

Comments related to Professor Arie's Paper:

How Nitobe Inazo understood Adam Smith?

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Professor Arie's research focuses on the acceptance of Adam Smith in pre-war Japan. He emphasizes the fact that the influence of Smith in Japan was biased and points out five reasons for this. First, the Adam Smith Library at University of Tokyo does not have Smith's books on political economy. The variety of books in the library shows Smith's wide range of interests, to which scholars of Smith in Japan did not pay attention. Second, economic magazines, academic journals of universities, and the foundation of a Department of Economics in various universities contributed to building Smith's image. Third, the commemoration of the 200th anniversary of Adam Smith's birth confirmed Smith's image as "a founding father of economics." Fourth, Prof. Arie pointed out that Japanese scholars have been studying Smith through a Marxist lens. Last, he answered why Nitobe purchased Smith's books even though it does not contain books on political economy. He said that one of the reasons was that Nitobe was not interested in the theoretical aspects of Smith's classical economics.

Some research shows how pre-war Japanese economists accepted Adam Smith, such as Sugihara (1977). However, many aspects are not sufficiently clear yet. How Nitobe Inazo understood Smith, which is one of Prof. Arie's interests, is a good example. I would like to make some comments and questions related to his paper.

1. *The Wealth of Nations* and *The Theory of Moral Sentiments* in Japan

The Wealth of Nations was first introduced to Japan in the late Edo period, as Prof. Arie mentioned, and has been translated many times into Japanese since then (Sugihara 1977, p.5-10). Following is a list of the translations, along with the year of publication and the names of the translators.

1882-1888 translated by Ishikawa Eisaku and Saga Shosaku (石川暎作 and 嵯峨正作)

1910 translated by Mikami Masatake (三上正毅) (selected chapters edited by W.J. Ashley)

1921-1923 translated by Takeuchi Kenji (竹内謙二)

1926 translated by Kiga Kanjyu (気賀勘重)

1928-1929 translated by Aono Sukekichi (青野季吉)

1940-1944 translated by Ouchi Hyoe (大内兵衛)

The Theory of Moral Sentiments is another important work of Smith. Though *The Wealth of Nations* was translated into Japanese several times, I could not find a pre-war Japanese translation of *The Theory of Moral Sentiments*. It is worth investigating how many or how much Japanese scholars in pre-war Japan paid attention to *The Theory of Moral Sentiments*.

For example, Nitobe Inazo, who purchased Adam Smith collection, used the word “sympathy” from *The Theory of Moral Sentiments* in his book *Bushido: The Soul of Japan* in 1900. I assume that many Japanese scholars were interested in the book and have read it as well. Tanaka (2003) points out that Shirasugi Shoichiro, a known Marxian economist, is interested in Smith’s *Moral Sentiments* before the Second World War. Shirasugi published “A Study of *The Theory of Moral Sentiments*” in 1940. In this paper, Shirasugi insists that *Moral Sentiments* were the basis of *The Wealth of Nations* and that they are coherent. He also points out that Smith’s individualism and liberalism were not laissez-faire which was based on unlimited self-interest (Tanaka 2003, pp.11-12).

Except these examples, I found little research in pre-war Japan focusing on *Moral Sentiments* or on the relation between it and *The Wealth of Nations*. Both Marxists and Nationalists in pre-war Japan attacked liberalism as a selfish idea. The notion that liberalism is a selfish attitude was widely prevalent in Japan, especially in the late 1920s and the 1930s. However, if they had studied Smith’s idea by referring to *The Theory of Moral Sentiments*, the liberals might have argued against the view that liberalism is a selfish attitude as Shirasugi did. The lack of comprehensive study on Smith’s works might be one source of the biased view on Smith.

2. Classical Economics and German Historical School in Japan

Prof. Arie discussed the historical background of the early Japanese scholarship on political economy. He emphasized that the shadow of Marx hung prominently over it. Another important aspect of the background that I would like to point out was the controversy between British classical economics and the German historical school of economics. Especially after the 1881 Political Crisis, which saw Okuma Shigenobu, who favored the establishment of British-style system, forced out of the government, the German school had a strong influence on politics and academics in the public universities of Japan. I am interested in how this strong influence of the German school affected the acceptance of Smith’s liberalism in Japan.

