'Pearl Harbor without bombs': a critical geopolitics of the US–Japan 'FSX' debate

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Abstract. In the spring of 1989 a proposed fighter-aircraft codevelopment and coproduction deal between General Dynamics and Mitsubishi Heavy Industry presented the Bush administration with its first foreign policy crisis. The deal to construct a modified version of General Dynamic's F-16 called the FSX (fighter support experimental) for the Japanese government with use of US technology was first approved by the Reagan administration and subsequently revised and supported by the Bush administration. The submission of the deal to Congress for approval by the Bush administration on 1 May 1989 provided the occasion for a sustained and wide-ranging debate within the US political system over the role of the USA in a changing world order. For many the question of the FSX fighter was symbolic of a series of larger issues which confronted the USA. Could the USA continue to conceptualize national security in geopolitical terms when its leading ally was also its leading competitor in world markets? Was the most significant threat to the USA from an East–West struggle with the Soviet Union, or with Japan? This paper is a critical geopolitics of the FSX debate in which the conflicting geographical scripts of Japan as both ally and threat are investigated. The debate provides a window into a larger struggle within the USA between an emergent geo-economic definition of national security and an increasingly materially unsustainable geopolitical vision of the US role in the world.

1 Introduction
The year 1989 witnessed some of the most dramatic transformations in global political geography since World War 2. The spectacular fall of the Berlin Wall which heralded an eventual unification of Germany, the sudden fall of Communist governments in Poland, Czechoslovakia, Hungary, and Romania, and the practical disintegration of the Warsaw Pact comprehensively restructured the political geography of Central Europe and, by extension, the Cold War as a geopolitical world order. Less spectacular but no less significant were a series of other adjustments which had over the previous decade already modified the structures of this Cold War world order.

The USA, the executive producer of the Cold War world, had since the early 1970s been forced to adjust to the changed economic, financial, and military conditions of world power. The ironic rise of the two principal defeated powers of World War 2, Japan and Germany, had generated considerable tensions within the Western alliance system but a working division of labor between these states and the USA had maintained the face of Cold War unity. The relationship of the USA with Japan was particularly significant to this unity for by 1989 the USA and Japan were the two largest economies in the world which together accounted for almost 40% of the world's GNP. For some the relationship of the USA with Japan was the most important bilateral relationship in the world bar none (Mansfield, 1989). The peculiar character of this relationship was certainly striking, for the USA maintained over 60 000 troops in Japan and guaranteed its security while Japan had an average trade surplus with the USA of around $50b from 1985. In 1987 the USA held $14.3b worth of direct holdings in Japan whereas Japanese direct holdings in the USA at the end of 1987 amounted to $33b. Japanese portfolio investment in the USA was calculated at $160b and was considered to be absolutely
crucial to the financing of the US fiscal deficit (Mansfield, 1989). In the working division of labor that had developed between both countries the USA was the acknowledged geopolitical power, and Japan was the manifestly successful geo-economic power.

This arrangement, however, appears to contain the seeds of its own destruction. By the late 1980s the perceived long-term erosion of the competitive position of US industry within the world economy was generating a series of highly critical geo-economic discourses within the USA. According to these discourses the nature of power and security within international relations has fundamentally changed over the last few decades. Previously, both power and security were appropriately defined in military and geopolitical terms. Now, however, it is argued that power and security ought to be conceptualized and measured primarily in economic and technological terms. In describing the conflict between geopolitics and geo-economics Luttwak (1990, page 17) asserts that the methods of commerce are displacing military methods in international relations with disposable capital becoming more important than firepower, civilian innovation more significant than military-technical advancement, and market penetration a greater mark of power than the possession of garrisons and bases. The consequences of such changes, he argues, is not the borderless world economy suggested by certain neoliberal theorists (for example, Ohmae, 1990) but a geo-economic world where states and their bureaucracies are vital instruments in helping to protect, foster, and secure economic advantages for their people and corporations. In geo-economic discourses within the USA it is asserted that the US state should be cognizant of the changing nature of power in the contemporary world order and seek to maximize the position of the USA within its changing parameters. Those on the political left measure geo-economic power in terms of the ability of a state to provide the best possible jobs and economic prosperity for its population whereas those on the right measure it in terms of civilian technological innovation and leadership in world markets.

Within the USA geo-economic discourses are most evident in debate concerning the relationship of the USA with Japan. In the orthodox view this relationship is a mutually supportive one with both countries united against common threats to their security (as in the Gulf War). In geo-economic discourses, however, a revisionist view of Japan is taken. The chief intellectual advocates of this revisionist line have been dubbed the ‘Gang of Four’ (see Fallows et al, 1990). They are: Clyde Prestowitz, a former US Commerce Department trade negotiator with Japan (Harrison and Prestowitz, 1990; Prestowitz, 1989c); James Fallows, Washington editor of The Atlantic Monthly (Fallows, 1989a; 1989b); Karl van Wolferen, a Dutch-born journalist (van Wolferen, 1989; 1990); and Chalmers Johnson, an academic at the University of California, San Diego (Johnson, 1982; COFR, 1989). Combined with the new prominence of revisionist geo-economic arguments about Japan has been the growth of a popular literature of hysteria about the fantastic ‘threat’ Japanese financial power and political influence poses to the security and well being of the USA (for instance, Burstein, 1988; Business Week 1988; Choate, 1990; Frantz and Collins, 1989; Friedman and LeBard, 1991).

Within the US political system in the late 1980s geo-economic arguments were gaining increasing adherence and credibility. Three incidents provided evidence of their powerful emergence into public prominence. The first was the so-called ‘Toshiba incident’ where in March 1987 the US Defense Department revealed that Toshiba Machine Corporation had sold restricted machine-tool technology to the Soviet Union in violation of the standards of the Coordinating Committee for Multilateral Controls (COCOM), a Cold War institution for preventing Soviet access to Western technology. This, it was argued, enabled the Soviets to produce silent propeller blades for their
new submarines, thus making them difficult to detect and dealing a serious blow to the security of the Western world. The reaction to this incident within the US Congress was outrage; an outright ban on Toshiba’s products in the USA was narrowly avoided. On 2 July 1987, however, nine members of the US Congress symbolically smashed a Toshiba radio outside the US Capitol with a sledgehammer!

The second incident was the decision by the US Congress to pass the 1988 Omnibus Trade and Competitiveness Act with a temporary strengthened section (known as ‘Super 301’) authorizing retaliation against states which were deemed to be unfair trading partners. In May 1989 the Bush administration, under substantial political pressure, cited Japan for three unfair trading practices under the Super 301 procedure of the act. The three areas cited were timber, satellites, and supercomputers.

The third incident was the FSX (fighter support experimental) debate, a proposed codevelopment project between the USA and Japan to develop a replacement jet fighter for the Japanese-produced F-1. This codevelopment proposal would involve a US company, General Dynamics, becoming a subcontractor to Mitsubishi Heavy Industries of Japan and providing state-of-the-art advanced aerospace technology to Japan in order to help it to construct the FSX.

