

Econ 115: November 10, 2009: East Asia to 1980, and Maybe More

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The Cold War

Stalin in 1945...

Roosevelt and Truman in 1945...

Churchill in 1945...

“Sovietization”...

“Marshallization”...

George F. Kennan...

Yugoslavia...

Greece...

Czechoslovakia...

Berlin Airlift...

China...

Korea...

NSC 68...

“Rollback”

“MAD”

The Berlin Wall and the Cuban Missile Crisis

Vietnam...

Clicker: The Paramount Leader of the Soviet Union After the Death of Stalin Was

- A) Vladimir Ilyich Lenin**
- B) Nikita Sergeyevitch Khrushchev**
- C) Richard Milhous Nixon**
- D) Zhou Enlai**
- E) Leonid Brezhnev**

Mao Zedong

The Chinese Communist Party had won the civil war (which was interrupted for a while to fight the Japanese during World War II) because it gave the peasants something to fight for: ownership of the land...

It could then rule China because of its ability to create a hierarchical organization that could exert power in even the smallest of villages—a legacy that Mao owed to Lenin. ..

Its opponent, the Chinese Nationalist Kuomintang, retreated to Taiwan, reformed itself (after an initial bloody massacre of Taiwanese), and became a model of post-World War II economic development...

Chinese agriculture appears to have recovered from the devastation of World War II and the 1945-1949 civil war in the first years of Mao's rule. Official statistics—worth in this case what you pay for them—reported a seventy percent increase in wheat and rice production between the end of the civil war and the mid-1950s...

The small share of China's population resident in the cities did worse, as private enterprise was destroyed and social parasites executed or sent off to concentration camps. Considerable technical and economic aid from the Soviet Union aided Chinese development before the Sino-Soviet ideological split in 1960...

The turn to collectivization...

The “Hundred Flowers”...

The “Great Leap Forward”...

IClicker: The author of the forward to “Quotations from Chairman Mao” was:

A) Deng Xiaoping

B) Jiang Jieshi

C) Lin Biao

D) Sun Yatsen

E) Ho Chi Minh

Peng Dehuai, Liu Shaochi, Deng Xiaoping, Lin Biao, Zhou Enlai, and Mao Zedong...

Then things get really complicated...

Lu Shan Plenum...

Mao as elder statesman...

Hai Rui reprimands the emperor...

“Bombard the headquarters!”...

The near Russo-Chinese War of 1969...

The assassination of Lin Biao...

The strategem of the empty fortress...

The Gang of Four...

We do not know the human cost of the Cultural Revolution. We guess that in 1970—after the first phase of the Cultural Revolution—that China’s level of material prosperity was perhaps half that of India’s, and was the rough equivalent of today’s level of material well-being in Tanzania or Ethiopia or Mali or Madagascar, the poorest countries on earth...

IClicker: Which of the following is *not* a quotation from Chairman Mao?

- A) A revolution is not a dinner party.... evolution is an insurrection, an act of violence by which one class overthrows another
- B) I have witnessed the tremendous energy of the masses. On this foundation it is possible to accomplish any task whatsoever
- C) What is important is not whether a cat is red or white. What is important is whether the cat catches mice
- D) When the enemy advances, withdraw; when he stops, harass; when he tires, strike; when he retreats, pursue.
- E) Once all struggle is grasped, miracles are possible.

Japan Stands Up

- Rich country, strong army...
- Revere the Emperor and expel the barbarians...
- Meiji Restoration...
- Satsuma Rebellion...
- The end of the samurai...
- The coming of the zaibatsu...
- The Russo-Japanese War...
- Post-WWI Japan as a great power—albeit a junior great power...

MITI and the Japanese Miracle

- The Great Depression in Japan
- The Ministry of Munitions and “administrative guidance”
- Bombed until the rubble bounced...
- Rebuilding and the Korean War...
- A dual economy...
- An export economy...
- A guided economy...
- A low price of equipment economy...
- A savings-and-investment economy...
- Barriers to imports and structural adjustment...
- “Voluntary” export restrictions...
- From the Plaza to the Louvre

The End of Japanese Exceptionalism

- The Bubble
- The Crash
- The Liquidity Trap
- The Stagnation
- “Fifth Generation” and the end of catch-up growth
- Toyota, Sony, etc...
- The Four Dragons...
- Getting prices better than right
- How to avoid the defects of statism?