Our Economic Past

How U.S. Economic Warfare Provoked Japan’s Attack on Pearl Harbor

BY ROBERT HIGGS

A sk a typical American how the United States got into World War II, and he will almost certainly tell you that the Japanese attacked Pearl Harbor and the Americans fought back. Ask him why the Japanese attacked Pearl Harbor, and he will probably need some time to gather his thoughts. He might say that the Japanese were aggressive militarists who wanted to take over the world, or at least the Asia-Pacific part of it. Ask him what the United States did to provoke the Japanese, and he will probably say that the Americans did nothing: we were just minding our own business when the crazy Japanese, completely without justification, mounted a sneak attack on us, catching us totally by surprise in Hawaii on December 7, 1941.

You can’t blame him much. For more than 60 years such beliefs have constituted the generally accepted view among Americans, the one taught in schools and depicted in movies—what “every schoolboy knows.” Unfortunately, this orthodox view is a tissue of misconceptions. Don’t bother to ask the typical American what U.S. economic warfare had to do with provoking the Japanese to mount their attack, because he won’t know. Indeed, he will have no idea what you are talking about.

In the late nineteenth century, Japan’s economy began to grow and to industrialize rapidly. Because Japan has few natural resources, many of the burgeoning industries had to rely on imported raw materials, such as coal, iron ore or steel scrap, tin, copper, bauxite, rubber, and petroleum. Without access to such imports, many of which came from the United States or from European colonies in southeast Asia, Japan’s industrial economy would have ground to a halt. By engaging in international trade, however, the Japanese had built a moderately advanced industrial economy by 1941.

At the same time, they also built a military-industrial complex to support an increasingly powerful army and navy. These armed forces allowed Japan to project its power into various places in the Pacific and east Asia, including Korea and northern China, much as the United States used its growing industrial might to equip armed forces that projected U.S. power into the Caribbean and Latin America, and even as far away as the Philippine Islands.

When Franklin D. Roosevelt became president in 1933, the U.S. government fell under the control of a man who disliked the Japanese and harbored a romantic affection for the Chinese because, some writers have speculated, Roosevelt’s ancestors had made money in the China trade. Roosevelt also disliked the Germans (and of course Adolf Hitler), and he tended to favor the British in his personal relations and in world affairs. He did not pay much attention to foreign policy, however, until his New Deal began to peter out in 1937. Afterward, he relied heavily on foreign policy to fulfill his political ambitions, including his desire for reelection to an unprecedented third term.

When Germany began to rearm and to seek Lebensraum aggressively in the late 1930s, the Roosevelt administration cooperated closely with the British and...
the French in measures to oppose German expansion. After World War II commenced in 1939, this U.S. assistance grew ever greater and included such measures as the so-called destroyer deal and the deceptively named Lend-Lease program. In anticipation of U.S. entry into the war, British and U.S. military staffs secretly formulated plans for joint operations. U.S. forces sought to create a war-justifying incident by cooperating with the British navy in attacks on German U-boats in the north Atlantic, but Hitler refused to take the bait, thus denying Roosevelt the pretext he craved for making the United States a full-fledged, declared belligerent—an end that the great majority of Americans opposed.

In June 1940, Henry L. Stimson, who had been secretary of war under Taft and secretary of state under Hoover, became secretary of war again. Stimson was a lion of the Anglophile, northeastern upper crust and no friend of the Japanese. In support of the so-called Open Door Policy for China, Stimson favored the use of economic sanctions to obstruct Japan’s advance in Asia. Treasury Secretary Henry Morgenthau and Interior Secretary Harold Ickes vigorously endorsed this policy. Roosevelt hoped that such sanctions would goad the Japanese into making a rash mistake by launching a war against the United States, which would bring in Germany because Japan and Germany were allied.

Accordingly, the Roosevelt administration, while curtly dismissing Japanese diplomatic overtures to harmonize relations, imposed a series of increasingly stringent economic sanctions on Japan. In 1939 the United States terminated the 1911 commercial treaty with Japan. “On July 2, 1940, Roosevelt signed the Export Control Act, authorizing the President to license or prohibit the export of essential defense materials.” Under this authority, “[o]n July 31, exports of aviation motor fuels and lubricants and No. 1 heavy melting iron and steel scrap were restricted.” Next, in a move aimed at Japan, Roosevelt slapped an embargo, effective October 16, “on all exports of scrap iron and steel to destinations other than Britain and the nations of the Western Hemisphere.” Finally, on July 26, 1941, Roosevelt “froze Japanese assets in the United States, thus bringing commercial relations between the nations to an effective end. One week later Roosevelt embargoed the export of such grades of oil as still were in commercial flow to Japan.” The British and the Dutch followed suit, embargoing exports to Japan from their colonies in southeast Asia.

An Untenable Position

Roosevelt and his subordinates knew they were putting Japan in an untenable position and that the Japanese government might well try to escape the stranglehold by going to war. Having broken the Japanese diplomatic code, the Americans knew, among many other things, what Foreign Minister Teijiro Toyoda had communicated to Ambassador Kichisaburo Nomura on July 31: “Commercial and economic relations between Japan and third countries, led by England and the United States, are gradually becoming so horribly strained that we cannot endure it much longer. Consequently, our Empire, to save its very life, must take measures to secure the raw materials of the South Seas.”

Because American cryptographers had also broken the Japanese naval code, the leaders in Washington knew as well that Japan’s “measures” would include an attack on Pearl Harbor. Yet they withheld this critical information from the commanders in Hawaii, who might have headed off the attack or prepared themselves to defend against it. That Roosevelt and his chieftains did not ring the tocsin makes perfect sense: after all, the impending attack constituted precisely what they had been seeking for a long time. As Stimson confided to his diary after a meeting of the war cabinet on November 25, “The question was how we should maneuver them [the Japanese] into firing the first shot without allowing too much danger to ourselves.”

3. Quoted ibid., p. 329.
5. Stimson quoted in Morgenstern, p. 343.