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power in the world, because of its excellent industries and economy in general and its superb system of freedom, justice, and democracy. Though he did not mention its military power, I believe it was implicitly included in his idea.<sup>2</sup>

Luce's opinion suggests that the concept of "American Century" resembles the idea of "American hegemony." This phrase is usually applied to the American status and leadership in the world after World War II. This idea is shared by many Americans, including Samuel Huntington and Immanuel Wallerstein, though they differ as to what can be deduced from the idea and as to the period of this hegemony. However, they both applied the idea to the postwar period, and did not extend it back to the first half of this century. In this point, the phrase of "America's Half-Century," used by Thomas McCormick, sounds more appropriate.<sup>3</sup>

In his book, *The American Century*, Donald White says that "The American Century overestimated the nature of unilateral power," and "The United States was preeminent for only a moment of history." Also he writes that "The misrepresentations of a preeminent state in the world reflected the unconscious bias of an American-centered worldview. Even if unintentional, the bias was an error of balance and proportion, . . . reproduced from . . . ethnocentrism."<sup>4</sup>

The phrase, "Pax Americana" is also used almost synonymously with "American hegemony." Oliver Zunz, author of *Why the American Century?* says that the concepts of the "American Century" and the "Pax Americana" are often conflated, and that the former concept is an ideological construction and the latter means its actual execution.<sup>5</sup>

For the time span of the "American Century," there are some differences of opinions. Donald White writes that the "American Century" is an idea of American leadership as a preeminent power in the postwar era, namely, a half century in reality. On the other hand, Richard Bulliet, editor of *The Columbia History of the 20th Century*, says that "Historians long maintained that the so-called American Century lasted from 1914." In the book titled *The American Century*, Harold Evans begins his narration from 1889, simply because that year is the beginning of America's second century.<sup>6</sup>

## II

With the above-mentioned understanding of the "American Century," I would like to reexamine the reality of America's economic and military strength in this century compared with those of other leading countries. The United States was already the biggest industrialized country in the world at the beginning of the century. Its gross national product (GNP) in 1900 was \$18.7 billion, while that of the United Kingdom was \$10 billion. The share of the former's industrial production in the then world was 23.6 percent, five percent bigger than that of the latter. However, American and British per capita GNPs were almost the same at \$246 and \$243, and the index of industrial production of the former was lower than that of the latter by thirty-one percent.<sup>7</sup>

These figures show that the United States was the biggest country economically, but it did not surpass other countries by much. Also, the country was not a great military power at that time. Paul Kennedy indicates the small size of America's military personnel (96,000), which was roughly one-tenth of Russia, one-seventh of France, one-sixth of the United Kingdom, and one-fifth of Germany. It was even smaller than those of Italy and Japan. The warship tonnage of the United States then was 333,000 tons, after Britain, France, and Russia. These facts show that the United States was not a major power in the military sphere in 1900. Hence, that year does not indicate the beginning of the "American Century."<sup>8</sup>

The focus is now being changed to the time of the outbreak of World War I. The U.S. economy became far bigger than those of any other countries, and its GNP was three times that of the United Kingdom and Germany, and its per capita GNP (\$407) was forty percent larger than that of Britain, and twice that of Germany. America's share of industrial productions in the world was thirty-two percent, more than twice those of the United Kingdom and Germany. However, America's industrial structure was not so modern as that of Britain around 1910: 18.9 percent of the former's national income came from the field of agriculture, and 27.5 percent from the secondary industries. On the other hand, the latter's agriculture produced only six percent of its GNP, and the secondary industries, thirty-eight percent.<sup>9</sup>

In the field of the international economy, America's share in world trade was smaller than those of the United Kingdom and Germany. In

1913 America's amounts of trade were \$4.28 billion, or eleven percent of world trade, while Britain had seventeen percent and Germany, thirteen percent. The data of overseas investment also show the comparatively underdeveloped condition of the American economy. Its overseas investment by that time was \$3.5 billion, while foreign countries invested double the amount of money to the United States. It was, in reality, not a creditor but a debtor country.<sup>10</sup>

The comparative status of American military power in this period somewhat resembles its international economic position. The number of its soldiers (164,000) was still only one-eighth of Russia, one-fifth or one-sixth of France and Germany, one-third of the United Kingdom, and a half of Italy and Japan. As for naval power, even though the United States increased its warship tonnage threefold into 985,000 tons, its comparative strength was still in third place after Britain and Germany.<sup>11</sup>

These economic and military statistics show that the United States became one of the Great Powers before the outbreak of World War I, but still was not the strongest. It is difficult to say that the "American century" started in 1914, though it was probable that some American people thought that their country would be the strongest power in the near future.

