In 1793 a British diplomat named Lord George Macartney arrived in China on a mission. He wanted to open China as a market for British goods. But the Chinese didn’t see trade the way the British did, as a simple, natural buying and selling of goods. Rather, the Chinese imperial court insisted that foreign trade had to go through the emperor. Instead of being a matter of “just business,” trade was seen as an elaborate exchange of gifts. One paid “tribute”—something almost like a bribe—and then hoped to get something in return.

Another custom that Europeans disliked was performing the *kowtow* before the emperor. To do it someone would kneel three times and, at each kneeling, bow so deeply that his head touched the floor. It was a way of signifying that the emperor was a god. Lord Macartney’s mission was the first official contact between a British king and a Chinese emperor. He told the Chinese courtiers that he would *kowtow* only if one of them would *kowtow* before a picture of George III.

Finally a deal was struck. The emperor agreed to receive Macartney in a less formal setting, outside the capital, and there he allowed Macartney merely to bend his knee, as he would have done before his own king.

The diplomat was not successful in opening China to trade, however. The letter the emperor wrote to King George sheds light on the Chinese perspective:

“Our dynasty’s majestic virtue has penetrated unto every country under Heaven, and Kings of all nations have offered their costly tribute by land and sea. As your Ambassador can see for himself, we possess all things. I set no value on objects strange or ingenious, and have no use for your country’s manufactures.”
The History of Unitary Government
and the Rule of Warlords in China

China is the oldest continuous major civilization in the world. Some of its records go back 3,500 years. The Chinese practiced farming, which meant they were more stable as a people than some of their nomadic neighbors.
Although it has had several long periods of disunity, China had a unified government at a time Europeans were divided into many small political units ruled by a prince or a duke. Confucius’ teachings gave China a state ideology, a core shared belief. A common written language meant that the Chinese could communicate with one another over great distances. And the civil service—government employees and institutions—kept the government running smoothly. Even when China’s enemies arrived as “conquerors”—as the Mongols did in the thirteenth century—they tended to adopt China’s more civilized ways.

But by the nineteenth century, China had hit some rough patches. The country had more than 300 million people and not enough work for them all. The wheels of China’s economy were simply not turning very fast. What’s more, out in the countryside, a shortage of land led to a breakdown of law and order.

China’s imperial rulers had long presided over a peaceful and prosperous country. They had grown complacent—“fat and happy,” you might say. The ruling classes remained convinced of their cultural superiority over the West. They clung to this attitude despite Western progress. The Chinese remained unwilling to adopt “foreign” ideas or even to try to innovate on their own.
Meanwhile, Europeans were knocking at China’s gates. Many of them had read Adam Smith, David Ricardo, and other economists and thinkers you read about in the Introduction. They had their own ideas about what would solve China’s problems: trade with the West. The Portuguese arrived first, establishing themselves in Macau. Then came the Spanish, followed by the French and the British.

The many changes led to the Taiping Rebellion in 1851. The rebels, some influenced by Protestant Christian ideals, opposed Confucianism and the central government, or Qing (pronounced CHING) Dynasty. The Qing government was run by Manchus, a non-Chinese ethnic group from Northern China. The rebels were strongest among ethnic Chinese in the south. But their ideas for reform were too radical for many Chinese. It took the Qing government 14 years and help from British and French troops to put down the rebellion. By then, about 30 million people had died.

These economic and social pressures led China’s rulers to introduce something called “the Self-Strengthening Movement.” From 1861 to 1894, a group of scholar-generals who had become leaders in the government tried to modernize China. They attempted to set up industries and improve transportation and communication. But they didn’t grasp the role of political institutions, such as parliaments, in fostering progress. They didn’t see the importance of individual liberty and social progress. And so their movement did not succeed.

The Boxer Rebellion and the Invasion of the Eight-Nation Alliance in 1900

Some of the most progressive thinkers suggested that China needed more than “self-strengthening.” And so in the summer of 1898, the Qing emperor, Guangxu, under the influence of these progressives, ordered a more sweeping set of reforms. They addressed not just technical innovation but institutional and ideological change.

The emperor’s reform edicts—proclamations or commands—sought to stamp out corruption. They called for reform of the academic and civil-service exam systems, as well as the legal system and the post office. Other fields targeted for reform were agriculture, medicine, and mining. The emperor wanted students to focus less on what Confucius said and more on practical topics. He also planned to send students abroad to see the world for themselves.

