Sense of American—East Asian Relations at the End of the Century* (Durham, NC: Duke University Press, 1999); see also Thomas Friedman's Op-Ed column, *The New York Times*, March 25, 1999; and Friedman, 'A Manifesto for the Fast World', *The New York Times Magazine*, 28 March, 1999.

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But when the Other disappeared, the structure continued in place and, in the 1990s, achieved the full florescence that its planners had imagined in the 1940s.[64] That is, the 'New World Order' that George Bush and many others cast about for after 1989, was both the same old order and the ongoing fulfilment of postwar planning. But the postwar era also embodied a completely unanticipated history that ran through bloody and disastrous wars in Korea and Vietnam, the ongoing reorientation of revolutionary China, and the recent collapse of the Soviet Union—all experiences that would have flabbergasted a statesman seeking to chart the postwar order in 1945, should a clairvoyant have conjured them in a crystal ball.

But that was then and this is now; all that is over and done with. Indeed, we can look back upon even the central mechanism of 1950, the military Keynesianism of NSC-68 that quadrupled defence spending, and see that it was, like the other contingencies, something that did not have to happen. The American archipelago of global bases and the funds necessary to service it have survived the Cold War, but it isn't clear that they will survive the true long peace that we have entered upon since 1989. In the absence of serious alternatives—of any power with the capability to say no and make it stick—the Pentagon's far-flung bases and its hold on one-third of the federal budget may go the way of the USSR, Mao's China and Ho Chi Minh's Vietnam. It is happening already, if only by attrition: as we have seen, defence spending may still be at the Cold War level of $265 bn, but in constant dollars it has fallen from 6.5 per cent of GNP in the mid-1980s to less then four per cent today.

The end of the Cold War precipitated the collapse of the Soviet Union, of course, which was critical to the current American ascendancy. But the way it ended also had a curious and under-appreciated effect on the world system: it finally rectified the disastrous mistakes of the World War I settlement, which detonated a seventy-years' crisis in world politics: the harsh peace for Germany, which bankrupted it and plunged the country into a depression that was fallow ground for Hitler's rise to power;[65] the failure of the US to join the League of Nations, eventually dooming its attempts at collective security in the 1930s; and the 'mistake' of the Bolshevik Revolution, which created an insurgent nation that for seven decades represented 'the anti-system'. Washington and its allies not only rebuilt West Germany after 1945 but enabled the unification of Germany in 1989 (above all by not standing in the way of it), a remarkably soft peace for the aggressor who plunged the world into war in 1939. Then the insurgent Soviet Union removed itself in 1991, along with its European empire. Finally, the allies invigorated the United Nations, by making it fully inclusive of all the great powers in 1945, and an instrument of reasonably effective collective security in the 1990s.

The dramatic events of 1989 and 1991 thus created a world order bereft of insurgent or revanchist great powers bent on righting past wrongs or overturning the system itself (even if plenty of troublesome small nations remain). A certain balance of power holds sway in Europe where three advanced industrial nations of roughly the same size (England, France and Italy, all with GNPs of around $1.25 trillion[66])

[64] Cumings, 'The End of the Seventy-Years' Crisis', *World Policy Journal*, 7 (Spring 1991), pp. 195–226.
[65] Hoover, *Ordeal of Woodrow Wilson*, pp. 238–9; Eric Hobsbawm, *The Age of Extremes: A History of the World, 1914–1991* (Vintage Books, 1996), p. 86.
[66] According to the 1999 *CIA Factbook*, available on the Internet, at the beginning of 1998 the GNPs in purchasing power parity were: Italy, $1.24 trillion; United Kingdom, $1.242; France, $1.32; Germany, $1.74; Japan, $3.08; US, $8.1.

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constrain the largest power, Germany (which is comparatively not so large, at $1.75 trillion GNP), and all are now enmeshed in the European Union. Japan is much larger (at $3.0 trillion GNP) and might dominate Asia if it had the autonomy to do so, but with the US still providing for its defence, it does not—and in 1999 it continues its decade-long struggle just to find a way to revive its flagging economy. Furthermore, none of these big powers have within them anything like the volatile mix of social forces that brought forward fascism in Germany and Italy, militarism in Japan, or the 1930s popular front in France. In spite of all kinds of predictions to the contrary,[67] unified Germany does not dominate Europe, Japan has not gone nuclear, China discovered the market, France has a world-historical predicament of national identity, and they are all constrained by American power—the only country with global force projection capabilities; the only country whose constituent parts include a state like California, which, if it were a country, would rank just behind Italy in GNP (at nearly $1 trillion).

This, in brief, is the answer to why various 'realists', not to mention Samuel Huntington and Frances Fukuyama, all got it wrong: *realpolitik* does not govern the contemporary actions of the big powers, regional clashes of older civilizations in places like Bosnia mask the burgeoning triumph of modern civilization (to which they are also—and ineffectively—reactive); and the triumph of the liberal programme does not mean 'the end of history' because modern liberalism is itself a heterogeneous, contested, and deeply unfinished business. The post-Cold War order is the outcome, a fulfillment if by a tortuous path, of the plans, hopes, and dreams of the American and Western internationalists who learned the searing lessons of the Depression and the world war that it spawned. The contemporary global financial crisis is another stanza in that same movement, toward the universality of liberal modernist norms and practices. But it may also foretell a new chapter in world history, as the market approaches its full global reach, unfolding in a vacuum of alternatives and therefore testing, perhaps really for the first time, whether the self-regulating market can be the basis for global order—the recipe for a truly long peace, or for a truly unprecedented disaster. A breakdown of the world economy is the biggest systemic threat to world order in our time; it is the singular catastrophe that could revive *all* the apparently vanquished problems. The coming decades will thus test the proposition whether the continuously unfolding movement of liberal world order has a proper claim to universality, or whether it remains merely the partial and limited world view of its original author, the modern middle class, and therefore unavailing to the continuing plight of the world's majority peoples.

[67] John Mearsheimer, 'Back to the Future: Instability in Europe After the Cold War', *International Security*, 15:1 (1990), pp. 5–57.

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