### III

The situation changed dramatically after the end of World War I. After America's entry into the war, its economy was fully mobilized, and resulted in its GNP becoming twice that of the prewar year (\$84 billion in 1919). Its huge production brought a big increase of exports to Europe, which means that the United States developed a huge trade surplus against European countries. The trade was mainly paid by their credit to the United States, resulted in the change of its international investment position. The debt of \$3.7 billion in 1914 turned into the credit of \$3.6 billion five years later, excluding the official credit of \$9.6 billion.<sup>12</sup>

In the military field, America's military manpower increased almost twenty times from that of the prewar years (2.9 million in 1918), and most of the troops were sent to Europe. As Soviet Russia left the stage in March, 1918, America's contribution to the war effort, not only its manpower but also its material such as airplanes and tanks, meant much. These changes as well as Wilson's efforts in concluding the Treaty of Versailles elevated America's status in the world.<sup>13</sup>

During the 1920s the United States enjoyed strong economic development. After the short but severe postwar depression, the American economy grew at an annual rate of six percent in the decade. Its GNP during that period increased fifty percent, and this development brought "mass-consumption society." American people's car ownership increased greatly to the number of twenty-seven million, which meant one car per five persons. Ford Motor Company produced fifteen million of the famous Model T without changing its style, and its price was reduced to one-third of the original. The Model T played the leading role in popularizing automobile use in American society.<sup>14</sup>

The development of electrification also symbolized America's entrance into "mass-consumption society" ahead of other industrialized countries. Almost seventy percent of households had electricity, and radios were used by one-third of families in 1929. Refrigerators, electric vacuum cleaners, washers, and other appliances were beginning to be used in ordinary households. As a result, America's per capita generation of electricity became two or three times bigger than that of European countries.<sup>15</sup>

Furthermore, the United States became a top-class export country alongside the United Kingdom by the end of the 1920s. Its exports excluding re-exports were now bigger than those of the latter, and the share in the world exports became sixteen percent, in imports, twelve percent. America's overseas investment also exceeded that of Britain in the decade. The net investment of the United States totaled \$8.9 billion, more than twice that of Britain, though the accumulated long-term investment of the former country (about \$15 billion) was smaller than that of the latter one.<sup>16</sup>

From these facts I would say that the United States by 1929 was the strongest power in the international economy, but not so in the political or diplomatic field. Therefore, I still cannot say that the country was the first leading power of the world, nor declare that the "American Century" was the reality in the 1920s.

On October 24, 1929, stock prices on the New York Stock Exchange suddenly fell sharply and the Great Depression started. Next to the fall of stock prices, industrial production began to decline, and unemployment started to rise. This process continued until March, 1933, when the Roosevelt Administration began a series of new policies called the New Deal. Economic recovery did not come quickly, however, and the

Depression continued until the end of the decade, when the Second World War broke out.

Stock prices hit the bottom in the middle of 1932 for the United States, the United Kingdom and Germany. America's decline was the worst, reaching one-sixth of the peak year, while that of Britain was only a half, and Germany, one-fourth. Also, the indices of industrial production reached the bottom in the same year for these countries. The unemployment rate in the United States was the second highest at 24.9 percent, after that of Germany.<sup>17</sup>

The fluctuation of total economic activities from peak to bottom year was worst in the United States: its GNP in 1933 was 69.5 percent that of four years before. Even at the bottom of the Depression, however, the American economy in real size was still the largest: the country produced thirty percent of the world production.<sup>18</sup>

At the end of the 1930s the United States recovered from the Great Depression. Its nominal GNP in 1939 was still smaller than that of ten years before, though its real GNP was three percent greater (\$209.4 billion in 1958 prices). Yet the per capita GNP (\$1598) was four percent smaller than a decade before. The index of industrial production was also two points behind, and the number of unemployed persons totaled 9.84 million, or 17.2 percent, in that year. The United States had not fully recovered at the end of the 1930s.<sup>19</sup>