What Westerners call the Chinese language is really a group of several related languages. People who speak one often can’t understand those who speak another. But they can all communicate in writing because they all use the same written symbols to represent the same objects and ideas. In Chinese writing, each word has its own symbol. There are up to 56,000 of them, but many are rarely used. An educated Chinese person recognizes about 6,000 to 7,000 of these symbols; you need to know 3,000 to read a mainland Chinese newspaper.
Conservatives weren’t happy, however. They fervently opposed the reforms. At first they just called for a go-slow approach. Then the Empress Dowager Ci Xi staged a coup. She had a fancy title, and she wielded a lot of power. But she was really just the girlfriend of the former emperor, Guangxu’s uncle. She put the young reformer under house arrest and ran the country herself. The new government halted the reforms and executed six of their advocates.

The conservatives also quietly backed a movement of secret societies known as Yihetuan—the Society of Righteousness and Harmony. They’re better known in the West as the Boxers. They were opposed to foreigners and to Christians. In 1900 bands of Boxers swarmed over the north China countryside. They burned missionaries’ churches and killed Chinese Christians. Then they laid siege to the concessions in Beijing and Tianjin. In this context, a concession is a land area under the control of a foreign power. (As Europeans forced their way into China to trade, they brought their own armed troops to protect the railways and other facilities they were building.)

Chinese tourists pose in front of the Gate of Heavenly Peace, which dates from the seventeenth century and stands in Tiananmen Square in Beijing.
Photo by Andy Nelson / © 2005 The Christian Science Monitor
Although reformers tried to change China beginning in the nineteenth century, other groups like the Boxers were opposed to foreigners and to Christians—to anything that represented the influence of the outside world.
The Boxers’ attacks on the concessions prompted the foreign powers to respond with what is known as the invasion of the Eight-Nation Alliance. All eight of the foreign powers present in China—the United States, along with Austro-Hungary, Britain, France, Germany, Italy, Japan, and Russia—took part.

The Qing declared war on the foreigners, but the eight responded forcefully. In the end, the Qing had to accept the Boxer Protocol, a treaty framed by the Eight-Nation Alliance. It stipulated the execution of certain high officials, the imprisonment of others, the stationing of foreign troops in China, and the razing of some Chinese military fortifications.

After all this, the court actually introduced some reforms. It abolished exams based on Confucius’ teachings, for instance. China also modernized its schools and the military, as the Japanese had done. The nation even experimented with constitutional government. But things really did move too fast for many Chinese. A backlash followed. So did the establishment of new armies. And that, in turn, gave rise to warlordism.

The Warlord Period of Chinese History Between 1911 and 1928

After the reform movement’s failure and the Boxer Rebellion fiasco, many Chinese felt they needed more than change. They wanted a revolution. They found a revolutionary leader in Sun Yat-sen. He was a republican activist who had a great following among overseas Chinese. His movement gained support, including from some military officers.

Sun’s idea was the “Three Principles of the People”—nationalism, democracy, and people’s livelihood. He wanted to end foreign domination over China. He wanted a republic—a form of government run by the people generally through elected representatives—not a monarchy. And he wanted to help the people prosper by regulating land ownership and the means of production, such as farms or factories. In other words, his idea of “the people’s livelihood” was a form of socialism.

The Republican Revolution of 1911 broke out 10 October in Hubei Provence, and quickly spread throughout the country. On 1 January 1912, in Nanjing, Sun became the provisional—temporary—president of the new Chinese republic. But back in Beijing, the commander in chief of the imperial army, Yuan Shikai, had taken control. He was the strongest regional military leader at the time. He demanded that China be united under a government based in Beijing, with him in charge. This would keep the infant republic from breaking down in civil war, or falling under foreign rule, he argued. Sun assented. And so on 10 March 1912 Yuan Shikai became provisional president of the Republic of China.
He didn’t share Sun Yat-sen’s ideas about democracy, though, and tried to name himself emperor. Yuan Shikai’s plan didn’t work, however. And after he died in 1916, he left the republican government in tatters. This led to an era of **warlords**—rulers who exercise both military and civil authority in the absence of a strong central government. China had a very hard time under these brutal rulers, who were continually forming and re-forming alliances.

