Economic Thought at the End of Shogunate and the System of Political Economy for 富国 に 通じ る 生活と 図る 国際貿易： 湧井 信南の 『互 賀 生活』 と 公 道における 国際 貿易の 原因

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<th>表示</th>
<th>経済学論究</th>
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<td>題名</td>
<td>富国 に 通じ る 生活と 図る 国際貿易： 湧井 信南の 『互 賀 生活』 と 公 道における 国際 貿易の 原因</td>
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Yokoi Shonan (1809-1869) had a major influence as a philosopher from the end of the shogunate period to the modern period in terms of his political-economic thought. However, it does not appear that there are so many achievements to his name in relation to the framework of his economic thought to justify why he is regarded as a great thinker.

The aim of this note is to see what role his thought played in the stream of thought that helped form modern Japan, through looking at the framework of his economic thought in the formation of ‘enriching the country’, that is to say, through inquiring about Yokoi’s comparative system between ‘reciprocal living’ and ‘enriching the country’.

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JEL: B31

Keywords: economic thought at the end of shogunate, the analysis of comparative systems, the reason for international trade, the way of three generations in Yao, Shun and U, enriching the country
I Introduction

Yokoi Shonan (1809-1869) had a major influence in terms of his political-economic thought, regardless of enlightened politicians, bureaucrats and ‘high minded patriots overthrowing the Tokugawa’ at the end of the shogunate period. While he was a typical philosopher in Japan’s transition stage from the early modern to the modern period (Yamaguchi [1971], 715), it does not appear that there are so many achievements to his name in relation to the framework of his economic thought to justify why he is regarded as a great thinker.¹)

My article deals with Yokoi’s political economic analysis of *Jimusaku* (the Urgent Policy Report in the domain of Kumamoto) against the Kumamoto han (the domain of Kumamoto), especially as regards ‘the government of moneymaking’ under the monopoly system. The policy subject of a trade-off existed in the assumption of *Jimusaku* because Yokoi had already acknowledged the trade-off between the ‘profits of trade’ and ‘reciprocal living’, or between ‘belief’ and ‘an increase in money-profits’ as the logic of the West, which Toyotomi Hideyoshi had clearly recognised. As for the relationship between economic development and foreign trade, as long as Yokoi continued ‘the antinomic doctrine of interests’, his expectation about the function of government in relation to development was not positive. In other words, there was a big

¹) According to Morris-Suzuki [1989], if ‘the main innovation that Yokoi brought to social thought was a form of pragmatism’ through the ‘Realist’ school (*Jitsugaku*) (p.39), how the mechanism of definite ‘innovation’ was actually concretely formed and the manners in which it was reformed within the framework of modern economic thought are very important. However, even Yamazaki who treated ‘social economic thought of Yokoi Shonan’ as a kind of classical economic thought with care, tried to understand ‘modern meanings of economic thought, through arranging the process of economic theory from Adam Smith’s moral philosophy’, neglecting the framework of Yokoi’s economic thought (Yamazaki [1998], 3).
contradiction in supporting the innovative idea of ‘the public way of the world’ or ‘the reason for international trade’ as ‘the theory of heaven and earth’, and leading to ‘a national policy’ and the function of government being based on this.

Next, when Yokoi recognised that ‘the great cause in the world’ was ‘the public reason of the world’, following a visit by Perry, how did he solve ‘the three generations’ rule’ in ‘the way to public welfare through its interests’ in ‘enriching the country’ through Three National Policies, from the structural outline of economic growth on ‘the reason for international trade’ to a change in economic thought? Was the strategy that was changed to industry thought out for the nation’s economy? Why were the open system and the various policies for their investment and finance found under any ‘great cause’? Furthermore, how did Yokoi’s alternative policy thought, which varied between ‘belief’ and ‘an increase in profits’, develop ‘the opening up of Japan’ from ‘the public way of the world’, acknowledging the reciprocal interests of trade?

My aim is to see what role his thought played in the stream of thought that helped form modern Japan, through looking at the framework of his economic thought in the formation of ‘enriching the country’ in the Three National Policies.

II ‘The reciprocal opening’ and Yokoi’s early political economic thought

While studying in Edo, Yokoi Shonan understood for the first time that ‘the opening and closing of communications’ was a theme which had closely been linked with ‘enriching the country’ for all of Japan²).