Yet the United States was the largest in economy in those days. In real dollar terms, its gross domestic product (GDP) in 1938 was \$562.9 billion (1980 prices), three times that of the United Kingdom, and four times that of Germany. In per capita base, America's GDP was also the biggest (\$4314), twenty percent larger than that of Britain, and 1.5 times that of Germany.<sup>20</sup>

The United States also experienced a fairly complicated change in the field of the international economy. After the devaluation of the dollar from \$20.67 to \$35 per ounce of gold in 1934, a large amount of gold was poured into the country from abroad, almost one-half from the United Kingdom. At the end of the decade the United States held \$17.8 billion, about seventy percent of the total gold reserve in the world.<sup>21</sup>

Such an inflow also occurred in the capital movement. During the period of recovery, the United States received \$2.53 billion in long-term capital, which resulted in a huge decline of America's balance; the balance of long-term capital was only \$4.5 billion, one-third that of 1929, and one-fourth that of Britain. As the United States had the net deficit of \$2.7

billion for short-term capital, the total balance being only \$1.8 billion in 1939, a quarter of a decade before.<sup>22</sup>

Diplomatically the United States played a relatively small role in the 1930s. When Japan established the puppet state of Manchukuo in 1932, the United States declared the Stimson Doctrine of non-recognition, but did not put real pressure on Japan. Three years later, when Nazi Germany started rearmament, the United States enacted its first Neutrality Act. In the following years the international situation deteriorated more and more, leading to the outbreak of World War II.

America's military power in those days was fairly small in comparison to other countries and with its economic power. The number of American soldiers was only 533,000 including National Guards, while those of Germany and Japan were over two million. Their aircraft production also indicates the difference. At the end of the decade the United States produced 5,856 aircraft, about one-half of the numbers produced by Germany and Japan combined. The expenditures for military use also show the difference: the United States spent \$1.13 billion for national defense in 1938, one-fifth of the amount spent by Germany and smaller than that of Japan.<sup>23</sup>

However, the United States had the bigger potential power for war. One study indicates that the country had 41.7 percent of the total war potential of the world in 1937, almost three times larger than that of Germany, and twelve times that of Japan. These differences are also shown in the fact that the United States spent only 1.5 percent of its national income for national defense, while Germany spent fifteen times more, and Japan, twenty-eight times more. The United States spent a very small part of its productive power, which meant that it had huge potential to increase its defence efforts.<sup>24</sup>

It would be reasonable to say that the United States was not really the greatest power of the world at the end of the 1930s, though having the potential to be. The "American Century" was not the reality then.

#### IV

With the outbreak of World War II the United States began to realize its huge potential of economic and military power. The expenditures for military activities multiplied almost eighty times in the war years (\$81.6 billion in 1945, almost forty percent of the nation's GNP). The production of military aircraft in 1944 (95,272) was more than forty times that

of six years before. America's aircraft production surpassed that of Germany from 1940, and exceeded the total of the Axis countries in the following year. In other words, the total American production of aircraft reached to the level of 300,000, almost twice that of the latter countries.<sup>25</sup>

With production of other military supplies, the United States truly became the "Arsenal of Democracy." The Lend-Lease Act was enacted in March, 1941, and the country began to offer munitions and other supplies to the Allies. Since this assistance took the form of exports, America's export amount reached \$14.3 billion three years later (eighty percent by the Lend-Lease Act), and the country became the biggest country in the international trade. The payment for those exports under the act was supposed to be made after the war ended, and the transaction was made in the form of unilateral transfer by the government, totalling almost \$40 billion for the war years.<sup>26</sup>

As there was not much private international investment during the war and official credit of \$2 billion was given overseas, America's accumulated amount of international investment reached \$16.8 billion, which surpassed that of the United Kingdom for the first time in history. On the other hand, considerable overseas capital was poured into the United States in order to take refuge from Europe, and it surpassed America's total overseas investment, which resulted in America's becoming a debtor country in the amount of \$200 million. Still the United States was holding almost seventy percent of the gold in the world, which led to the adoption of the American dollar as the key currency in the conference held at Bretton Woods in 1944.<sup>27</sup>

America's huge economic size at that time might be shown in a comparison of the GNP of two countries. America's GNP in 1945 was \$155.9 billion (1938 prices), six times larger than that of the United Kingdom, and the former's per capita GNP was \$1,114, more than twice that of the latter. America's economic superiority can be found in almost all aspects in those days.<sup>28</sup>