The Development of the People’s Republic of China Under Mao Zedong

By the 1920s Sun Yat-sen was attempting another revolution. He established a base in the south of China and tried to put the pieces of the broken country back together again. He organized the Kuomintang (KMT) (also spelled Guomindang), the Chinese Nationalist People’s Party. In addition, he formed an alliance with the Chinese Communist Party. When he died in 1925, Chiang Kai-shek took over the KMT. He brought most of south and central China under its control.

In 1927 Chiang Kai-shek turned on his Communist allies. He executed many of their leaders and drove the rest into the mountains of eastern China. Then in 1934 the KMT drove the Communists even out of their mountain bases.
And so the Communists began what’s known as their “Long March” to the northwestern province of Shansi. There they established a guerrilla base at Yanan. Mao Zedong came to power during this period. The two parties—the Communists and the KMT—struggled for years, either openly or secretly. This continued even during Japan’s 14-year invasion of China (1931–1945). During this time, the two rival parties were supposedly allies. After Japan’s defeat during World War II, open warfare between the Communists and Nationalists resumed.

By 1949 the Communists occupied most of the country. Chiang fled with the remnants of his forces to Taiwan. There he proclaimed the city of Taipei to be China’s “provisional capital.” He vowed to reconquer the mainland. To this day, Taiwan refers to itself as the Republic of China.

On 1 October 1949 Mao proclaimed the founding of the People’s Republic of China (PRC). The country was exhausted by decades of war and upheaval. Its economy was in shambles and its transport links disrupted. Chairman Mao swiftly introduced a new political and economic order, based on those of the Soviet Union. The Communist state he founded created the China of today.

**Causes of the Shift From Isolation to Openness in Japan**

Legend traces Japan’s founding back to 600 BC and the Emperor Jimmu. According to legend, he was a descendant of the sun goddess and an ancestor of the current imperial family of Japan.

Early in the fifth century, the Japanese court officially adopted the Chinese writing system. In the following century, the Japanese adopted Buddhism. These two events transformed Japanese culture. They marked the beginning of a long period of Chinese influence.

Like China, Japan has gone through some profound changes in its relations with the West over the past few centuries. In fact, the story of Japan’s first contact with the West begins with a ship en route to China.
Chapter 2

Reasons for Japan’s Isolation During the Edo Period

Japan’s first recorded dealings with the West occurred in 1542. A Portuguese ship headed for China blew off course and landed in Japan instead. For the next hundred years, traders from Portugal, the Netherlands, England, and Spain came to Japan. So did a stream of Roman Catholic missionaries. At this time, real power in Japan was in the hands of shoguns, or military governors. They worried that the traders and missionaries were a sort of advance team for a European invasion. And so the shoguns started to restrict the movements of foreigners. They liked foreign trade but did not trust outsiders or Christianity.

By 1612 the shogun in power at that time insisted that anyone working for him or living on land he owned had to promise not to become Christian. A few years later, he restricted foreign trade to Nagasaki and Hirado, two cities on Kyushu, the southernmost of Japan’s four main islands. The idea was to keep foreign trade as far away as possible from Japan’s main cities.

Then came actions against Christians. In 1622 the shogun ordered the execution of 120 missionaries and converts. He forced out the Spanish in 1624. And he executed thousands more Christians in 1629.

Then in 1635 an edict banned any Japanese from traveling outside Japan. Any who left were forbidden to return. In 1636 Japan restricted the Portuguese to a man-made island called Deshima in Nagasaki’s harbor.

It got worse. In 1637–38 unhappy Christian aristocrats and peasants rebelled against the bakufu—the shogun’s officials. The government called in Dutch ships to bombard the rebel stronghold, and that was the end of the rebellion. Japan also permanently threw out the Portuguese and executed their diplomats. Furthermore, the government ordered all Japanese to register at a Buddhist or Shinto temple. And the country restricted the Dutch to Deshima and confined the Chinese to one section in Nagasaki.

By 1641 except for these provisions for foreigners, and a little trade with Korea and some nearby islands, Japan had shut its gates to the outside world. Scholars refer to this time of isolation from the West, from 1603 to 1868, as the Edo period. Edo was an earlier name for Tokyo.