²) Throughout Yokoi’s life, he endeavoured to pursue his studies and to be
He knew that Toyotomi Hideyoshi (1537-1598) had already tried to solve the alternative problem between the prohibition of Christianity and ‘the interest of trade’, through the translation of the *National Seclusion Discourse* by Shizuki Tadao, which was written by Engelbert Kaempfer (1651-1716) as *History of Japan* (Nippon Shiseki Kyokai [1977b], 809-810). Through the technique of ‘the method of temporarily limiting movement’ by ‘exactness of discussion’ (so-called historical empiricism), he considered this problem as ‘a realist’ direction (*Jitsugaku*) for political economy.

When thinking about the political economy in the Japanese comparative system, different from ‘the principle of trade’ in the West, the policy decision beyond ‘the principle of trade’, namely so-called ‘isolation policy’, was the criterion for ‘to follow the heaven’ and for ‘Benevolence’. Any western direction that ‘was threatened by battleships and firearms’ was neither ‘Benevolence’ nor the logic for ‘the heaven’ through ‘profits of trade’ (Nippon Shiseki Kyokai [1977b], 692-693).

It was because of an important problem which this policy-making exceeded the economic problem of Japan that the early Yokoi complimented the isolation policy as ‘magnificent discernment by Ho-Taiko’. That is, it was not a compatible theme between economic problems which dealt with ‘an increase in money-profits’ and invisibly religious problems which Taiko clearly worried, but rather was an alternative problem in ‘the independent, as he was born as samurai’s second son and did not have inheritance rights to the family stipend. However, a big issue was that the educational policy and programme in *Jishukan*, the school established by the Kumamoto han, contained only impractical ideas, did not deal with the current political economy, and lacked the methodology to study it (Motoda [1969]; Yamazaki [1938], 100). Yokoi’s critical stance against the school system and the high-ranking han government officials clearly caused difficulties for him in the first half of his life.
large harm’ between ‘great riches’ and ‘belief’ (Nippon Shiseki Kyokai [1977b], 809-810). ‘Magnificent discernment by Taiko’\(^3\) which Yokoi told meant to establish the relative system that was created by the limit of the framework between ‘an increase of profits’ and ‘the propagation of Christianity’, in terms of the source of national uneasiness.

Yokoi actually pointed out if the relative system chooses Japan or the West the stream of the ban on Christianity to sacrifice ‘great riches’ can be current or not. As for his early vision of political economy in his *Miscellaneous Impressive Memos in Studying in Edo* and his ‘the Reading of the National Seclusion Discourse’, let us assume that the issue of the profit from trade in both Japan and the West is a value of \(a\), the issue of the ban on Christianity in Japan and the profit from trade with the West is a value of \(b\), the issue of the profit from trade in Japan and accepting of the ban on Christianity in the West is a value of \(c\), and the issue of ‘the isolation policy’ rather than the profit from the trade through the ban on Christianity in both Japan and the West is a value of \(d\). In addition, let us assume that the relation of each value is \(b > a > c > d\).

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According to the early Yokoi’s assumption, Taiko is independent under the game for extensive form regarding the relations between ‘the interest from trade’ and ‘the national uneasiness” in Japan. That is to say, if Japanese basis is not in trade like the West, and if the value of ‘the source of uneasiness in Japan’ is bigger than the value of trade because of possible independent economy; his ban on Christianity will

\(^3\) The honorific title for a regent is Toyotomi Hideyoshi in this case.
overwhelm trade and arrive at the national seclusion. Even if Japan temporarily chose ‘the interest from trade’, the system of the national seclusion would be maintained from his explanation when the ratio of ‘the source of uneasiness in Japan’ is constantly bigger than that of ‘profits of trade’.

III The contents of Jimusaku [The Urgent Policy Report in the domain of Kumamoto] and its analysis

If the choice of ‘the isolation policy’ by Taiko from the antinomy or ‘the opening and closing of communications’ is recognised by the independent economy under the bakuhan system (the theory on shogunate ruling system), how are ‘enriching the country’ and ‘public welfare through interests’ investigated through the individual analysis developed in each region and han (domain)?

Jimusaku, which appears to have been written by Yokoi around 1843\(^4\), was a draft against the Kumamoto han administration as a political and economic organisation, depending on his ‘exactness of discussion’ after his return to Kumamoto. The contents of Jimusaku are mainly divided into three parts; ‘the politics of thrift’, which sought the ideal way for the consumption economy system in the Kumamoto district; ‘the politics of money-making’, which discussed the han financial system; and ‘the city institution’, which dealt with the urban problems of the castle city, Kumamoto.