The same was true in the military field: the number of its soldiers multiplied almost forty times, reaching 12.1 million, one of the largest militaries in the world then. With its atomic bombs and other weapons, America's military power was the strongest. This fact means that the end of World War II is the start of the so-called "American hegemony" and the "American Century".<sup>29</sup>

The United States enjoyed its overwhelmingly strong status in the world for about two decades after World War II, though its relative supe-



riority was gradually declining. After experiencing another post-war depression for a few years, its economy indicated renewed growth when the Korean War broke out. In the 1950s, America's economic growth rate was 3.2 percent, a little higher than that of the United Kingdom. The defeated countries, West Germany and Japan, began to recover from the bottom of their devastated economies and started speedier growth.<sup>30</sup>

Yet America's economic superiority was being maintained, and its size in 1960 (\$511.7 billion) was six or seven times larger than that of Britain and West Germany, and eleven times that of Japan. For the per capita GDP, America's figure (\$2,832) was twice that of major European countries, and six times that of Japan. American people enjoyed an abundant life in comparison to other peoples, supposing the per capita figures show the average level of living standard.<sup>31</sup>

With this economic superiority, the United States provided a huge amount of economic and military assistance to many Western countries. The Marshall Plan and the assistance related to several security treaties totaled \$78.6 billion by 1960, a half of which was economic grants, a third, military aid.<sup>32</sup>

In addition, the country invested overseas heavily in the post-war period. The amount totaled \$39.6 billion, though a quarter of the investment should be discounted, since it was credit given to foreign countries by the government and counted as a part of assistance. The accumulated investment in the same year was \$67.8 billion, four times larger than that of 1945, and the amount of long-term investment was 2.4 times larger than that of the United Kingdom, twelve times that of France, and fifty-three times that of West Germany.<sup>33</sup>

These capital outflows by assistance and investment, however, brought the problem of "dollar anxiety" or "dollar crisis" around 1960. As the dollar then was based on the standard of \$35 per ounce of gold and supported by America's huge gold reserves, other countries willingly received the dollar. During the course of time, its reserve assets began to decrease, eventually declining to \$19.4 billion, which was almost equal to the total short-term debt in liquid form. Since the dollar was the most reliable currency and most countries desired to keep it, there was little real demand for repayment at that time, but it was theoretically possible that the United States could have been in the position of bankruptcy.<sup>34</sup>

Yet its reserve assets then were far bigger than those of other countries. Also, it was the largest trading country in the world (exports, \$19.7

billion, imports, \$14.7 billion), holding the share of sixteen percent and eleven percent. The country enjoyed a large trade surplus, which meant that the balance of payments would be easily improved if foreign assistance and investment were reduced to certain amounts. In the same year its unilateral transfer was the outflow of \$2.3 billion, and the net balance of capital movement was in the red at \$2.9 billion.<sup>35</sup>

In the military aspect, America's superiority also declined to a certain degree as the monopoly of nuclear arms was lost because of the progress of the Soviet Union in that field. The latter developed its first atomic bomb in 1949, and succeeded in developing hydrogen bombs four years later, one year after the former's success. However, the superiority in quality and quantity of America's nuclear arms as well as aircraft and warships was maintained in those days. It also deployed its military power to many points surrounding the Soviet Union with the help of many security treaties. America's military expenditures in 1960 were \$45.3 billion, twenty percent more than that of the latter, though the Soviet data are difficult to estimate and not so reliable.<sup>36</sup>

It is natural to say that America's superiority in both economic and military spheres was being maintained, and the "American Century" as well as the "American hegemony" continued at that time.

## V

With the beginning of the 1960s, the United States began to enjoy the "Kennedy economy" with a growth rate of 4.5 percent. Then, the country escalated the Vietnam War and kept its economic growth rate of five percent until 1968. At the same time, the Johnson Administration made the ambitious plan of the "Great Society" and the "War Against Poverty." The following Nixon administration reluctantly continued these programs, and aggressively continued the war. American economic performance deteriorated to a low growth rate of 2.9 percent, while both the price index and unemployment rate rose to a level of five percent in those days. In order to improve these conditions, the Administration announced the "New Economic Policy" in August, 1971, which stopped the convertibility of the dollar to gold.<sup>37</sup>

At the end of that year, the value of the dollar depreciated to \$38 per ounce of gold, and other major currencies appreciated. However, the fluctuation of currencies continued, and two years later, further devaluation of the dollar to the rate of \$42.22 was decided with the simultane-

ous adoption of the floating exchange rate system among major currencies. This decision brought the end of the "de facto dollar standard," and led to the new "dollar-centered system" (my coinage), which naturally reduced America's status in the international economy to that of a strong but not the sole holder of the key currency.