For all its inwardness, it was in many ways a culturally rich period. In addition to bushido, “the way of the warrior,” the Japanese began to cultivate the ideal of chonindo, “the way of the townspeople.” It was a time when people studied mathematics, astronomy, engineering, and medicine. People strove for quality of workmanship, especially in the arts. For the first time, city-dwellers could afford mass culture and popular entertainment. They enjoyed beautiful woodblock prints, music, poetry and other literature, Kabuki theater, and other forms of the arts.
Confucian ideas about social order also influenced Japanese society during this period. The imperial court families at Kyoto, then the capital of Japan, were at the top of the hierarchy. But the samurai—the warrior aristocrats of Japan—held the real political power. Below them were farmers and then city-dwellers. The individual had no legal rights at this period. The family was the smallest legal unit. Maintaining family status and privilege mattered deeply to Japanese at all levels of society.

**Gunboat Diplomacy and the Opening of Japan to Trade With the West**

President Theodore Roosevelt had an ideal of foreign policy: “Speak softly and carry a big stick.” By this he referred to negotiations (“speak softly”) backed up by the threat of force (“big stick”). Sometimes the threat of force, not force itself, is all that’s needed.

That’s the idea behind “gunboat diplomacy,” a term referring to the threat, or limited use, of naval force to reach a foreign policy goal. It’s a term rooted in the eighteenth, nineteenth, and early twentieth centuries. That’s when Europeans, and later Americans, often relied on sea power to “send a message” to another country. Today, airpower is used for the same purpose, and people speak of “power projection.” But whichever term you prefer, the opening of Japan to trade with the West is a classic example.

**Commodore Matthew Perry’s Role in Ending Japanese Isolation**

On 8 July 1853 four giant dragons puffing smoke swam into Tokyo Bay and then came to a halt—like ships at anchor. Could they be some kind of ships? the Japanese wondered. They had never seen anything like them. They didn’t know such things even existed. Then when they got a closer look, they could see enormous guns, and lots of them. Each of the smoking dragon ships flew a flag—red and white stripes, and stars in a field of blue.
The “dragons” were US Navy steamships under Commodore Matthew Calbraith Perry’s command. His mission wasn’t to invade Japan. In one sense, you might say he was just there to deliver a letter—from President Millard Fillmore to the emperor of Japan. Perry’s mission was to negotiate a trade agreement between the two countries. But he had brought his big guns along to be sure he got Japan’s attention.

The United States wanted Japan to open certain ports to American ships for trade. American vessels also needed a “pit stop” in Asia—a place for commercial whaling ships to load up on coal and other supplies.

Courtiers and other imperial staff members showed up to talk with Perry. But he brushed them off and held firm. He had come to Japan to negotiate with the emperor and his top-level aides, not with underlings.

The Japanese eventually realized that they could not defend themselves against a foreign power and that to continue to try to shut out foreign traders would be to risk war. They began to negotiate.

On 31 March 1854, more than nine months after the arrival of the “black ships,” representatives of the two countries signed the treaty that opened Japan. The treaty, officially known as the Convention of Kanagawa, called for:

- Peace and friendship between the United States and Japan
- The opening of two ports to American ships
- Help for shipwrecked American persons and vessels
- Permission for American ships to buy supplies in Japanese ports.
Soon renewed contact with the West began to transform Japanese society. The shogunate—the military governors—resigned. The emperor regained real political power, in what’s known as the “Meiji restoration.” The feudal system was abolished, and many Western ideas came in instead, including Western-style legal and education systems.

The Impact of Domination and Division on Korea

Korea’s neighbors have invaded it and fought over it and influenced it for centuries. But it’s held its own for much of the time, culturally, at least. In the face of “gunboat diplomacy” from the West in the middle of the nineteenth century, Korea kept its door shut and earned the nickname “Hermit Kingdom.”

The Chinese and Japanese Domination of Korea Prior to 1945

While keeping the West at arm’s length, Korea accepted Chinese control in East Asia. The Chinese, on the other hand, worried about Japan’s growing influence in Korea in the late nineteenth century. Meanwhile, the Russians were pushing for more trading opportunities in Korea. These pressures led to two wars: the Sino-Japanese War of 1894–95, between China and Japan, and then the Russo-Japanese War of 1904–05, between Russia and Japan. Japan won both. From 1905 it occupied Korea, and then in 1910, annexed it. Korea thus became part of the Japanese Empire. Japanese rule meant tight control from Tokyo. It also meant relentless efforts to suppress the Korean language and culture. Some Koreans tried to resist, but their efforts generally failed. Japan remained firmly in charge on the Korean Peninsula until August 1945, when World War II ended with Japan’s surrender to the Allies.
The Division of Korea After World War II

Even with Japan's defeat, Korea didn’t regain its independence. In August 1945 the Allies split Korea in two for purposes of accepting the surrender of Japanese troops stationed there. The Soviet Union dealt with those north of the 38th parallel. The United States accepted the surrender of those south of that line. The division of Korea began as a necessity of military procedure. But it soon became clear that it would last for some time.