However, as Yokoi’s nephew, Tokutomi Soho\(^5\), had already interested

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4) Cf., Nippon Shiseki Kyokai [1977a], 65; Mikami [1999], 21.
5) (1863-1957). A journalist and author who is representative of modern Japan. He was born in Kumamoto. Failing to Doshisha (Doshisha University today), he published Kokumin-no-tomo (The Nation’s Friend) and Kokumin Shinbun (The National Newspaper), and advocated Heimin-shugi (the commoner principle). He led the publication world after the Sino-Japanese War and wrote books. Yoshida Shoin and Japanese National History in the Early Modern age are his important works.
in *Jimusaku*, this writing has some characteristics that mean it should be considered as a prototype of Yokoi’s main work, the *Three National Policies*. *Jimusaku* was a political and economic analysis of the system of isolation as comparative system, and contained his early vision of political economy as outlined in his *Miscellaneous Impressive Memos in Studying in Edo* and ‘The Reading of the National Seclusion Discourse’.

(1) ‘Politics of thrift’

The opening phrase of *Jimusaku*, ‘Customs and nature have lasted peacefully for 200 years’, meant that there had been a ‘peaceful’ economic structure in place in Kumamoto too, under the limiting framework between ‘an increase in money-profits’ and ‘the propagation of Christianity’. Improvements in the level of consumption under the closed system produced not only a nationwide ‘loosening and disorder concerning the discipline, morality and the institutions of law’, but also extremely high price for Higo rice, which was a rich source of wealth for Kumamoto as a result of the very bad crop at Tenpo. Moreover, the money supply was increased as a result of the coinage policy of the shogunate, from Bunsei to Tenpo, through ‘a large amount of both gold and silver coins’ inflows’. Of course, the influence of this monetary policy on Kumamoto needs a detailed examination in relation to the extent of the multiplier effect on a fiscal expansionary policy in the shogunate, or the elasticity of supply in Kumamoto corresponding to this fiscal expansion. Moreover, it is important to consider the sensitivity of the investment to the interest rate.

However, the multiplier effect on the real sector by fiscal expenditure, the upper shift in the aggregate demand curve by the wealth effect through the money supply, and the short supply of farm products in
general (and, in particular, Higo rice), must have given rise to inflation-driven consumption activity, to some acceleration of growth and to a qualitative upgrade of Kumamoto (including growth in the commercial and non-agricultural sectors). Yokoi’s description that ‘Kumamoto had rich mind among all classes of people. They did needless luxury to obtain food, clothing and housing, and then were in the similar flourishing condition to areas of three capitals [Kyoto, Edo and Osaka] in modern days’ (Nippon Shiseki Kyokai [1977a], 66), expresses a certain truth.

Therefore, the consumption of people through the floating effect in the Kumamoto-economy spread clothes, textile, ornament, dyeing and accessories; luxury of eating and cooking; building of housing, interior and garden in the life style in all aspects. Yokoi said that they were not purchased according to peoples’ funds, but were decided on the assumption of ‘purchasing goods’ (Nippon Shiseki Kyokai [1977a], 66-68). There was ‘bad air’ that existed in the consumption intention among people, rather than merchants’ ‘desire for gain’. In other words, their diversification and deepening concerning consumption in Kumamoto were that the consumption structure by the demonstration effect was established.

The change in the consumption structure in Kumamoto have influenced not only the luxury effect but also the industrial structure through the fluctuation in demand for goods. Moreover, the idea of this local industrialisation being achieved through with ‘domestic production’ or the influence of the export-import trade on Kumamoto was not unknown inside the han. Unfortunately, we cannot find a description about its effects on the regional industry in Jimusaku. There was a distance between such description of Jimusaku and his basic idea that was ‘enriching the country’ through the promotion of industry as an essential ingredient; namely, it was his different view concerning the macro framework of
production and consumption including the han and the world trade by Yokoi’s *Three National Policy Theories*.