The necessity of changing the international currency exchange system was based on the impossibility of America's debt payment. In 1973 the country held only \$14.4 billion in reserve assets, while its debt in liquid form was seven times larger, two-thirds of which were short-term loans. Other currencies like the German mark and the Japanese yen were not so strong as the American dollar, and holding reserve assets fully in gold was already impossible and impractical at that time.<sup>38</sup>

In spite of these changes the dollar was well received by other countries, which is shown in the growth of America's international investment in the 1960s. In 1973 its cumulative investment was \$222.5 billion, three times larger than that of 1960, while other countries also invested in the United States to the amount of \$174.9 billion. Its total direct investment was far bigger than those of other countries in the same year: it was \$80.7 billion, eight or nine times larger than those of the United Kingdom and Japan.<sup>39</sup>

America's domestic economy continued to be the strongest in the world. Its GDP in 1973 was \$1,348.3 billion, three times larger than those of Japan and West Germany, five times that of France, and seven times that of Britain. The per capita GDP of the United States (\$6,363) also exceeded those of other countries, though the difference with the other advanced capitalist countries was narrowed to the level of thirty to seventy percent.<sup>40</sup>

America's top position in international trade was still being maintained, though its lead was rather small. Its share in world exports was 13.6 percent, just 0.7 percent greater than that of West Germany, while America's share in imports was 3.5 percent higher than Germany's. The actual amount of both exports and imports was about \$70.8 billion, and its trade balance turned to the red in the 1970s for the first time in the twentieth century. Also the amount of both exports and imports reached the five percent line of GNP in 1973 for the first time, which meant that the American economy began to depend on international markets much more than before.<sup>41</sup>

In the military field, the superiority of the United States also declined to a certain degree, as the Soviet Union started its armament reinforce-

ment. One study says that the latter increased its military expenditures after it suffered the humiliation of the Cuban Crisis in 1962, which surpassed that of the United States next year, and the trend continued in the second half of the 1960s. The difference grew wider, and in 1974 the Soviet Union spent \$109 billion, twenty-eight percent more than the United States. *The Military Balance* also says that America's possession of nuclear delivery missiles and bombers (2,213) was only sixty percent of the Soviet Union's.<sup>42</sup>

Yet the overall military power of the former at that time exceeded that of the latter, because the level of introducing electronics to the weapons system could not have been so high in the Soviet Union as in the United States. In addition, the military burden of the United States was lessened with the conclusion of the cease-fire agreement with North Vietnam in 1973.

Consequently, the situation of "American hegemony" and the "American Century" still continued at that time, though its strength was considerably lower than it had been a decade before. In relation to this judgement, I would like to add the opinion of Immanuel Wallerstein, one of the leading proponents of the concept of the "American hegemony." He says that the period of the "American hegemony" is 1945–1990, the middle of which, namely around 1970, is the peak and turning point, and then is followed by a process of decline.<sup>43</sup>

The dozen years from 1973 were economically a period of heavy fluctuation. A half year after the change of the currency exchange system, the first "oil shock" came with the start of the fourth Middle East War, and a terrible inflation followed. In 1979, with the outbreak of the Iranian Revolution, the world had to experience another "oil shock," which again brought several more years of inflation and economic decline. The United States experienced inflation of more than ten percent seven times, four minus growth years, and eight years of over seven percent unemployment rates for within those dozen years.<sup>44</sup>

These fluctuations brought some change in America's status in the international economy. Nominally, the threefold growth of its economy in that period was almost equivalent to that of Japan, and surpassed those of the major European countries, which means that the United States did fairly well in the time of uncertainty. However, at a fixed price level and exchange rate of 1990, the country achieved only 1.3 times growth during the same period, not so different from that of other countries.<sup>45</sup>