Initially, the division was to last until the United States, the Soviet Union, China, and Britain could arrange some sort of trusteeship for Korea. A trusteeship is an arrangement for one country to govern another under international control. It’s a setup much like the mandates in the Middle East under the old League of Nations.

Right after the end of World War II, countries that had been allies in the fight against Hitler began to look at each other anew. The Soviets seemed eager to claim as much territory as they could, both in Eastern Europe and in Asia. And the Chinese, as you’ve just read, were about to go through a revolution that would put them on the Soviet Union’s side. This was the start of the Cold War.

The United States and the Soviet Union set up a joint commission on the Korean question. It met off and on but soon deadlocked over the issue of a national government for Korea. In September 1947 the United States submitted the Korean question to the new United Nations General Assembly. Cold War politics, plus opposition from the Koreans themselves to a trusteeship, shattered hopes of a unified independent Korea.

And so 1948 saw the launch of two Koreas. Their political, economic, and social systems could not be more different. On 15 August the nationalist leader Syngman Rhee became president of the Republic of Korea in the south. In the north, Kim Il-sung, the Soviets’ favored candidate, became premier of the Democratic People’s Republic of Korea.

In 1950 North Korea invaded South Korea. US and other troops, operating under the United Nations flag, turned back the invasion, and in turn entered the north. Fighting raged up and down the peninsula, with Communist Chinese forces joining the war on North Korea’s side. A cease-fire agreed to in 1953 set the border in its present location, not far from the 38th parallel. The cease fire, or armistice, remains in effect to this day. The countries are technically still at war.

The Difference in the Politics and Economics of North and South Korea

“Hermit Kingdom” used to apply to Korea as a whole. But nowadays it’s used to refer to North Korea alone. This Communist country is one of the most closed societies in the world. It has a rigid centralized government under the Korean Workers’ Party (a Communist party). From 1948 until his death in 1994, Kim Il-sung ruled as head of the party and president of North Korea. His son, Kim Jong-il, inherited supreme power from his father.
North Korea has a formal written constitution, but not much is known about actual lines of power and authority there. In recent years outside observers have speculated about Kim Jong-il’s health. He may have suffered a stroke and be fighting cancer. And in a country where so much power is—apparently—in the hands of one man, those are important questions.

The end of Soviet communism in 1991—which you’ll read more about in Chapter 4—hit North Korea hard. Under the old Soviet trading system, Communist countries had to trade with one another. This benefited North Korea. Most of those countries now have market economies and can sell their goods elsewhere. North Korea no longer gets the bargains it once did. And its goods cannot compete on the world market—their quality and technology are not up to world standards.

Outside experts think that between 1990 and 2002, gross national income per capita, an important measure of a country’s wealth, fell by a third in North Korea. Between 2 million and 3 million people starved to death in the mid-1990s. The situation has improved somewhat since then. The regime has introduced some market reforms. But the Communist regime hangs on. It devotes a huge share of the economy to defense, and still practices food rationing.

The South
In South Korea, the story is very different. Its economic growth over the past several decades has been spectacular; in 2008 the US State Department ranked South Korea as the thirteenth-largest economy in the world, and the United States’ seventh-largest trading partner.
In the early 1960s South Koreans produced about $100 per person every year. Then the government began to stress exports and labor-intensive light industries. This put people to work, making things to sell abroad. This in turn expanded the industrial sector. Over the years, the government introduced wave after wave of reform, moving the economy into heavier industry. Koreans began to make consumer electronics and cars.

The government also moved away from central planning to free-market capitalism. That is, rather than regulating or trying to control every aspect of the economy, the government lets the natural flow of the supply of goods and the demand for those goods determine how much or how little business produces and charges for its merchandise. This helped South Korea bounce back well from the Asian financial crisis of 1997. The country still has room for improvement, especially as it has become wealthier and now faces competition from lower-wage countries. It remains an economic powerhouse, however.