Yokoi clearly acknowledged that the trifling legalism of Kumamoto han did not lead to provide with good lives in all classes of people steadily, through the fact of their consumption activities under ‘the peacefully national institution’ (that is, the closing system) (Nippon Shiseki Kyokai [1977a], 68-69). Just now the han government was receiving ‘the happiness without example in history’ by accident. However, this was limited to the income-earning capacity of the han government. ‘Any direct pathway’, as the structural economic policy stepping up the economic life of ‘the samurai and the ordinary people’, was not built. Such a distortion would be caused if the profitability of the han government alone is pursued from the Kumamoto economy in general. However, the han government could not determine any action as a political-economic subject that represented public interest guaranteeing the rule among people orderly (Nippon Shiseki Kyokai [1977a], 69).

Certainly, even if the criticism of *Jimusaku* had been true, the following socio-economic problems that followed would not have been solved by ‘the thrift of sages’, in which Confucianism had emerged as an ideal, that is, by the mutual cooperation of ‘the upper and the lower classes’ (the samurai and the ordinary people) (Nippon Shiseki Kyokai [1977a], 69).

As long as the framework from *Miscellaneous Impressive Memos in Studying in Edo to Jimusaku* was maintained; even if the thrift theory by the mutual cooperation of ‘the upper and the lower classes’ had criticized the manner of the past han administration, it could not have discussed ‘enriching the country’ of Japan and Japanese local districts, from production, consumption, growth and the investment cycle on the qualitative upgrade of the economic framework.
(2) ‘The politics of money-making’

With the economic situation that existed between ‘the samurai and the ordinary people’ in Kumamoto, as stated in the section on ‘the politics of thrift’, how should ‘the road of finance’ that the han government adopted be assessed? Yokoi spoke about the ideal way of finance in *The Book of Rites*, which was based on the principle that ‘is calculated beforehand according to a long-term viewpoint, and as a result, expenses are scheduled’ (Nippon Shiseki Kyokai [1977a], 70). Furthermore, ‘the revolt in Kuma in these days’ meant ‘mushroom mountain riots’ that the Hitoyoshi han (the next-door han to Kumamoto) brought about in 1841 (Nippon Shiseki Kyokai [1977a], 70). For these reasons, there were sharp conflicts around production between the government and the common people with regard to what was off-limits in the production region and what had to be compulsorily cultivated. In particular, the monopoly system greatly affected the characteristics of products through the finance provided by specific merchants, the content and quality of the products, the securing of sales routes, and the instruction provided at the technical level. Excess profits tended to be concentrated in the relationship between specific merchants and the han government in relation to specific financial offers, sales, the collection of cargo, and technology.

Judging from Yokoi’s description of *Jimusaku*, ‘the large harm of the nation had no load that was more extreme than “politics of money-making” to collect heavy tax. If the han government doesn’t stop this policy, people won’t feel easy about any moment’ (Nippon Shiseki Kyokai [1977a], 70). It was clear that the han government did not value the mutual cooperation involved in ‘the upper classes and the lower classes helping one another’ (*ibid.*), and, as a result of the monopoly system, the han government was not the appropriate political-economic
agent for pursuing the public interest.

The monopoly system of Kumamoto that Jimusaku brings to mind was a model based on the reforms of Horeki (1751-1764), introduced by Hosokawa Shigekata to try to rebuild the han finances. Its financial foundation was based on an earning securing plan based on Japan wax trees and Japan wax. The productivity levels of wax, as a result of how it was cultivated, were poor. The amount of production was approximately less than 20%, and the process was very time consuming. However, the potential of wax made from its seeds was big in terms of the size of its earnings. The manufactured wax had excellent storage qualities. The longer it was stored, the better was its quality. As the wax-candle had surpassed other sources of light for its quality since the mid-term of the Edo period, it could not be substituted by other products.

The more economic society in the late Edo period developed, the greater was the demand for wax. The wax-candle was able to command a high price even in markets outside of the territory, and was a product for which there was a lot of income elasticity. Furthermore, it was grown on cultivated ground that would otherwise not have been used for crops associated with the original tax base, such as rice and vegetables. That is, it could be grown even in mountainous areas, on wasteland, and on unoccupied ground. The advantage of having a source of revenue was great because the collection of wax seeds formed part of the farmer’s leisure activities in winter.