In this paper, I investigate the FSX debate within the USA. It is chosen as a topic of investigation because it provides an empirical example of the conflictual discourses surrounding Japan and the USA in a transforming world order. What was in contestation amongst the US elites who participated in the FSX debate was the status of Japan as either an ally or a threat to the USA. The question forced reflection on how the US state conceptualized ‘national security’ and how it saw itself in a manifestly transforming world order. The debate provides a window into a larger struggle within the USA between an emergent geo-economic definition of national security and an increasingly materially unsustainable geopolitical vision of the role of the USA in the world (for recent examples of this debate, see Bergsten, 1990; Kuttner, 1991; Luttwak, 1990; Moran, 1990; Pfaff, 1991; Reich, 1991; Sorensen, 1990; Tarnoff, 1990). I seek to provide a critical geopolitics of the FSX debate and, by extension, provide some insight into the operation of emergent narratives of world power. In order to specify just what this involves we need to take a brief theoretical excursus.

2 Critical geopolitics and geopolitical economy

The contemporary problematization of space associated with postmodernism and postmodernity has extended its influence into political geography where some have attempted to create a distinct perspective called critical geopolitics (Dalby, 1990; 1991). The roots of a critical perspective on geopolitics can be found in Wittfogel (1985), Peet (1985), and those associated with Lacoste and the journal Herodote (Girot and Kofman, 1987). Dalby (1990; 1991), however, has both deepened and sharpened such analyses by using dissident international relations theory and contemporary concerns with discourse (emerging from literary criticism and the works of Foucault) to analyze how geopolitics works as a discourse (also, see O Tuathail and Agnew, 1992). In seeking to define a critical geopolitics, Dalby (1991, page 274) states:

“What is being argued for here is nothing less than a recognition of the importance of studying the political operation of forms of geographical understandings, recognizing that geo-graphs are specifications of political reality that have political effect. To construct critical political geographies is to argue that we must not limit our attention to a study of the geography of politics within pregiven, taken for granted, common sense spaces, but to investigate the politics of the geographical specification of politics. That is to practice critical geopolitics.”
There are a number of difficulties which accompany a discourse-centered understanding of geopolitics and, by extension, the possibility of a critical geopolitics. First, the understanding of geopolitics is blurred, for it is treated both as a specific foreign-policy discourse (in opposition to idealism) and as a general description of the use of geographical reasoning in statecraft, what Dalby terms “the political operation of forms of geographical understandings”. Second, the institutional functioning of geopolitics as discourse within both political and civil society is underspecified. The social contexts within which certain geopolitical discourses become efficacious and relevant needs as much explication as does how the discourses actually function ideologically. Third, there is a tendency to neglect geopolitics as a material practice because of the concern with discourse qua texts. Accompanying this is a tendency to fold the complex materialist dimensions of geopolitical discourses into general remarks about power.

It is precisely the materialist context within which geopolitics operates that provides the basis for Agnew and Corbridge’s (1989) concept of geopolitical economy. By contrasting contemporary world disorder with the world order of the past they argue that geopolitics can no longer be seen in terms of the impact of fixed geographical conditions on the activities of the ‘great powers’. Rather, “today geopolitical economy is replacing classical geopolitics as the fundamental context for the constitution of foreign policy. There is a lag in recognition of this, however, as some leaders remain wedded to particular geopolitical ideas even as they become outmoded. This reflects the fact that a geopolitical order involves a particular mode of reasoning and gains expression in a discourse about the division and control of global political space. Geopolitics, both old and new, is an active process of constituting the world order rather than an accounting of permanent geographical constraints. The 1980s are a time of crisis in geopolitics precisely because as an old order is dying a new one has not yet been born” (Agnew and Corbridge, 1989, page 267).

In the account above, geopolitical economy is described as “the fundamental context for the constitution of foreign policy” in the 1980s, a period of transition from a Cold War geopolitical world order to an order as yet unknown (Agnew and Corbridge, 1989, page 266). Geopolitical economy, it appears, was understood as a specific historical policy background; it has the same relation to the new geopolitics as the Cold War had to classical geopolitics.

In Corbridge and Agnew (1991, page 88) the concept of geopolitical economy is specified somewhat differently as an “approach which builds upon uneven development theory and which affirms, once again, the insistently spatial foundations of capitalist production, exchange and regulation”. By this definition geopolitical economy is a conceptual tool and not a specific policy background. The Cold War, then, presumably can be analyzed from a geopolitical economy point of view as much as the present, where massive deficits and geopolitical disorder abound.

Critical geopolitics and geopolitical economy are new and emergent perspectives within political geography that seek to address the complex ideological and material changes of the contemporary world order. Neither is yet fully specified but it seems both have the potential to be complementary. Critical geopolitics needs to be situated within a materialist context whereas geopolitical economy needs a means to deepen its analysis of “the active process of constituting the world order”. Critical geopolitics offers the means to do this by the analysis and deconstruction of competing forms of reasoning in global politics and the means by which certain forms become persuasive and others are subordinated or rendered ineffective. A comprehensive geopolitical economy approach should have a place for the ideological deconstructionism of critical geopolitics within its larger project of developing a coherent account of the
material and institutional dimensions to global change. What a critical geopolitics can provide is a necessary distance from the analysis and self-serving interpretations of elite institutions, states, and intellectuals in the contemporary world order. Rather than following the narratives and concepts generated by participants (bureaucracies within states, intellectuals within civil society, politicians within political society) in the complex processes of world ordering these ideologies themselves become the object of one's analysis. In the case of the FSX debate the object of analysis is the contours of the debate itself and how Japan and the USA get scripted in certain standardized ways. Also worthy of analysis is how accounts of change and distinctions (for example, geopolitics versus geo-economics) are produced and used by intellectuals within civil and political society, and what such distinctions obscure and silence by the very nature of their construction. A critical appreciation of how such narratives and distinctions operate ideologically will help geographers to construct more rigorous accounts of the dynamics of global change.

I do not attempt to provide a comprehensive account of the materialist background to the FSX debate but I do seek to overcome the difficulties with critical geopolitics noted above. The account of the debate is not purely a discursive one. Rather it is organized into a series of 'rounds', each of which is both an institutional and a discursive account of a particular domain and phase of the debate. The first round deals with the origins of the original FSX memorandum of understanding (MOU) of November 1988 and is an account of the bureaucratic struggles that preceded that initial agreement. In the second round, I deal with the politicization of the initial FSX deal between November 1988 and 1 May 1989 when the Bush administration finally submitted a revised agreement to Congress for approval. I focus on the debate within civil society, principally the debate within the major national newspapers, and the discursive strategies employed in this debate. The third round concerns the struggle between the Bush administration and the Congress over what the FSX deal actually meant. I draw upon testimony, discussion, and debate in Congressional Hearings and on the floors of the US Senate and the House of Representatives.