3. How Nitobe Inazo understood Adam Smith?

The question of how Nitobe accepted Smith’s idea is one of my research interests too. As a professor of Tokyo Imperial University he was one of the supporters of Adam Smith’s theories. However, how Nitobe understood Smith is very difficult to investigate because Nitobe did not write any book or article

on Smith's economic theory. Therefore, I think Prof. Arie's method of examining the marginalia on the Adam Smith books owned by Nitobe is very useful.

Nitobe's marginalia on the books kept in the Nitobe Memorial Library at Tokyo Woman's Christian University will help us understand how he understood Smith. Prof. Arie, Prof. Nohara, and I went to the university and examined the Nitobe Collection in March 2018. One of the books in the collection, *Selected Chapters and Passages from The Wealth of Nations of Adam Smith* by W. J. Ashley (New York The Macmillan Company, London, 1905), has many instances of marginalia, which are most likely by Nitobe. He put check marks on some items in the table of contents. They are mainly on Book III, in which Smith investigated the different rate of progress of wealth in different nations, and on chapters on British colonies. Therefore, I agree with Prof. Arie's view that Nitobe was interested in the practical issues in Smith's economic writings. However, if we take a look at the first few chapters, we can also find marginalia related to Smith's theoretical parts. Therefore, I am not sure if we can conclude that Nitobe is not interested in the theoretical aspects of classical political economy. I think that we need to conduct further research on the books in this collection to get an idea of how Nitobe understood Smith.

The Nitobe collection at Hokkaido University has 1,500 books owned by Nitobe. Unfortunately, the collection does not have books written by Adam Smith himself. However, there are three books, whose title contains the name of Adam Smith.

- (1) *A project of empire: a critical study of the economics of imperialism, with special reference to the ideas of Adam Smith* / by J. Shield Nicholson. – London: Macmillan, 1909.
- (2) *Adam Smith and modern sociology: a study in the methodology of the social sciences* / by Albion W. Small. – Chicago: University of Chicago Press, 1907.
- (3) *Life of Adam Smith* / by John Rae. – London, New York: Macmillan, 1895.

I briefly checked these books for marginalia and underlines. (1) and (2) have them and they are most likely written by Nitobe. Shitara (2002) had found that Nitobe used blue and red lines and sidebars; these books have the abovementioned lines and bars. I am just starting to examine the contents and meanings of those writing; so, right now I can only say that these books also help us to see how Nitobe understood Adam Smith.

References

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- Sugihara, S. 1977. "Nihon No Smith Kenkyu," *Keizai Shiryo Kenkyu*, 12: 3-12.
- Tanaka, H. 2003. "Shirasugi Shoichiro no Adam Smith Kenkyu," *Keizai Ronso*, 172 (3): 1-21.

Comments on “The dissemination of Adam Smith’s ideas to East Asia”

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Recent scholarship has made an effort to incorporate Asian experiences into a global history of economic, political, military, cultural, and social dynamics by taking a long-term perspective. Nonetheless, the exchange of views between experts of global history and local histories is still limited. Historians specializing in the local hardly have the ambition to present their empirical studies in the context of global issues. In turn, many historians of the global rarely venture into the archives and instead base their analysis on the in-depth research of regional specialists. This is notably the case with the historiography of the continental and maritime world of Eastern Eurasia. Even after the “California School” presented revisionist views challenging the Eurocentrism of received studies on globalism, the latter continued to adhere to an analysis along the lines of an East-West binary.

At the turn of the second millennium in 2000, new research trends of global history attracted attention, mainly focusing on the reevaluation of Asia’s position in the world. Two studies gave a strong impetus to the debate: Angus Maddison, *The World Economy: a millennial perspective* (OECD, 2001), and, in a provocative manner, Kenneth Pomeranz, *The Great Divergence—China, Europe, and the Making of the Modern World Economy* (Princeton, 2000). In particular, Pomeranz presented parallel economic developments among four “core-regions” of world economy ---- that is, Western Europe (England and The Netherlands), Lower Yangzi delta, Edo-Japan (the Kinai and Kanto) and Northern India in the “Long-Eighteenth Century”. He pays attention to the development of “Smithian growth”, namely, proto-industrialization and the evolution of commercial agriculture based on the market economy. The publication of these two books led to the reconsideration of the “early-modern period” or the “Long Eighteenth Century” based on comparisons between Europe and Asia. The focal shift in the world economy from the trans-Atlantic world to the Asia-Pacific also requires reconsidering the nineteenth century from Asian perspectives.