In 1985 the size of America's GDP (\$4048.2 billion) was still three

times larger than that of Japan, and six to nine times larger than those of the major European countries. In other words, the American economy was thirty-four percent larger than the total of Britain, France, Japan, and West Germany combined. These differences of economy become smaller with the use of per capita figures. America's per capita GDP in the year was \$16,976, 1.5 times larger than that of Japan, and about twice larger than those of major European countries. The comparison made by using the purchasing power price shows even smaller differences. America's figure was only forty percent larger than those of Japan and West Germany, thirty percent more than France, and fifty percent more than Britain.<sup>46</sup>

The declining trend of American trade has continued since 1973, and its share a dozen years later was as follows: 12.1 percent of exports (1.5 percent decline), and 18.7 percent of imports (five percent increase). Yet the United States kept its position as the largest trading country in the world. The biggest problem for American trade was its huge deficit: it jumped to \$31.1 billion in 1977, more than three times that of the former year, and seven years later it increased to the huge amount of \$112.5 billion.<sup>47</sup>

In addition to this undesirable trade situation, a much more dramatic change happened in the capital investment. America's net balance of accumulated investment turned to the red in 1985 after seven decades of surplus. The cumulative overseas investment in that year totaled \$950.3 billion, while the net investment showed a deficit of \$110.7 billion. America's international investment position went back to that of the pre-World War I years.<sup>48</sup>

Yet its international investment was still the largest in the world, and the amount was ten percent larger than that of the United Kingdom, and twice those of Japan and West Germany. America's direct investment totaled \$229.7 billion in that year, twice that of Britain, four times that of West Germany, and five times that of Japan.<sup>49</sup>

In the military field, the United States probably regained its superiority over the Soviet Union. *The Military Balance* estimates that the former held 12,846 strategic nuclear warheads, about two thousand more than the latter around 1985, though the same source says that the latter had more carriers or systems (ICBM, SLBM, etc.): the United States held 1,910 carriers in total, about six hundred less than the Soviet Union. Also, America's military expenditures estimated by the same source were

\$284.7 billion and exceeded those of the Soviet Union by \$50 billion. On the other hand, the estimates by an American government agency say the reverse, namely the latter spent \$9 billion more than the former (\$275.0 billion, \$265.8 billion).<sup>50</sup>

From the above, it is possible to say that the superiority of the United States in the military and economic spheres was being maintained in the middle of the 1980s. Consequently, the country was the strongest as a whole, and the “American hegemony” and the “American Century” still continued at that time, though their meanings were a little different from those of the 1950s and 60s.

## VI

In the dozen years after 1985, the American economy showed relatively mild fluctuations in comparison to the preceding dozen years. During the latter half of the 1980s the United States experienced a mild annual growth rate of about three percent, and since 1992 it has been showing a similar trend after suffering comparatively mild recessions in the two preceding years. However, its performance has been sometimes criticized as too small, and other times praised as the best. This variation in appraisal comes mainly according to the comparison of the economic performances with other industrialized countries, especially Japan, since Japan made rather dramatic economic growth and decline.

Yet the American economy was the largest among the leading countries in 1996 as before, though its relative strength had declined to a certain degree. Its GDP was \$7,388.1 billion, 1.6 times that of Japan, 3.1 times that of Germany. Another comparison of the figures, calculated by the purchasing power price, may show the relative strength of each country better than the above-mentioned data. The results indicate the comparatively stronger economy of the United States as expected; namely its GDP was 2.5 times that of Japan, 4.3 times that of Germany. The American economy's comparative strength declined only 8.4 percent against Japan from 1985, and 3.5 percent against Germany.<sup>51</sup>

The figures reached by different scales show different aspects: the per capita GDP of the United States then was \$27,821, which was thirty-one percent smaller than that of Japan when calculated at the current exchange rate, but, in reality, it was twenty percent larger by referring to the purchasing power price. The same things happen with the figures for Germany. The American economy was still larger than many other

leading countries in 1996 by the standard of purchasing power price.<sup>52</sup>

In the field of the international economy, the United States gave a somewhat paradoxical performance. In spite of continuing huge deficits in trade, its volume of trade increased heavily, the result of which in 1997 was as follows: \$689 billion in exports, and \$899 billion in imports. Yet these figures are larger than those of Germany and Japan. The huge deficits were somewhat compensated for by the surplus of service trade and other items, and the balance of current accounts was a deficit of \$155 billion, a trend of which has been continuing since 1983.<sup>53</sup>

America's international investment position also changed in these years. In 1997 its net position at market value was a deficit of \$1323 billion, while the direct investments showed a surplus. America's direct investment one year before was \$87.8 billion, two to four times more than other leading countries. Its remaining amount totaled \$1535 billion, three to six times more than other countries.<sup>54</sup>