3 The origins of the FSX deal
In studying “the active process of constituting the world order” the study of institutions is as significant as the study of conflicting discursive formations. Transformations in world order involve, as one might expect, transformations in the configuration, organization, and relative power of state bureaucracies both within and between states. The initial FSX deal of November 1988 was a product of a series of different bureaucratic struggles both within and between the US and Japanese states.(1) In the early 1980s the Japanese Defense Agency (JDA) began to contemplate the need for a replacement for the F-1, a domestically produced fighter aircraft that had been manufactured by Mitsubishi Heavy Industries (MHI) and others in the 1960s.

(1) Calder (1988) describes Japan as a “reactive state” when it comes to foreign economic policy formation. In the 1980s, however, Japan was moving towards a more proactive role in world affairs as, first, a new generation of self-confident and assertive bureaucrats moved into positions of power and, second, Soviet ‘new thinking’ helped to undermine the Cold War and therefore Japan’s longstanding need for US protection. The most noticeable example of the new Japanese assertiveness is Shintaro Ishihara and Akio Morita’s The Japan That Can Say No. Morita, Sony Corporation’s CEO, refused to authorize an official English translation. A revised and expanded edition was published in English by Ishihara under the same title (Ishihara, 1991). Recently Ishihara has published a new book in Japan called The Japan That Can Say Absolutely No (not yet in translation). For changes in Japanese foreign economic policy interests see Yoon (1990).
The Technical Research and Development Institute (TRDI) of the JDA, together with the large Japanese aircraft makers, particular bureaus of the Ministry of International Trade and Industry (MITI), the Japanese ordnance industry, the Air Self-Defense Force (ASDF), and sections of the Liberal Democratic Party (LDP) all became advocates for a new domestically designed and produced aircraft, the FSX. The indigenous development lobby was opposed by those who had other concerns, particularly bureaucrats in the Ministry of Finance (MOF) and the Ministry of Foreign Affairs (MOFA) who had the difficult task of managing Japan’s foreign relations in a time when trading partners were becoming increasingly resentful of Japan’s success. The MOF was particularly concerned about the inevitably high cost of developing a jet fighter domestically given the fact that unit production would be low (about 120) and that it was Japanese policy not to export weapons. The MFA was concerned about the reaction that domestic production might cause in the USA which was both a suspicious ally and a vital trading partner (Sneider, 1989b). The possible implications for relations with the USA was also a concern of many within the LDP.

The Cold War, with its containment-of-Communism imperative, established a particular foreign policy bureaucratic hierarchy within the US state. The National Security Act of 1947 established a single Department of Defense (DOD), the Joint Chiefs of Staff, a National Security Council (NSC) to advise the President, and a Central Intelligence Agency (CIA) to run, collect, and evaluate intelligence activities. The overwhelming priority given to the task of containment meant that these institutions, together with the State Department, became the instruments of US foreign policy. According to Prestowitz (1989c, page 6)

“US foreign policy leaders, focusing on matters of grand strategy and high politics, came to believe that economics could be made to serve their ends at no cost. They could make economic concessions in order to achieve geopolitical objectives, and the particular genius and creativity of the American system could be counted upon to maintain the competitive strength of the US economy.”

The consequence of this, for Prestowitz and other geo-economic intellectuals, was that Pax Americana decoupled trade and defense matters and “US defense supply arrangements were conducted entirely separately from other trade negotiations and by different people” (Prestowitz, 1989c, page 7). In the practice of the Cold War, geopolitical bureaucracies dominated geo-economic bureaucracies (for example, the US Commerce Department) and the geopolitical imperative to establish and maintain a system of Western alliances came before the USA’s economic interest in maintaining industrial competitiveness and conditions of national prosperity. Such is the position of the geo-economic intellectuals, a position which is disputed by many radical intellectuals who argue that the USA used its position of seignorage to extract certain economic benefits for itself from its geopolitical allies (for example, see Parboni, 1982).

In the 1980s geo-economic narratives became increasingly attractive to certain US policymakers and bureaucrats. The Department of Defense itself became concerned with the military implications of reliance on foreign suppliers (particularly the Japanese) for crucial technology and the marked increase in foreign ownership of ‘strategic’ US industries. In 1986 the Fujitsu Corporation, Japan’s leading computer maker, withdrew an offer to buy Fairchild Semiconductor in the US after opposition from the US Defense and Commerce Departments. The irony was that Fairchild Semiconductor was already owned in part by a French company. The USA also began to insist on technology flow-back clauses and dual-use agreements in technology transfer agreements with its allies from the early 1980s. The Trade Act and Defense Authorization Act of 1988 mandated that the Pentagon provide information to and
include the opinion of the Commerce Department in matters pertaining to technology transfer. Although there was an apparent geo-economic sensibility within the foreign-policy bureaucracies of the US state the overall structuring of these bureaucracies was geared to the reproduction rather than the reconceptualization of a Cold-War-defined Pax Americana.

The motivations of the USA strongly to oppose indigenous Japanese development of the FSX reflected such a bureaucratic disposition. In sum the USA wanted to reinforce its existing alliance with Japan rather than attempt to restructure it. That alliance, in the form of the Mutual Defense Assistance Treaty of 1960, had an ideology of ‘common defense’ but was a practical institutionalization of US dominance over Japanese national security policy. Geographically, the range of the Japanese self-defense forces was limited to the local region of Japan (1000 miles from the Japanese islands) while the USA had responsibility for longer-range defense. Shinji (1988), a Japanese journalist, argues that the USA did not want Japan to adopt an independent defense policy. “That the United States wants to keep Japan’s defense policy, including the development of weapons, under its control has become unmistakably clear” (Shinji, 1988, page 144). From within the ideology of ‘common defense’, however, the FSX was a matter of mutual defense responsibilities, the need for interoperability of fighter planes and the avoidance of unnecessary defense expenditures by the Japanese. In practical terms this meant the squashing of any independent military technology projects developed by the Japanese. One should not discount the significant commercial motivation of the US aerospace industry either, for they, through such institutions as the Defense Policy Advisory Committee of the DOD, had both immediate financial and longer-term strategic interests in coproducing the FSX with the Japanese. Although the motivation of the USA to pressure for coproduction may have been ostensibly geopolitical it was a geopolitics infused with its own particular geo-economics.

Not all US bureaucracies were in favour of coproduction. Some within the Commerce Department, supported by members of Congress, were concerned about the consequences of technology transfer for US economic competitiveness. Their geo-economic solution was to have the Japanese buy a US fighter off-the-shelf. The CIA in a report recommended against the transfer of technology because of the boost it would give Japanese industry (Prestowitz, 1989c, page 19).