Traditionally, the nineteenth-century has been characterized as the “European century”, or the century of European-centered globalization. It is no coincidence that E.J. Hobsbawm wrote three influential volumes on “the Long Nineteenth Century”. Recently this orthodox interpretation on the nineteenth century is strongly strengthened by two important books on the nineteenth century: C. Bayly, *The Birth of Modern World 1780-1914* (Blackwell, 2004), and Jürgen Osterhammel, *The Transformation of the World: A Global History of the Nineteenth Century* (2009, English version: Princeton University Press 2014). Both books offer stimulating European interpretations on the nineteenth century, and it is

a truism that Western Europe occupied a dominant position at the core of the Modern World System. Nonetheless, Asian initiatives in economic development during the second half of the nineteenth century still need to be fully explored.

Based on this awareness of the issues, the commentator had conducted a joint-research with Japanese, Indian and British colleagues on the reconsideration of the nineteenth century from Asia perspectives, and finally published an edited book, entitled, *Daibunki wo Koete [Beyond the Great Divergence]* (Kyoto: Mineruva-shobo, 2018).

This book reconsidered the historical significance of the start of industrialization and agricultural development in Asia. In the second half of the nineteenth century, evidence suggests connections between increasing agricultural production in Asia, population growth, and migrations within and beyond Asia. These phenomena have usually been interpreted within the framework of European-led economic globalization or the incorporation of Asia into the world economy (the Modern World System). These interpretations take the perspective of the formation of Western colonial empires and an imperialistic world order.

By contrast, recent studies of global history in Japan have emphasized evidence for Asian initiatives for economic development and the impact of indigenous agency. These studies stress the influence of the activities of Asian merchants (Indian & Chinese) and local peasants for the production of agricultural commodities, such as rice, sugar, and natural rubber, among others. We explored the dynamic role played by these Asian agencies for economic "development", especially for "agricultural development", and their significance in transforming agrarian societies and patterns of land-holding not only in colonies such as British India, the Dutch East-Indies (Indonesia), and Northern Vietnam (French Indochina) but also in independent Siam (Thailand). In order to facilitate comparisons, and to shed light on the peculiarities of tropical regions, a case study of the Russian Far East (Northeast Asia) also was included.

As for the start of industrialization in Asia, we revealed the cases of British India and China from the 1860s. Recent scholarship, led by Japanese economic historians, has offered a new perspective on Asian economic history. It enables us to look at individual Asian countries in the context of an integrated Asian regional economy, and to construct the framework of an evolving relationship between the British Empire and the Asian regional economy, within a capitalist world-economy. Especially, Kaoru Sugihara revealed the formation and development of intra-Asian trade from the late nineteenth century to the early 1940s in his main book, entitled, *Ajiakan-Boeki no Keisei to Kouzo [The Formation and Structure of Intra-Asian Trade]* (Kyoto: Mineruva-shobo, 1996). At the turn of the 19th-20th centuries, a unique chain of linkages was formed between Indian raw cotton, cotton yarn exports to China from British India and Japan, the production of cotton piece-goods in China based on imported yarns, and a peculiar pattern of consumption of Asian cotton goods. These linkages depended on the development of cotton industries in Japan and British India, and Japanese (Osaka's) imports of Indian raw cotton. Sugihara

sees that industrialization in Japan and British India was not only generated through the “cotton-centered” linkage, but was promoted by the rise in income as a result of the growth of primary products to the West, and calls this the “final demand linkage effect”.

This year, Heita Kawakatsu (Governor of Shizuoka Prefecture) substantially revised his previous articles and published a stimulating English book, entitled, *The Lancashire Cotton Industry and Its Rivals---International Competition in Cotton Goods in the Late Nineteenth Century: Britain versus India, China, and Japan* (Tokyo: International House of Japan, 2018). Based on these excellent studies in Asian economic history, we must completely reconsider the meaning of the “Western Impact” or the impact of the Western modernity (civilization) on East Asia in the nineteenth century in the context of global history.

In addition to these studies by Japanese scholars, we may add another provocative book by Giovanni Arrighi, entitled, *Adam Smith in Beijing: Lineages of the Twenty-First Century* (London and New York: Verso, 2007) for the reconsideration of current Chinese economic development in the context of the “Long Twentieth Century” of global history. Therefore, we had better reconsider the traditional framework of “Western Impact” versus East Asian responses and try to explore a new analytical perspective.

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