The international situation in the 1990s has been changing very rapidly and severely, and it is now almost completely different from that of former decades. One of the most radical changes was the abrupt collapse of the Soviet Union, which left the United States as the sole "super power." It is beyond question that the United States has unsurpassable strength in the military field. Its defense expenditure in 1997 was \$273 billion, while that of Russia was less than one-fourth of that amount. America's soldiers totaled 1.45 million, while Russia's number was 200,000 smaller.<sup>55</sup>

The United States and Russia probably have had a similar overall capacity in strategic arms since 1991 with the start of START I. Though the total number of missiles is a little smaller for the United States (ICBM, 680, SLBM, 432 in 1997) than Russia, the overall power must be at the same level as the precision and other capabilities of America's missiles are probably higher. Also the United States has more aircraft carriers, and deploys military forces of 240,000 in many foreign countries; hence, America's total military power cannot be surpassed by any country.<sup>56</sup>

From these economic and military facts, it is easy to say that America's present status in the world has been elevated from that of 1985, which means that the "American hegemony" did not disappear around 1990 as Immanuel Wallerstein claimed, and the "American Century" has been still continuing in the 1990s, but in a very limited sense.

Now the question is whether this "American hegemony" or the

“American Century” will continue in the twenty-first century. Nobody can predict the future with confidence, as the world has been changing rapidly and violently in recent years. At present, the American economy is very strong in comparison to those of other countries, but its relative strength has been declining for several decades.

Also, America’s military power is unsurpassable, and no other countries would dare to challenge it, while at the same time it is losing its power of unilateral action, as was shown in the Gulf War and the recent Kosovo incident. Even if the United States technically has the power of performing unilateral action, this would not be permitted by the opinions of international society and of America’s own people.

It is true that the United States is the strongest country in the overall sense, but this does not mean that the “American hegemony” and the “American Century” will continue forever. Possibly they will continue for some more decades in a limited sense, but it seems unlikely that they will continue throughout the twenty-first century.

To support this prediction, a few citations may be appropriate. Samuel Huntington says that contemporary international politics is a strange hybrid, a uni-multipolar system with one superpower and several major powers. He continues as follows: “global politics. . . is now passing through one or two uni-multipolar decades before it enters a truly multipolar 21st century.” Also, Paul Krugman says that “the U.S. economy [is] larger than that of any other country, and it [seems] likely to remain so for at least several decades.” He finally says that “future historians will not record that the 21st century belonged to the United States.”<sup>57</sup>

### NOTES

The following publications are indicated by abbreviations.

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<sup>7</sup> Paul Bairoch, “International Industrialization Level from 1750 to 1980,” *Journal of European Economic History*, 11–2 (Fall, 1982), 296; *EHS*, 416; and *HSUS*, 224.

<sup>8</sup> Paul Kennedy, *The Rise and Fall of the Great Powers: Economic Change and Military Conflict from 1500 to 2000* (New York: Random House, 1987), 203.

<sup>9</sup> Bairoch, *op.cit.*, 294, 296; *EHS*, 411, 416, 433; and *HSUS*, 224, 240.

<sup>10</sup> *EHS*, 304,307; *HSUS*, 884; Cleona Lewis, *America’s Stake in International Investments* (Washington, D.C.: Brookings Institution, 1938), 447; and William Woodruff, *Impact of Western Man* (London: Macmillan, 1966), 150, 274, 313.

<sup>11</sup> Kennedy, *op.cit.*, 203. *HSUS* says that the number of American soldiers was 166,000.

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<sup>15</sup> *HSUS*, 8, 43, 821, 827.

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<sup>20</sup> Maddison, *op.cit.*, 113, 128.

<sup>21</sup> *HSUS*, 995; and Lary, *op.cit.*, 134.

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<sup>25</sup> *HSUS*, 224, 768, 1116; and Kennedy, *op.cit.*, 354.

<sup>26</sup> *EHS*, 307; *HSUS*, 866–867, 884; and *SAUS*, 1947, 913–914, 971. The exchange rate used here is one pound to \$4.035 (the average of 1941–1945).

<sup>27</sup> *HSUS*, 869, 995; and Woodruff, *op.cit.*, 150.