Both Shinji (1988, 1989) and Prestowitz (1989c) provide detailed and different accounts of the long process of meetings and informal negotiations between Japanese officials and US officials which eventually resulted in an original FSX Memorandum of Understanding (MOU) in November 1988. In summary this process was characterized by an initial phase (1981–85) where the indigenous development lobby had the upper hand. In 1986, however, Casper Weinberger’s visit to Japan secured acceptance of the concept of ‘codevelopment’. In practice certain Japanese agencies tried to define this as essentially self-development by seeking to avoid any modification of a US plane. By September 1987, however, the Toshiba incident had changed the climate of US–Japanese relations, and MITI and the Japanese cabinet accepted that the FSX project would involve modifications of a US plane. In October the Japanese government decided on codevelopment using the F-16C produced by General Dynamics. There followed, however, a series of tough negotiation sessions between the US government and Japan where it was agreed that the USA would receive a share of between 35% and 45% of the development work, and between General Dynamics and MHI over their respective work-share tasks. On 29 November 1988, three weeks after the election of George Bush as President of the USA, the US and Japanese governments signed an MOU on the FSX. Classified at the request of Japan the MOU was an undertaking to produce a series of prototypes by 1993.
and 120 airplanes by 1997. US companies were to get $440m from the JDA for development which was 40% of a $1.2b budgeted for the project (Prestowitz, 1989c, page 38). There was no production work-share agreement and only general specifications governing the transfer of technology.

4 Politicizing the FSX deal: November 1988 to April 1989

In retrospect it was probably inevitable that the FSX deal would become an issue of fierce political debate within the USA. In 1987 the US trade deficit with Japan reached $60.3b and one year later it was $55.7b, all this despite a rapidly rising yen and a falling dollar. Only in a few high-technology sectors did the USA enjoy a trade surplus with Japan (or the rest of the world). The most significant of these was aerospace where the USA exported $19.47b worth of aircraft and parts in 1987 and imported just $5.14b worth (Kuttner, 1989). In the reasoning of some within the US Congress the USA buys Japanese cars because the Japanese build better cars. The Japanese, therefore, should buy US airplanes because the USA builds the best airplanes in the world.

The issue was, of course, much more complex than this but the context for establishing a pro-FSX case by the incoming administration was not good. Besides the raw economic concerns there was also a growing critique of US negotiating strategy with the Japanese. The Japanese were portrayed as seasoned and experienced negotiators who were both tough and, in many instances, duplicitous. Things were never as they seemed. The Japanese were adept at using delaying tactics, false deadlines, secret side letters, and vague MOUs to further their interests whereas US negotiators were often incompetent, disorganized, and inexperienced. Prestowitz, more than any other individual, had been responsible for helping codify such a view by recounting his experiences in negotiations over semiconductors, telecommunications, supercomputers, and agricultural products during the Reagan administration. This had translated into a very high public profile for Prestowitz, then a scholar at the Carnegie Endowment for International Peace, and ‘real influence’ in Congress according to Representative Richard Gephardt of Missouri (Farnsworth, 1989).

On 29 January the Washington Post published what was to become a key text in the case against the FSX by Prestowitz (1989a). It began:

“First it was TV sets, then VCRs, then semiconductors. Now, unless Congress and the administration act quickly, the United States will shortly give Japan a big boost towards its long-sought goal: leadership in aircraft manufacture, one of the last areas of American high-technology dominance” (page D4).

The FSX story for Prestowitz and critics of the deal was not a story about mutual defense and the Soviet threat. Rather it was a story of US weakness and Japanese determination. Japan was different from the USA and its other Western allies in that it had a highly organized economy with explicitly identified goals and objectives. The USA was a ‘pussycat’ when dealing with Tokyo on trade issues. “In our anxiety about offending the Japanese, we’re ready to give away the store. The Japanese don’t bargain that way. They seek to protect their nation’s economic interests. And so should we” (Prestowitz, 1989a, page D4).

Fundamentally, what Prestowitz was doing was rewriting the script by which places (USA or Washington, Japan or Tokyo) were to be recognized and positioned vis-à-vis each other. In a discourse on USA–Japan relations the primary objects were video cassette recorders and semiconductors, not the Soviet Union and sea-lines. Prestowitz and the other critics of the FSX helped to establish the discursive frame for the whole public debate. Though the ostensible need for the FSX in the first place was the East–West struggle involving the Soviet Union the predominant geographical division that characterized the debate was that between the USA and
Japan, the new East-West struggle in the eyes of many. Though critics of the FSX deal employed the distinction between geopolitics and geo-economics the actual debate was almost exclusively about economics.

Prestowitz's article together with the anti-FSX lobbying of Kevin Kearns, a Foreign Service officer who had become disenchanted with the FSX deal while negotiating with the Japanese, helped politicize the deal to a heretofore unprecedented degree and render it a symbol of the dilemmas facing the USA and its new administration in the changing world. In their confirmation hearings both Secretary of State James Baker and Secretary of Commerce Robert Mosbacher were forced to give public commitments that they would look into the ramifications of the FSX deal. Within the new administration a bureaucratic battle soon developed over the FSX. As a consequence of growing Congressional opposition, bureaucratic misgivings, and public concern the Bush administration decided to review the original MOU in early February (1989). There followed an internal administration battle. On the one side one had the departments of Commerce, Energy, Labor, and Treasury together with the support of the Office of the US Trade Representative (Carla Hills), NASA, and the Office of the Presidential Science Advisor. On the other side one had the Department of Defense (without a head as John Tower's confirmation was in trouble) and the National Security Council. The CIA produced two briefings, one in support of and one in opposition to the deal. James Baker was said to be undecided whereas White House Chief of Staff John Sununu advocated that the deal be scrapped. An internal Commerce–Pentagon study was commissioned and the result was that Commerce abandoned its internal bureaucratic allies and compromised with the Pentagon by accepting a tighter rather than a drastic revision of the original MOU.

Within civil society the progress of the FSX deal received extensive coverage in all forms of the mass media. Part of the reason was that it represented the first foreign-policy crisis of the new administration. Besides the standard reporting of events, negotiations, internal debates, and reactions in Congress, Tokyo, and the White House, the debate provoked, in the case of the major national newspapers, background articles, editorials, opinion editorial pieces, and guest feature articles. An analysis of these texts reveals how divided elite opinion within civil society was on the FSX.

The standard narrative which was critical of the FSX had three recurrent elements. First, one had the representation of the USA as a fallible and flawed world power. The USA was a 'pussycat' and a 'sucker'. Its policy towards Japan was incoherent and pitted itself against itself. Critics of the FSX tended to have a pessimistic view of the ability of the US government to pursue its interests and the ability of the USA to maintain its high-technology leadership.

Second, one had the representation of the Japanese economic success as constituting a formidable challenge to the USA. The Japanese were 'smart', 'secretive', 'resolute', and 'tough defensive negotiators'.

(2) In an article reflecting on the FSX debate Kearns (1989) argued for the creation of a national 'Team B' approach on Japan modeled after the Team B of 1976 whose ultrahawkish view of the USSR helped to create the 'Second Cold War' (Dalby, 1990). Kearns argues that the hold of the pro-Japan 'Chrysanthemum Club' on policy should be broken. "As long as the Chrysanthemum Club continues to skew the policy process on our government and paid Japanese lobbyists and academics-for-hire continue to influence disproportionately the treatment of Japan in the public realm, the United States will continue its approach to Japan in the same tired, self-defeating way" (1989, page 46). The Cold War textuality of Kearns's argument (appeasers, foreign agents, drastic action needed) is worth noting.

