Bookshelf

In the Shadow of the Rising Sun

By William S. Dietrich
Published by Penn State Press
1991; Pennsylvania
343 pages; $24.50

This is a new book that belongs on your shelves alongside all the other books about Japan and "the Japanese threat." Dietrich agrees that Japan is challenging American leadership but says, in a sentence that sounds threatening to a Japanese reader, that this new challenge "is not a military challenge, but it threatens our way of life and ultimately our freedoms as much as past dangers from Nazi Germany and the Soviet Union." Yet the book is not part of the sensationalist press. And even though he does argue that Japan is different from the United States, Dietrich should not be counted among the "revisionists."

While the revisionists concentrate on showing how unique Japan is and how alien Japan and the Japanese are, the writer places Japan on the political spectrum as a centralized bureaucracy akin to Germany and France and argues that it is the United States that is out of step and "unique." It is not the Japanese but the American system that is alien to most of the world, and this unique American mindset is rooted in the anti-statist political tradition popularized by Thomas Jefferson.

Dietrich himself is somewhat unusual in being the president and CEO of Dietrich Industries and having earned a Ph.D. in comparative political science from the University of Pittsburgh in 1984. As a result, this work by a CEO with a strong background in politics seeking to identify the political roots of America's economic decline is very different from the standard think tank output.

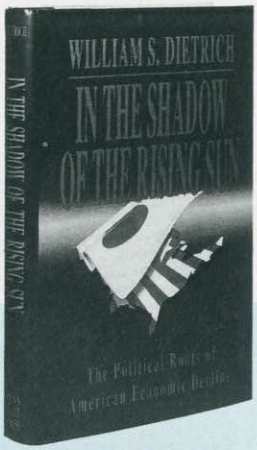
At the same time, since the author is not an academic specializing in American history, he is not caught up in recent academic trends and is able to discuss the American political tradition from a perspective in the tradition of Richard Hofstadter, Louis Hartz and Daniel Boorstin. Hartz, for example, argued in the mid-1950s that the American tradition when America was at its zenith as a hegemonic power stemmed from the European heritage of Lockean liberalism, and he questioned whether or not the United States would be able to understand the rest of the world—or even itself, for that matter.

Dietrich emphasizes that technology plays a crucial role in economic leadership, and he says the Japanese government has understood that technology confers economic growth and ultimately political advantage in the 1990s and beyond. Washington, he says, has not only failed to understand this but has also made the mistake of assuming that technology comes out of research laboratories when the real technological advantage is produced on the factory floor.

This is a view that would find wide agreement among Japanese engineers, who argue that it is the advances in production technology that have enabled Japan to prosper. If all of these people are right, America is well on its way toward losing the economic competition with Japan. Why, given its vast resources, is the United States losing?

Dietrich blames America's anti-statist tradition. The American spirit is rooted in Puritanism—and this Puritanism is a strain of Protestantism founded on protest and dissent. Linking Protestantism and Lockean liberalism, the American ideology is an anti-statist one. Fighting a Civil War to hold the Union together, Lincoln was dedicated to the principle of liberty for all. As such, Lincoln was very much in the Jeffersonian tradition. And it is this tradition, Dietrich argues, that governs American politics even today and that makes it impossible for the United States to mount an effective industrial policy.

Yet Dietrich sees a comprehensive industrial policy as the only way the United States can even hope to beat back the Japanese challenge and regain global economic leadership. It is here that his argument runs aground, for if policies that are anathema to the American political tradition are the only way that America can regain its preeminent role, Dietrich is "thinking the unthinkable."



Investment banker Felix Rohatyn and others have also called for industrial policies to make the United States competitive again, but they have shied away from the vast enlargement of state power that Dietrich says will be needed to implement the kinds of Japanese industrial policies America needs if it is to compete.

As it is, the trends in the United States are running the other way—toward decentralization and disunion. As the sociologist Alan Wolfe has noted, there is now such diversity that it is impossible to speak of American society and the American way of life in the singular. President Bush may be striving to create a new world order, but election politics are forcing him to concentrate on the domestic order, and he seems less secure now than he did only months ago.

Dietrich is not a Japan basher. He acknowledges that some aspects of Japan are less than ideal, but he says that the United States and the rest of the world should be grateful to Japan for having developed new ways of managing both business and the economy. America's problem is not with Japan but rather with the United States. Or, to use the famous *Pogo* quote that Dietrich cites, "We have met the enemy, and he is us."

Exhorting America to reform itself, Dietrich calls on the nation to shake off the hyper-individualism, anti-statism, and free-market absolutism that created "the American age" and to adopt pragmatic new principles suited to the new age. America does not, he argues, have the luxury of dismissing this new reality.

Nagayo Homma
Professor
Tokyo Woman's Christian University