<sup>28</sup> *EHS*, 5, 8, 416; *HSUS*, 197, 224; Mitchell and Dean, *op.cit.*, 6, 7; and *SAUS*, 1947, 971.

<sup>29</sup> *HSUS*, 1141.

<sup>30</sup> *HSUS*, 225; and Saiichi Miyazaki, Shigeji Okumura, and Kiriro Morita, eds., *Kindai kokusai-keizai yoran* [A Handbook of the Modern International Economy] (Tokyo: Tokyo University Press, 1981), 138.

<sup>31</sup> *NA*, 142, 146.

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<sup>33</sup> *HSUS*, 869, 995; and Woodruff, *op.cit.*, 150.

<sup>34</sup> *ERP*, 1970, 277, 282.

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<sup>36</sup> Kennedy, *op.cit.*, 384.

<sup>37</sup> *HSUS*, 135, 197, 227; *SAUS*, 1976, 355; and *SAUS*, 1986, 434, 470.

<sup>38</sup> *SAUS*, 1974, 780.

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<sup>40</sup> *NA*, 142, 146.

<sup>41</sup> *SKH*, 1980, 298–299; *SAUS*, 1976, 842–845; and *SAUS*, 1987, 416, 789.

<sup>42</sup> Kennedy, *op.cit.*, 384, 395.

<sup>43</sup> Wallerstein, *op.cit.*, 10.

<sup>44</sup> *ERP*, 1999, Table B-3, 4, 42.

<sup>45</sup> *NA*, 138, 139, 142, 143.

<sup>46</sup> *Ibid.*, 143, 147, 163.

<sup>47</sup> *SKH*, 1980, 298–299; and *SKH*, 1988, 237–238.

<sup>48</sup> *Survey of Current Business*, June, 1988, 78.

<sup>49</sup> *SKH*, 1988, 101; and Nihon Boeki Shinkokai (JETRO), *Sekai to Nihon no kaigai chokusetsu-toshi, 1988* [The Foreign Direct Investment of the World and Japan] (Tokyo: JETRO, 1988), 1.

<sup>50</sup> International Institute for Strategic Studies, *The Military Balance, 1986/87* (Oxford: Oxford University Press, 1986), 19, 32, 33, 222.

<sup>51</sup> *NA*, 143, 163; and *ERP*, 1999, Table B-1.

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<sup>53</sup> Nihon Boeki Shinkokai (JETRO), *Sekai to Nihon no Boeki, 1998* [The Foreign Trade of the World and Japan] (Tokyo: JETRO, 1998), 5.

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<sup>55</sup> *Military Balance, 1998/99*, 295–297.

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Table 1 Gross Domestic Product  
(billions of current US dollars and current exchange rates)

Year	1960	1973	1985	1996
United States	511.70	1,348.30	4,048.20	7,388.10
France	60.90	253.45	523.10	1,536.61
Germany	80.82	384.84	696.54	2,353.52
Japan	44.47	414.05	1,343.25	4,595.16
United Kingdom	72.40	181.49	457.07	1,153.37

Source: OECD, *National Accounts, 1960–1996* (1998), I-142–3.

Table 2 Gross Domestic Product  
(billions of current US dollars and current PPPs)

Year	1973	1985	1996
United States	1,348.3	4,048.2	7,388.1
France	243.3	708.3	1,198.6
Germany	320.5	918.5	1,736.1
Japan	429.5	1,467.1	2,924.5
United Kingdom	237.8	647.0	1,095.5

Source: OECD, *National Accounts, 1960–1996* (1998), I-162–3.

Table 3 Gross Domestic Product per head  
(current US dollars and current exchange rates)

Year	1960	1973	1985	1996
United States	2,832	6,363	16,976	27,821
France	1,333	4,863	9,462	26,323
Germany	1,112	4,874	8,968	28,738
Japan	477	3,811	11,124	36,509
United Kingdom	1,382	4,267	8,063	19,621

Source: OECD, *National Accounts, 1960–1996* (1998), I-146–7.

Table 4 Gross Domestic Product per head  
(current US dollars and current PPPs)

Year	1973	1985	1996
United States	6,363	16,976	27,821
France	4,669	12,811	20,533
Germany	4,060	11,826	21,200
Japan	3,953	12,150	23,235
United Kingdom	4,229	11,413	18,636

Source: OECD, *National Accounts, 1960–1996* (1998), I-162–3.