(3) The FSX debate was covered by all the major US television networks. On public broadcasting stations the MacNeil Lehrer NewsHour did two pieces on the FSX in early 1989, one a full discussion with Mosbacher, Gephardt, and others and one as part of a series of reports on the Japanese challenge to the USA.
In an editorial in the *New York Times* (1989a) it was noted that “The Japanese are scrupulous in repaying their obligations to each other; why not to those owed to the United States?” The implicit suggestion that Japanese behaviour is sometimes unscrupulous was bolstered by what appears to have been a deliberate leak of a classified CIA briefing on MHI. In the article, which was first printed in the *Detroit News*, it alleged that MHI had been involved in the construction of a chemical weapons plant in Libya (Peterson, 1989a). The implication of this, and a related story on renewed Toshiba sales to the Soviet Union (Almond, 1989), was that the Japanese had a different set of values than the West and were unscrupulous when it came to international commerce. The issue, which later became the subject of a Congressional resolution, threatened to scuttle the whole FSX deal (Auerbach, 1989a; Peterson, 1989b).

Third, arguments critical of the FSX rarely confined themselves to the particularities of the FSX deal. The FSX was transformed into a symbol of more general abstract issues ranging from the US trade deficit to the changing nature of power in the world system (Auerbach, 1989b; Richards, 1989). The contrast between geopolitical power and geo-economic power featured frequently in such discussions (*New York Times* 1989c). Robert Kuttner, economics correspondent of the *New Republic*, wrote that the “Bush administration is still locked into formulas more appropriate to the world of the mid-1950s in which America’s overwhelming economic might took care of itself and the serious foreign policy issues were all geopolitical” (Kuttner, 1989).

The standard defense of the FSX also had three elements. In contrast to anti-FSX arguments the USA was represented as an imperfect but fundamentally successful world power. The USA had competent and cognizant negotiators who were pursuing the interests of the USA and those of the Western alliance in general. The FSX project would further enhance the US alliance with Japan and improve the trade balance. “No country in the world”, the *Wall Street Journal* editorialized, “including Japan, comes close to US capacity for innovation” (*Wall Street Journal* 1989a, page A14).

Second, Japan was represented as a “strong friend and ally that has done more in recent years to improve its own defense capabilities than any other US ally” (Carlucci, 1989). As an ally it needed US support, for the LDP government was weak (because of the Takeshita scandal) and faced right wing opposition within parliament to the FSX. The *Washington Post* editorialized that the US government should “keep its word” on the FSX (*Washington Post* 1989). Although Japan was a powerful country its economic strength was exaggerated (Papathanasis and Vasillopulos, 1989). Interestingly, in pro-FSX arguments it was often pointed out that critics of the FSX, in making common cause with the Japanese nationalists, were actually hindering the long-term interests of the USA, for if the Japanese were to go it alone they might become a greater threat to the USA (Sneider, 1989a; Thayer and Green, 1989; Zakheim, 1989). This last point reveals an interesting ambiguity towards the Japanese as allies even within the pro-FSX position.

Third, pro-FSX arguments were often couched as part of quasi-medical diagnoses on the negative social psychoses that the FSX debate exhibited. Frank Carlucci, former Secretary of Defense and one of the participants in the latter stages of the original MOU negotiations, wrote an explicit rebuttal published 9 February 1989 in the *Washington Post* of Prestowitz’s (1989a) article in the same newspaper (Carlucci, 1989). In it he argued that Prestowitz’s arguments were “factually wrong and analytically flawed”. He then added: “They reflect an image of Japanese negotiators as supermen and an equally unhealthy view that assumes America cannot hold its own at the negotiating table” (emphasis added). For Carlucci the controversy reflected an “irrational fear of Japan’s technological prowess” (emphasis added).
James Auer, the Pentagon's former special assistant for Japan, who helped to negotiate the FSX deal, described opposition to the deal as 'Japanphobia' (Lachica, 1989; CoAS, US Senate, 1989). The Toshiba incident was better described as the Toshiba Syndrome according to Papathanasis and Vasillopulos (1989). For Evans and Novack (1989) "the common denominator" of the FSX debate is "fear of Japanese economic power, probably mixed with subconscious racial antagonism. The FSX affair suggests Japan-bashing fever unrestrained". For the Wall Street Journal (1989b) those in Congress who voted against the FSX were "Tokyo-bashing protectionists". Rosenthal (1989) similarly complains about 'Japan-bashing'.

On 20 March 1989 the president asked Japan for 'clarifications' to certain aspects of the November 1988 MOU. This caused renewed dispute within Japan between the JDA and the MOFA and between the US government and Japan. The eventual result was that US and Japanese negotiators agreed that "approximately" 40% of the production (presuming it went to that stage) would be by the USA and that "sensitive source codes" for the flight-control system would be strictly controlled and not shared with the Japanese. The original MOU remained but was 'clarified' by an exchange of letters signed by Secretary of State Baker and the Japanese ambassador. On 1 May 1989 the Bush administration, under the terms of the Arms Export Control Act, submitted formal notice of the FSX deal to the Congress. Under Section 36 of the Act Congress had thirty calendar days to pass a resolution of disapproval if it so wished.

5 The Congressional hearings and debates

Before the revised FSX deal was even submitted to Congress for approval various committees and their subcommittees began in February 1989 to hold hearings on the deal and its implications for the USA and its relationship with Japan. In total there were more than eighteen working days of hearings held on the FSX by committees (or their subcommittees) as varied as Science, Space and Technology (House of Representatives), Energy and Commerce (House of Representatives), Foreign Affairs (House of Representatives), Foreign Relations (Senate), Banking, Finance, and Urban Affairs (House of Representatives), Armed Services (House of Representatives), and Armed Services (Senate). Congress had a long-standing interest in the FSX dating back to the early 1980s. Some Senators, such as John Danforth (Republican, MO) whose state is home both to General Dynamics and to McDonnell Douglas, had long been lobbying for off-the-shelf purchases by Japan (Hiatt and Shapiro, 1987). Initial bipartisan opposition to the November MOU, which united politicians across the political spectrum from conservatives such as Senator Jesse Helms (Republican, NC) to liberal House Representatives such as Mel Levine (Democrat, CA), had helped to force the administration review of early 1989. When the 'clarified' MOU was submitted in May, Senator Alan Dixon (Democrat, IL) and a number of others immediately introduced a motion of disapproval. A number of other motions were also introduced which placed various restrictions on the deal and specified changes for the future.

The Congressional hearings and subsequent debates in the Senate (11 May, 16 May) and House (7 June) are exhaustive and any summary of them cannot do adequate justice to the variety of arguments presented and positions advocated. What follows is an account of arguments both critical and supportive of the FSX as articulated by the leading advocates of such positions. Arguments critical of the FSX were preponderant within Congress but this did not necessarily translate into FSX disapproval votes or for restrictions on the deal. Many in Congress expressed reservations about Japan and the FSX but decided to support the agreement.
Others used the debate to 'send a signal' to Japan about US displeasure with Japan's trading policies.