As for the reason why the han government promoted the monopoly policy about the wax-candle, the han’s disposal part except the stipends for feudal retainers was indispensable for the Edo stay in the lord family and the daimyos’ alternate-year residence according to this stay and ‘Otetstudai-bushin’ (public works allotment, the site of construction work under the shogunate order). They were necessary ‘to advance the
decentralisation of the local powers and to raise the effect of centralisation’ as their permanent fiscal resources. Originally, the administrative expense in ‘the home-country’, which should be the core of an administrative measure, was about 20 percent. Yokoi’s criticism to the monopoly policy of the wax-candle in ‘politics of money-making’ was related to the bakuhan structure closely.

However, based on (1) the purchase price of wax seeds, and (2) the method of unfavourably calculating wages, the han government for the product income maximisation realised the price difference based on the marginal element cost and the revenue of marginal products. The han government expected to make a lot of excess profit based on this margin and the amount of purchases conducted at that time. Only wax generated the same income as 6% of Higo rice, and it was the maximum shipping among goods or as 3% of the total expense level of the han. In addition, in the case that business taxes and various offertory revenues were joined, the role of wax which was specific fiscal resources was larger.

‘The wax-candle office’ was more than a simple administrative and supervising agency. It was a special ‘profit-making enterprise’, ‘an economic policy’ and ‘annual revenue procurement’ organisation. As the greater part that deducted the part of stipends was for Edo needs and extra expenses as public works allotment, the han government was interested only in the earnings of this article (Kamata [1998], Part 1 Ch. 1). The new role of the han government in finance and the economy had upset the natural order of things through its pursuit of private profits.

‘The wax-candle office’ upset the economic framework of the mutually beneficial cooperation involving ‘the upper classes and the lower classes helping one another’ (Nippon Shiseki Kyokai [1977a], 71). Moreover, the
income obtained from it neither returned to the domain nor created new investment opportunities. It was only used to exhaust expenses to maintain public works allotment and the alternate-year residence in Edo based on the bakuhan system without being shared by political economy in Kumamoto.

As Yokoi said, ‘it was a means to rescue the administrators in an emergency at that time, which was not the rationale and has been considered by the country’s interests’ in the historical process after Horeki years. This amounted to ‘an illogical and temporary policy’, brought about by ‘the economic policy of the han government’s prioritising of enterprise’. The people in charge of the han administration did not tackle from the front the working out of those policies. Rather, it was the ‘offices’ of the low-grade organisations that promoted these policies, such as ‘the department of money making’ (Nippon Shiseki Kyokai [1977a], 71-72).

If ‘the administrators did not abandon the means for the government to profit, and could not decide the way of the rich country that took care of the way for the whole country’s profits’, what Yokoi said was tantamount to saying that it was necessary to change ‘the economic policy of the government enterprise priority’ completely and to devise a reasonable political-economic mechanism (Nippon Shiseki Kyokai [1977a], 72). It was important to distinguish sharply between the role of the han government and the profit-pursuing activities of the han, for which the goal setting should have been different. This was the main criticism of the ‘politics of money-making’ made by Yokoi.

However, how will production and consumption in Kumamoto be capable of being expressed in the ‘realist’ direction (Jitsugaku) for political economy in the future? How could Japan’s political economy and its structure be advanced beyond the local districts? Does any
system correspond to an industrial activity suitable for political economy, that is, providing a ‘road to enriching the country’ if the ‘politics of money-making’ do not rely on the monopoly system as a specific and economic activity? This perspective has been left unresolved in Jimusaku in the Tenpo stage.

Yokoi’s various proposals in Jimusaku can be sufficiently appreciated for providing continuous stability to the regional economy. However, Yokoi’s fundamental direction has still stayed in his criticism of the rigid principle of ordinance management that was extremely given priority to the system decided for legislation beforehand by the han government (Nippon Shiseki Kyokai [1977a], 76-79).

**IV The presupposition of ‘the reason for international trade’ and Iryo-Ousestu-Taii (the Receiving Outline for Foreigners):**

The political-economic thought of breaking free from a ‘the closed system’

There was a limit in Yokoi’s criticism of Jimusaku in the 1840s, to organically relate production, consumption, local districts by way of the investment cycle and ‘the rich country of Japan’ as a whole, which corresponded to the economic framework of Kumamoto. His new methodological assumption of ‘profits from trade for a rich country’ and ‘the reason for international trade’ comprised a lasting order for which stability had to be developed.