South Korean politics, on the other hand, have been much more tumultuous. Its story has been one of democratic activism defeating military rule. Its first president, Rhee, resigned in the face of a student uprising in 1960. Major General Park Chung-hee led a coup against Rhee’s successor soon after that. Under Park, the economy grew but political freedom shrank. After his assassination in 1979, a group of military officers led by Chun Doo Hwan declared martial law —military rule—and took power.
Even under martial law, however, South Korea developed a strong civil society. Students and labor unionists protested strongly against authoritarian rule and, especially, the 1979 coup. After 200 civilians died in a confrontation in Gwangju in 1980, the democracy movement grew even more intense.

Faced with overwhelming opposition, the government had to yield to the activists in 1987. They won the right to have direct presidential elections. A vote that year brought Roh Tae-woo, another former general, to power. But democratic advances continued. These led in 1992 to the election of Kim Young-sam. He was the first civilian elected president in 32 years. Korean democracy passed yet another milestone in 1997, when Kim Dae-jung, a lifelong human rights activist, won election as president from a major opposition party.

The Political and Economic Impact of World War II on China and Japan

For the Chinese, World War II began in 1937, when Japan invaded, seizing some of China’s most important cities, such as Peking (Beijing), Nanking (Nanjing) and Shanghai. The Japanese conquest and occupation were brutal: Japanese troops murdered millions of Chinese civilians.

China was in the midst of civil war between Nationalists and Communists even as it fought on the Allied side during World War II. China ended the war on the brink of revolution.

Japan, on the other hand, ended World War II in utter defeat and ruin, after the United States carried out a major aerial bombing campaign that ended in the atomic bombing of two Japanese cities, Hiroshima and Nagasaki.

International Control of Japan After World War II

After these atomic attacks, Emperor Hirohito asked that his people bring peace to Japan. By this he meant that he wanted Japan to surrender to the Allied powers. And so Japanese officials signed documents of surrender aboard the USS Missouri on 2 September 1945.

Under its agreement with the Allies, Japan had to:

- Consent to occupation by Allied forces
- Promise never again to go to war
- Give up any claim of sovereignty beyond Japan’s four main islands “and such minor islands as may be determined”
- Give up its colonial holdings, such as Korea.
With this a period of demilitarization and democratization began. Special tribunals found 4,200 Japanese officials guilty of war crimes. Of these, 700 were executed. Another 186,000 people were banned from public life and politics. Shinto lost its role as the established (that is, state supported) religion. And on New Year’s Day 1946 Emperor Hirohito repudiated his claim to divinity. He stated that he no longer saw himself as a god, in other words.

The Role of General Douglas MacArthur in Japan After World War II

Japan’s 1947 Constitution is sometimes known as “the MacArthur Constitution.” That highlights General Douglas MacArthur’s importance in postwar Japan. His title was Supreme Commander for the Allied Powers, or SCAP. During his tenure, Japan abolished its army and naval ministries and converted war industries to civilian use. He pushed the government to amend its 1889 Meiji Constitution, and it did so. The new one came into force on 3 May 1947. During this period Japan introduced economic reforms as well. It redistributed ownership of farmland, reestablished trade unions, and limited the zaibatsu, or diversified business corporations, that had been such a feature of the Japanese economy.

The war had erased many of the gains Japan had made since its big wave of modernization that started in 1868. Allied attacks had wiped out about 40 percent of its industrial capacity—factories and the like. The shock of this made people swing into action. They rebuilt and soon had more modern factories than the countries that had defeated them.

A strong education system was a big help in modernizing after the war. Japan had the highest literacy rate in the world. The schools also encouraged discipline, which helped develop a strong work force.

All in all, Japan rebounded quickly. Soon the SCAP began to relax some of the restrictions, including press censorship. Restrictions on the zaibatsu and on foreign trade eased as well.

In 1951 Japan signed a treaty formally known as the Treaty of Peace. In it Japan gave up its claims to Korea, Taiwan, and a number of islands. It agreed to settle disputes peacefully, under the United Nations Charter. The treaty acknowledged Japan’s right to self-defense. In 1952 Japan signed an accord with the United States that ensured it would have a strong defense. With these steps, Japan was back in the family of nations.

The Rise of the Communist System of Government and Economics in China

In the early 1950s the new Communist leaders under Mao Zedong launched a major program of economic and social rebuilding. They won popular support by curbing inflation, getting the economy going again, and repairing factories damaged by war.
China called this period its “transition to socialism.” It had its first Five-Year Plan from 1953 through 1957. Industrialization was one of its goals—making more things with machines in factories, instead of by hand in workshops.