My analysis is concentrated on the scripting found in such arguments, the discursive strategies by which places were written and represented in the debates. The politics of the more detailed and technical aspects of the debate are not explored.

5.1 'America' in the FSX Congressional debate

When it came to representations of 'the USA' in the FSX debate the traditional Cold War representations of the country as the 'leader of the free world' and a power with 'global responsibilities' were superseded by highly self-critical images of the country. Both Wendell Ford (Democrat, KY) and Alan Dixon (Democrat, IL) used a headline from the Lexington Herald-Leader to sum up their position: “The 'S' in FSX is for sucker”. “Old Uncle Sugardaddy got took” declared Dixon (Congressional Record 1989a, page S5141). The ‘S’ for Jesse Helms (Republican, NC) stood for “simpleton” (Congressional Record 1989a, page S5144):

"the decision on FSX is really just one part of a larger decision about the survival of the United States as the world's preeminent economic and military power. We already know about the diminution of that. A lot of it is our fault; I acknowledge that, but the stakes are critical ... the FSX is a bad deal for America."

The meaning of 'America' in this instance was a populist one, for the US government and the three leading ‘American’ aerospace industries (General Dynamics, McDonnell Douglas, and Boeing) all supported the deal. Other leading opponents such as Representative Richard Gephardt (Democrat, MO) made similar populist appeals to America and the need to protect “America’s industrial base”. In dealing with the support the deal had received from the International Aerospace Industries Association of America he noted that the bottom line for aerospace companies was profit. They had “natural prejudices” and one had to look at the history of other industries such as semiconductors:

“I talked to semiconductor executives four or five years ago who were screaming at me because they thought that what I was advocating was protectionism. Now they've gone beyond me about 3,000 miles an hour. They think I'm not tough enough ... I don't think some of them [executives at US aerospace companies] know the competition that they're facing” (CoFA, 1989, page 117).

The American Electronics Association, a national trade association representing US electronics and information technology companies, opposed the deal (CoAS, US House, 1990). The employees of the major US aerospace firms, who were represented by the International Association of Machinists and Aerospace Workers, were also against the deal. In testimony William Holayter, their legislative director, noted that “our defense contractors, lured and lured into the free trade jungle, have forgotten all about producing for the national security. They've become a business, just like any other commercial business, and they're producing for profits and their stockholder's financial interests—not the taxpayers national security interests. Short-term corporate performance, not long-term economic and national security interests, dictate enterprise behaviour and cloud decision-makers' judgement” (CoFA, 1989, page 187).

For critics of the FSX what was in the interest of General Dynamics was not in the interest of the USA.

The 'short-term' versus 'long-term' contrast was a recurrent means by which Japan was distinguished from the USA (see also Fallows, 1989c; Prestowitz, 1989c).
Another contrast, already noted, was that contrast reputed to exist between US diplomats and those representing Japan. Robert Byrd (Democrat, WV) was particularly outspoken. He noted that “we have to send a message” to Japan, to “our wimpy diplomats and to our negotiators that we are not going to take it lying down any more” (Congressional Record 1989b, page S5340). Others described the USA as being inept at negotiations (Senator Paul Simon), as lacking courage (Senator Alfonse D’Amato), and as ‘patsies’ for a long time in trade (Representative Nicholas Mavroules; CoAS, US House, 1990, page 139). Assistant Secretary of State Lawrence Eagleburger, by contrast, described the deal as a “major foreign policy achievement” (CoFA, 1989, page 75). Defenders of the FSX tended to fall back upon traditional geopolitical rhetoric about the USA as a power with “global defense commitments” (Eagleburger; CoFA, 1989, page 72) or national exceptionalist rhetoric about “our integrity as the greatest nation on earth” and “our integrity as leaders of the Western world” being at stake (Mosbacher; CoFA, 1989, page 78). Resorts to such geographical descriptions were, however, limited.

5.2 ‘Japan’ in the FSX Congressional debate
The question of the motivation of Japan in the FSX deal dominated the FSX hearings and debate. Why, it was argued, did Japan want to spend so much to develop an airplane when it could get the best fighter in the world cheaply from the USA? Given such reasoning there had to be an ulterior motive and that motive was to develop, in Gephardt’s words, “a Japanese McDonnell Douglas” (CoFA, 1989, page 116) and a civilian aerospace industry. The Japanese, it was asserted, were not trying to develop a plane; they were trying to develop an industry.

To sustain this reasoning was a widely shared image of the Japanese as a formidable economic competitor to the USA. The Japanese, as numerous Congress members noted, were smart, patient, and goal orientated. Combined with a widely stated admiration for the Japanese was a suspicion as to their true motives and loyalties. For some the Japanese were only interested in ‘making a buck’. For Helms they had an “obsession with taking over yet another industry” (Congressional Record 1989a, page S5145). Senator Shelby (Democrat, AL) brought up the Toshiba incident in order to conclude:

“What we have here is a clear pattern of disregard by Japanese firms of the security interests of the free world. The Almighty Dollar, or in these cases, the yen takes precedence overall else. Therefore, I ask my colleagues again, can we trust Mitsubishi not to sell technology derived from this partnership, and I use this word very loosely, to the Soviet Union?” (Congressional Record 1989a, page S5326).

The question was one of trust and it recurred again and again in hearings and debate. The administration’s line was that the Japanese were a close and valuable ally. Secretary of Defense Dick Cheney, testifying before the House Committee on Foreign Affairs, stated that the experience of the Defense Department was that the Japanese had never violated an MOU and coproduction arrangement. Mosbacher stated that he believed that in this case the USA could trust Japan. For many, however, citing Prestowitz, Fallows, and van Wolferen, the Japanese were not to be trusted. Even an ostensible supporter of the FSX, Senator Phil Gramm (Republican, TX), remarked:

“I deeply resent the fact that Japan cheats its workers, lowers their living standard, distorts world trade, all in the name of protecting narrow greedy special interest groups that hurt the very people that have created the Japanese miracle” (Congressional Record 1989a, page S5158).
The difficulty for most members of Congress was the disturbing reality that Japan was at once a friend and ally of the USA and its toughest economic competitor. In economics they play hardball, noted Gephardt, and “it is time for us to do the same thing” (CoFA, 1989, page 118).

5.3 The encompassing narrative: geo-economic?
In Congress the dominant narrative used in debates about the FSX was the story of US industrial competitiveness under threat and the role of technology transfer in this process. Though the administration tried to define it as a military deal, the FSX was conceptualized, represented, and debated in the language of economics and industrial competitiveness. A number of Congressional witnesses and members did rehearse the classic geopolitical arguments for the FSX (for example, Admiral Wright; CoFA, 1989) but most witnesses and members were concerned with the economic and technology-transfer dimensions of the deal. In his testimony Dick Cheney stated that the DOD did not enter into the FSX agreement for the purpose of seeking technology from Japan. Rather “it entered the agreement because close integration with Japan in the defense area benefits our national security” (CoFA, 1989, page 63). Having made this statement, however, Cheney proceeded to justify the FSX agreement in overwhelming economic terms. “The FSX would not cost US taxpayers a dime.” Overall the US would stand to gain a net inflow of over $2b which means “good old-fashioned jobs for the American economy” and at least 22,000 person years of work (CoFA, 1989, page 54). The Congressional preoccupation with economics and industrial competitiveness later prompted Cheney to note that the “mutual security” dimension seemed to have been lost in the debate (letter to Senator Dole; reproduced in Congressional Record 1989b, page S5336). Although provisionally the FSX debate could be read as evidence of a growing geo-economic sensibility within the US Congress the exact nature of this geo-economic sensibility needs to be carefully qualified in three important ways.