(1) The deepening of Yokoi’s analysis in Junreki-sho (Tour Record)

Yokoi’s criticism of the han government and his thinking, which were based on ‘the true realist direction’, as displayed in Jimusaku, was not accepted by the highest ranks of the Kumamoto han. Even if there was a distortion in a reasonable social distribution with monopolisation, or
even if there were the expansion and the transformation, accompanied by the economy and the consumption structure in Kumamoto, how can a substitution of ‘usefulness’ with the immediate effect taking the place of the exclusive system in the financial policy be found? Furthermore, how could these urgent financial matters be settled? Yokoi could not clearly provide answers to these problems. Though politics and learning based on ‘the true realist direction’ were said not to have been followed since the Horeki reforms implemented by Hosokawa Shigekata, was not the han administration in the hands of retainers who had learnt the texts of Confucianism? Yokoi’s thinking, and that of people who supported it, did not form a major part of ‘the common bureaucratic sense’ of the Kumamoto han (Nishioka [2001], 66-68).

The purpose of Yokoi’s Junreki-sho in 1851 was to observe the condition of the political economy that had been developed in western Japan apart from Kumamoto in terms of ‘the route to people’s standards’ or ‘the route to public welfare through its interests’, and to absorb their experience from Yanagawa (now the Fukuoka prefecture) to Kishuu (now the Wakayama prefecture) in his learning.

The contents of Junreki-sho were in ‘a fine story’ about the basic design of the economy and the finance based on the social learning for ‘the urgent necessity of the rich country’. Particularly Yokoi got their useful benefits through the circulation production relationship between ‘the wax-candle office’ and the han’s note, or through meeting with Ueda Sakunojo (1787—1864) (who went on various tours after his retirement) in Kumamoto and Shimonoseki (Nippon Shiseki Kyokai [1977a], 828—829).

Ueda’s economic policy system in Kaga from the Tenpo to the Kaei periods (the 1840s to the early 1850s) comprised the abolishing of levies (komononari) based on the monopoly system, seeking the basis of finance
for ‘all of the people’s profits’, the shipment of special products from the Kaga han (at present, the Ishikawa Prefecture and the Toyama Prefecture) as an industrial policy, relaxing the money supply and demands of private organisations, and substituting/accumulating the specie (based on the currency of gold and silver forms) as credit instruments that could promote industry through han notes. Ueda’s policy theory, which encompassed agricultural administration, was generally based on the ‘signs of the northern land’ in Kaga, which perfectly encapsulated the economy and the finances of the entire Kaga. Concerning Yokoi himself with Ueda’s political details, the combination of the practical learning of ‘social facts’ and ‘the necessity for the rich country’ would have provided many benefits to Yokoi to advance his ideas.

However, methodologically there would have remained quite a few problems for the economy in terms of ‘enriching the country’ (a general promotion of the industrial economy) as part of ‘the reason for international trade’, even if Yokoi had obtained some realistic suggestions from *Junreki-sho*. In considering the methodological framework between ‘the reason for international trade’ and ‘enriching the country’, a new answer to the phase of the appearances of Perry and Putyatin, who visited one after another, was necessary after *Junreki-sho*.

(2) The conversion of a methodology for ‘the way of a rich country’ and ‘the moral logic of reception’ in *Iryo-Ousestu-Taii* (the Receiving Outline for Foreigners)

*Iryo-Ousestu-Taii* (1863) was written for Kawaji Toshiakira⁶ who was

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⁶ Kawaji (1801-1868) was a vassal of the shogun at the end of the Edo era, holding the positions of a commissioner of finance and as a foreign magistrate, and finally worked in Japanese coastal defence. He made the Japan-Russia amity agreement with Putyatin as a plenipotentiary in Nagasaki.
an acquaintance of Yokoi from his Edo years when he had studied in Edo and was a diplomatic representative for Russia, and dealt with the manner in which Japan should treat the US’s and Russia’s envoys, who had visited one after another.