Collectivization of agriculture was another goal. This meant converting farms from individual or family ownership to ownership by a group, often known as a collective. The idea of communal, or shared, ownership of means of production was essential to communism. China’s leaders thought this approach to agriculture would help the country feed its people.

A third major goal of this time was political centralization. Following the Soviet model, the Communist Party soon had a finger in every pie. Large politically loyal armed forces and secret police helped keep the party in power. Government agencies took their cues from the party. And party members became leaders of labor unions, women’s groups, and other mass organizations.

To meet their industrialization goals, the Chinese worked with the Soviets, who provided economic and technical help. During this period, China nationalized banking, industry, and trade. Soon China had virtually no private enterprise.
China conducted its first real census at this time, too. The new People's Republic found out it had 583 million people. That was far more than anyone expected and explained the need for more food.

The Role of Mao Zedong in China After World War II

By the end of the first Five-Year Plan, Mao Zedong broke with the Soviet model. He was ready to try something else that would help China develop faster. In addition, relations with the Soviet Union were growing worse. China would make what he called a Great Leap Forward.

The goal of the Great Leap Forward was to raise both farm and factory production. Under Mao's direction, China worked on both large and small scales. Farms merged into giant enterprises known as cooperatives or communes. And little “backyard factories” were everywhere.

The new approach was a disaster. People soon found they were exhausting themselves to produce goods no one would buy. Farm production fell behind, too. Within a year, people were starving in prime farming areas. Poor planning and bad weather combined in 1960-61 to produce one of the deadliest famines in human history. An estimated 15 million to 36 million people died.

About the same time, China's ties with the Soviets were souring. The Russians stopped sharing scientific information with the Chinese, and in August 1960 they pulled all their people out of China. What's more, the two former allies were willing to disagree in public.

The Cultural Revolution

Mao began to face a couple of challengers. State President Liu Shaoqi and his protégé, Party General Secretary Deng Xiaoping, started to follow more practical policies. These were at odds with Mao's revolutionary vision, however. He was not happy. He wanted to remain in charge. And so in the spring of 1966, he launched a huge political attack on his challengers and their allies.
He called his new movement “the Great Proletarian Cultural Revolution.” There had been nothing like it in Communist history. That’s saying a lot because communism has included some pretty rough fellows. For the first time, part of the Chinese Communist leadership was trying to get the people to rally against another part of the leadership. Mao accused Liu, Deng, and others of trying to drag China back into capitalism. The resulting strife set China on a frightening course of political and social anarchy—a situation that’s out of control with, in effect, no one in charge—that lasted for most of the next 10 years.

Gradually things calmed down. The political situation stabilized. Then in September 1971 Defense Minister Lin Biao reportedly tried to stage a coup against Mao. This was all the more shocking, since he had been a close ally of Mao. Lin later died, allegedly in a plane crash in Mongolia.

In the incident’s aftermath, many of the officials dismissed earlier returned to power. Chief among these was Deng Xiaoping, who stepped into several important posts. One of China’s themes until around the time of Mao’s death in 1976 was the struggle between pragmatists and radicals. In general, the pragmatists wanted to introduce capitalist-style reforms into the economy. The radicals opposed this. Soon after Mao’s death, Deng’s ascent indicated that the pragmatists were gaining the upper hand.

**Japan, South Korea, and China as Economic Powerhouses**

Japan and China are two of the world’s three largest economies. (The United States is in first place.) And South Korea, with a population of less than 50 million, is well ahead of other countries with far more people and resources.

**The Role and Impact of Japan on the Global Economy**

Japan has an industrialized free-market economy that is still the second largest in the world. This is despite its dramatic slowdown of the 1990s, sometimes called its “lost decade.” Japanese companies that must compete internationally do very well. Japanese producers who are protected from competition, such as farmers, are less efficient.

Among Japan’s economic strengths are:

- A strong industrial culture, with a broad knowledge base
- An educated workforce
- A strong work ethic
- High savings and investment rates
- Openness to trade.
Japan has few natural resources. Only 15 percent of its land is **arable**—able to be farmed. It tries to grow as much of its own food as possible, but it’s the biggest market for American agricultural exports. It has little in the way of energy resources. Since the oil shocks of the 1970s, it has reduced its dependence on imported oil from 75 percent of its energy needs to only 52 percent. It is one of the most energy-efficient developed economies in the world. Japan must import many of the mineral resources it needs, as well as many forest products.