First, the fact that the geopolitical dimensions to the deal were subordinated to others does not mean such arguments were rejected as invalid or inappropriate. One could argue that the lack of debate on these issues was indicative of a general consensus on their validity. In the recourse of many to the distinction between military and economic interests the distinction was expressed not as an opposition, as geo-economic intellectuals within civil society would have it, but as complementary elements of a whole. The USA needed to bring in economics into its definition of national security rather than radically to alter that definition. Such became the rhetorical position of the Bush administration. Mosbacher spoke of defense cooperation agreements and US economic security as “co-equal elements” of national security (CoFA, 1989, page 70), whereas Brent Scowcroft, Bush’s National Security Advisor, noted that putting US economic interests into the national security equation more explicitly than ever before would be a hallmark of the Bush administration (letter to Dole, reproduced in the Congressional Record 1989b, page S5336). Such a position won the praise of Senator Dole (Republican, KS) and resonated with the “common sense” of many members [for instance, speeches by Senator Rockefeller (Congressional Record 1989b, page S5320) and Representative Schumer (Congressional Record 1989c, page H2389)].

Second, the more pointed expressions of the distinction which did suggest a conflict between the two were never well developed. In the FSX debate, at least, these technonationalist arguments remained at the level of slogans and broad prescriptions. Gephardt argued that in the past the USA measured its national security in megatons whereas from now on it would be measured in megabytes (CoFA, 1989, page 120). Representative Torricelli argued that the USA is the last
member of the Western Alliance that continues to define its national security “in terms of the military weapons we procure, rather than the technology of the country, the strength of our industry and the finances of our nation. This is how in the future we must come to define national security” (CoFA, 1989, page 79).

Less prescriptive but more powerful were arguments which directly contrasted Japan and the USA in traditional terms of national security. Senator Bentsen (Democrat, TX) expressed a common position when he stated that the USA spends about $1100 per person per year for defense whereas Japanese counterparts pay about $163. Recounting his conversation to a group of Japanese businessmen in Japan Bentsen remarked:

“Why don’t you [Japan], as the No. 2 economic power in the world, belly up to that responsibility? Why don’t you pick up the tab for the American forces that are here to help defend the democracies of Asia? ... If we spent 1 percent [of GNP on defense], I will tell you you would have chaos in Japan because 53 percent of your oil comes from the Persian Gulf and you would not have the American Navy down there to keep those sealanes open” (Congressional Record 1989b, page S5313).

What is interesting about this type of discourse is how rooted it is in traditional Cold War geopolitical mythology (democracies of Asia, sea-lanes, chaos without the Navy, and so on). Its implication is not a rethinking of the role of the USA in the Cold War but a growing intolerance of Japan’s restrained support for this role.

The third qualification of the apparent geo-economic sensibility evident in the FSX debate follows directly from this observation. Arguments against the FSX which had the greatest rhetorical force were not those which evoked a new geo-economic sensibility but those which played off traditional understandings of national security. The most apparent example was the frequent recourse to the metaphor of war (Dower, 1986, pages 309–317). The USA and Japan were ‘global rivals’ in a ‘trade war’ to ‘capture’ world markets. Japan was leading an ‘assault’ on US industry and ‘invading’ particular industrial sectors. US ‘leadership’ had to be ‘defended’. Prestowitz was “a veteran of the trenches in some of the nation’s toughest trade wars” (Farnsworth, 1989). Inevitably one had reference to World War 2 and the Japanese attack at Pearl Harbor. Alfonse D’Amato (Republican, NY) recounted the story of a visit to his father in hospital:

“I discussed with him the proposed FSX agreement between Japan and the United States. Dad, who is a World War II veteran, said to me, ‘Son it sounds to me like this is Pearl Harbor without bombs’” (Congressional Record 1989a, page S5148).

D’Amato, who repeated the story a few days later (Congressional Record 1989b, page S5314), concluded that “this was even more serious because Pearl Harbor was a ‘sneak attack’ whereas the USA now had ‘ample opportunity’ and ‘ample warning’ to take defensive measures”. In a similar evocation of World War 2, Representative Traficant of Ohio noted that

“there are brave and valiant bodies laying in Arlington today that are rolling over in their graves because they thought they won the war. They never thought they would see the government allow the Japanese businessman to come over and take America from under them” (Congressional Record 1989c, page H2355).

Such evocations did not pass without contestation. Representative Leach of Iowa argued that one of the causes of World War 2 was the trade isolation that the rest of the world forced upon Japan. The USA should not spurn them into supernationalism (Congressional Record 1989c, page H2380). Senator Simpson (Republican, WY) simply remarked that World War 2 ended nearly forty-five years previously, and that the FSX was not a trade-war issue (Congressional Record 1989b,
The Cold War, however, was apparently not over, for the issue of possible technology sales by the Japanese to the Soviet Union (see above, page 000) caused some members to oppose the FSX. Even more powerful was the linkage, however slender, established between Japanese corporations and modern ‘terrorist’ enemies of the USA, such as Libya. The assertion of a link with Mitsubishi to a possible chemical weapons plant in Libya was made relevant to the FSX because some saw it as yet another example of how the Japanese were different from ‘us’ and could not be trusted. This claim led Senator Alan Dixon to introduce a resolution which made it the sense of the Senate that the FSX should not go ahead until Congress and the president had been assured that no Japanese personnel were involved with any aspect of the production of chemical weapons in Libya (Congressional Record 1989b, page S5419). The resolution appears to have been agreed to without any debate. The irony of all this is that apparent evidence of a geo-economic sensibility was not, in fact, grounded in any coherent alternative geo-economic vision for the US state in a changed world order. The discursive horizon of these arguments was still a rather traditional geopolitical one.

5.4 The legislative progress of the FSX

The attempt by Dixon and his supporters to block the FSX deal outright in the Senate failed by a very slim margin (47 to 52). Earlier the Senate Foreign Relations Committee had defeated a favourable recommendation of Dixon’s resolution of disapproval to the Senate by another close margin (8 to 9). However, the Senate on 16 May 1989 decided to adopt a substitute measure by Senator Robert Byrd (Democrat, WV) which, in essence, approved the FSX but placed a series of restrictions on the deal and mandated a tougher negotiating strategy by the USA over coproduction. This was overwhelmingly adopted 72 to 27. With the possibility of blocking the FSX deal completely now gone the House followed the Senate’s lead and passed a similar measure, also by an overwhelming margin, of 241 to 168.

On 31 July President Bush vetoed the joint resolution on the FSX by the Congress. In the first test of his veto power President Bush lobbied in the Senate to have this veto sustained by securing at least one third of the Senate’s votes. On 13 September 1989 Bush’s veto was challenged and the attempt to override it failed by 1 vote: 66 Senators voted for the FSX restrictions and 34 voted for Bush and his ‘clarified’ MOU.

This, however, was not the end of the FSX saga. In October 1989 it was reported that MHI and General Dynamics still had not signed a detailed agreement to begin basic development (Schlesinger, 1989). Both firms were said to be fighting over the details of technology rights. As late as January 1990 Ishihara argued that Japan should forget the MOU and pursue independent development. “The FSX is a golden opportunity to close the book on Japan’s postwar subservience to the United States and reassert our sovereign right to self-defense” (Ishihara, 1990). By February 1990 the JDA had helped both sides apparently to resolve their differences. Meanwhile a new dispute was brewing in the USA over a ‘son of FSX’ aircraft deal with South Korea (Auerbach, 1989c; Prestowitz, 1989d). By the end of 1990, Gordon (1991, page 156) noted, “intense mutual suspicion placed the entire project in jeopardy”. The project was over budget and behind schedule. “Beyond the waste of money”, he concluded, “the greater waste will have been in an even scarcer resource: mutual trust among allies.”

(4) The Economist (1991) reported that figures leaked in August 1991 put the revised development cost of the FSX at ¥8.4b, making it the costliest warplane in its class. Originally budgeted at ¥165b the Economist suggested that the final development bill looks like being 40–50% higher than even this revised leaked estimate.
6 Conclusions

Geography should be increasingly cognizant of discourses of geo-economics in explaining "the active process of constituting the world order". From a critical geopolitics perspective a few preliminary conclusions can be offered about these discourses. First, one must recognize geo-economics as an elite set of statist discourses on world politics which establishes a series of priorities and agendas for state management. Excluded from this agenda are problems of global importance and everyday reality; continued environmental degradation, militarism, systematic exploitation, and structural inequality throughout the globe. Geo-economics, as actually practised by states such as Japan, does not seek to promote social equity, environmental stability, and genuine democracy; such outcomes are, in fact, hindered. In a geo-economic world each state strives to maximize its own benefits while shifting burdens onto marginal states and global institutions (Maull, 1990, page 102).

Second, expressions of an apparent geo-economic sensibility within US political society are deceptive. Geo-economic discourses are pliable and can be appropriated for quite varied ends. Part of their potential political appeal is that they fit well with Cold War political culture. As Sorensen (1990, page 10) notes, many US politicians discuss trade (and economics) in Cold War terms. An enemy is singled out and verbally bashed in order to mobilize public opinion at home; the world is divided into two or three blocs in order to 'contain' the other side; the other side is matched move for move (meeting closed markets with closed markets) and there is a persistent focus on the 'enemy's' misconduct in order to avoid attention to one's own flaws. Just what a geo-economic strategy for the USA would look like remains unclear.

One possible touchstone of geo-economic discourses is the populist theme of 'jobs in America'. Crudely put, if a particular policy is likely to further the loss of well-paying jobs in the US economy then it is to be opposed. If it is likely to increase good-quality jobs in the USA then it is to be supported. This raises some ironic possibilities. In the FSX debate Senator Dixon criticized Mitsubishi Heavy Industries for subcontracting part of the FSX work to its relation company, Mitsubishi Rayon Co., and not to BASF, a German chemical company based in Parsippany, NJ (Congressional Record 1989a, page S5160). US politicians, such as Dixon and Wendell Ford, may end up defending foreign corporations in the USA (such as Mitsubishi Motors’ joint venture in Normal, IL, or Toyota’s transplants in Georgetown, KY) and sanctioning US firms who wish to extend their influence overseas. Such is the ironic result of a world economy where the nominal nationality of corporations (former 'national champions') constrasts with their actual transnationality (Reich, 1991).

Last, the frequent resort of geo-economic discourses to contrasts between geopolitics and geo-economics obscures the economic system built upon the Cold War and US hegemony. This system, most immediately, is an increasingly globalized defense industry and arms trade that has grown up around the provisioning of 'security' in the post-1945 world order. It extends beyond this, however, to a particular organization of political economies both within and between states. The fates of a number of political parties, domestic electoral coalitions, and bilateral alliances are caught up in the dynamics of the Cold War. Many of these have strongly vested interests in perpetuating 'threat' worlds such as in the Cold War as justifications for national security postures and militarism. The practice of geopolitics, in short, is never without its own complex geo-economics. What we are dealing with is geopolitical economy, the complex interaction between geopolitical structures, which are made up of relatively fixed institutions, alliances, and security
cultures, and the fluid, flexible dynamics of global capitalism. The tension between these is likely to intensify and deepen with the collapse of communism.

Given the apparent end of the Cold War the course of intracapitalist rivalries is likely to be increasingly crucial in the shaping of the geopolitical world order of the fin de siècle. The relationship between the USA and Japan will be pivotal in shaping its geography not only because it involves the largest and the second largest economies in the world but also because relations between both states have consistently manifested an innate potential for rupture. Within the USA there can be no doubt that geo-economic discourses are a rising political force. Representation of Japan as simply a faithful ally and fellow member of the Western world is now a demanding public relations task within US society. To speak about Japan is to speak about a challenge to the USA, even for ostensible friends of Japan. Continued modifications in the division of labor between the USA and Japan are likely with further moves towards managed trade (by means of the Structural Impediments Initiative talks) and greater defense contributions by Japan. One likely geopolitical change is the extension of the horizon of operation of Japan’s self-defense forces beyond the Japanese islands. In arguing for such a move Ikle and Nakanishi (1990, page 82) note that

"the disparity between the global horizon of Japan’s economic policies and the regional horizon of its security strategy cannot persist. A nation with the economic and technological strength of Japan is unlikely to remain a purely regional power in the 21st century."

Emergent geopolitical world orders in the twenty-first century, however, are far from clear. The crucial disparity for the USA is that disparity between its continued commitment to a global imperial vision, witnessed recently in the 1991 Gulf War, and its diminished means to sustain such a role on its own. The stated ambition of the Bush administration is to create a ‘new world order’ but, if the Gulf war is anything to go by, this is a vision of a world ordering in which the USA leads and Japan, Germany, and other allies pay. In the 1991 State of the Union Address Bush called on every US citizen to “prepare for the next American century”, a vision that does not square with the material realities of US power in the modern world (Bush, 1991). Japan, for one, may not accept another round of the seignorage squeeze from the USA. Significantly in the Democratic response to Bush, George Mitchell asked “If we can make the best smart bomb, can’t we make a VCR? If we can build a high-speed Patriot missile, can’t we build a high-speed train?” (Mitchell, 1991). Though the capacity of the Bush administration to sustain a neo-Cold-War role for the US state should not be underestimated the changed economic realities facing thousands of US citizens will ensure that geo-economic arguments continue to be a nagging feature of US political life even in the most delirious moments of imperial triumphalism ‘after’ the Cold War.

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