**The Role and Impact of South Korea on the Global Economy**

For all its strong performance, South Korea has critics who point out how it could do better. Since South Korea is an export-oriented economy, the economic downturn of 2007–09 hit the country hard. It remains an important trade partner of the United States and Japan. It serves somewhat to counterbalance China’s rising economic strength.

Economists fret about South Korea’s aging population and structural problems, such as its rigid labor regulations. Labor-management relations should be better, too, they say. And the country would benefit from better, more transparent financial regulation.

In December 2007 Koreans elected Lee Myung-bak as their president. He campaigned on a platform calling for deregulation, tax reform, more foreign direct investment, labor reform, and free-trade agreements with major partners.
One final point: South Koreans worry that if North Korea collapses, they will have to absorb it into their own country just as West Germany absorbed East Germany. But West Germany was much richer than South Korea is. Besides, West Germany was bigger in proportion to East Germany than South Korea is to North Korea. Moreover, even as it was crumbling, East Germany was in better shape than North Korea is.

**The Role and Impact of China on the Global Economy**

Since 1979 China has opened and reformed its economy. It has grown an average of 9.5 percent per year for more than a quarter-century. It’s been a victory for Deng Xiaoping and his pragmatist allies and heirs. Free-market reforms have unleashed immense individual initiative. This has led to the largest reduction of poverty and one of the fastest rises in income levels ever seen.

Today’s China can feed itself. It still has 40 percent of its workforce engaged in farming, a huge share by the standards of developed countries. It has only 75 percent as much farmland as the United States. But by practicing intensive agriculture, it outproduces the United States in crops and livestock by about 30 percent. And Chinese experts see more room to improve, as they turn to better plant stocks, more fertilizer, and other technology. Better port facilities, warehouses, and cold storage would help Chinese agriculture, too. Land ownership remains a problem, however. Farmers do not own, and cannot buy or sell, their land, since all land in China is leased from a rural cooperative or the state. The government was considering a land-reform law as this book went to print.
China has become the world’s factory. Look carefully at the labels on your computer, your clothes, or any number of items at home, and you are likely to see a “Made in China” label. The safety standards for consumer products in China lag behind those in the West, however. Scandals over tainted milk and lead paint on children’s toys have given China’s trade partners pause. They have also had repercussions in China.

As it has grown, China has become a competitor with the United States and other countries. China’s construction boom has driven up prices for products like concrete. The country has become a factor in world oil markets, as it must import more and more oil. China’s growth has also come at the price of environmental degradation—filthy air and sullied waters.

China belongs to the World Trade Organization. As a member, it has opened up sectors of its economy that were previously closed. China has surpassed Japan and has the largest reserves of foreign currency and gold in the world. China also loans money to the United States government by buying US Treasury bonds when Washington spends more money than it collects in taxes. This can create challenges for both sides. If China loans too much to the United States, it could try to influence US policies. At the same time, however, it could become overly dependent on the health of the US economy and the strength of the US dollar.

The Chinese Languages

The Chinese languages are tonal—that is, the same word pronounced with a different tone, has different meaning. Standard Mandarin has five tones, while Standard Cantonese, spoken in southern China, has nine.

Here’s an example of how these tones work:

The Mandarin word ma pronounced in a high tone means “mother.”
Pronounced in a high and rising tone, it means “hemp” or “torpid.”
Pronounced in a low falling, then rising tone, it means “horse.”
Pronounced in a high falling tone, it means “scold.”
Pronounced in a neutral tone, it indicates you are asking a question.
Lesson 2 Review

Using complete sentences, answer the following questions on a sheet of paper.

1. Who were the Boxers?
2. Who was Sun Yat-sen and what were his three principles?
3. What, and when, was the Edo Period?
4. How did Commodore Perry end Japan’s isolation?
5. How did the division of Korea occur?
6. How do the politics and economics of North Korea differ from those of South Korea?
7. Who was General Douglas MacArthur and what was his role in postwar Japan?
8. What was the Great Leap Forward?
9. Why did Japan become more energy-efficient?
10. How has China affected the price of concrete?

Applying Your Learning

11. Is China’s economic growth a good thing for Americans? Why or why not?