In *Iryo-Ousestu-Tai* Yokoi completely changed his posture of choosing the political-economic system between the isolation and ‘the interest of trade’ alternatively in *Miscellaneous Impressive Memos in Studying in Edo*, and wrote the viewpoint of ‘the public way of national policy’ based on ‘the principle of trade’ as the assumption of political-economic system. In such a case, did ‘the public way of national policy’ mean to ‘trade with any country freely’? This was not the case, according to Yokoi. As already proven in ‘trade’ with China (Qing) and the Netherlands under ‘the closed system’, the standard of ‘the principle of trade’ was a result of ‘that reason’ whether ‘the nations defended faith without violating or without doing the cruelty or not’. That is to say, it ‘did obey the universal mind’, and was concerning whether they were ‘nations of the righteous road’ or ‘nations of the unrighteous road’. ‘The universal principle of trade’ that Yokoi considered dealt with whether the principle of ‘communication, trade, and commerce’ could be accomplished in view of ‘faith based on the real public reason’ before using the standard of whether it was a capitalist or market economy. In terms of the principle that ‘faith is the public way of national policy as heaven and earth, or as benevolence and righteousness, through all nations’, Yokoi, following *Iryo-Ousestu-Tai*, sought to understand the ‘interest of trade’ as ‘the reason for trade’. In other words, ‘faith through all nations’ was able to say that a just cause changed over to be the standard of comparative system in the world.

Using Yokoi’s vision of his early political economic thought as follows, the issue of ‘the reason for trade’ in ‘the opening up of the country’ by
‘the righteous road’ in both Japan and the rest of the world (Powers)\(^7\) is a value of \(a\), and the case of seeking ‘the opening of the country’ by ‘the unrighteous road’ in the rest of the world is a value of \(b\), even if aiming at ‘the opening of the country’ in Japan. The issue of choosing ‘the closed country’ by ‘the unrighteous road’ in Japan, even if aiming at ‘the opening of the country’ to the world, is a value of \(c\), and the case of forcibly having to choose ‘the closing of the country’ in Japan through ‘the unrighteous road’, including through the Western powers, is a value of \(d\). Let us assume that \(a > b > c > d\) is the relation between each value.

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If so, there is no ‘reason for trade’ based on ‘the unrighteous road’, even if ‘profits from trade’ are large. Therefore, Japan would not choose ‘the opening of the country’. In other words, when the Western powers tried to negotiate ‘the opening of the country’ by ‘the righteous road’, and ‘the reason for trade’ through ‘the opening of the country’ by ‘the righteous road’, the case of choosing ‘the closed country’ by ‘the unrighteous road’ would constantly be less. That is to say, ‘the closed system’ in Japan was as great a disadvantage as ‘the national policy’.

As a precondition for what kind of economic system should be chosen, this led to Yokoi’s insistence that the political-economic regime of ‘the open system’ allowing access to the world as ‘the national policy’ was preferable. ‘Keisei-ron’ (the doctrine of political economy),

\(^7\) Here the West powers also were in the same rank as ‘all the nations of the world’.

— 108 —
which considered the overseas factors of imports and exports, was firmly established.

‘The national policy’ in Yokoi’s view did not have to be changed if ‘the reason for the natural universe’ of all nations was not fundamental. If this was not arranged, the political-economic system would be such that the sustainability of free trade and exchange would not have existed under the universal international order. Moreover, in *Iryo-Ousestu-Taii*, Yokoi stressed that to force ‘trade profits’ on an existing nation was not the just way to achieve a ‘rational economic ambience’, using virtual land and sea army power as ‘any threat to believe’ (Nippon Shiseki Kyokai [1977b], 12-14). Utilising military powers under the limited rationality, the strategic behaviour of powers that try to obtain the entry profit misinterpreted a reasonable environment of universal institution, and then would become imperfect and irrational countries as ‘countries of distrust and unrighteousness’. Therefore, they became ‘unrighteous countries’ by the application of unconscionable principles. Moreover, behaving in an unreasonable manner, a permanent sustainability would not be obtained (*ibid.*).

In *Iryo-Ousestu-Taii*, Yokoi, by changing the assumption of the political-economic system to one that took ‘the principle of trade’ as being the ‘public way of national policy’, obtained a clue as to where ‘the route to people’s standards, or the route of public welfare through its interests’ lay in breaking off any contradiction between Taiko’s worries of ‘the reason for international trade’ in the ‘Reading of the National Seclusion Discourse’ and ‘national wealth’ only for the Kumamoto han in *Jimusaku*.

As for *Iryo-Ousestu-Taii*, Miyauchi stated that ‘of the utmost significance was the fact that Yokoi, after the first departure of Perry in the summer of 1853, stressed that seclusion—contrary to prevailing opinion—was not
the traditional policy of Japan as witnessed by its thriving overseas activities in the centuries prior to 1639' ([1970], 273). However, it was not stated at the outset in *Iryo-Ousetsu-Taii* why overseas trade had become profitable for Japan. Based on Shizuki Tadao’s translation of *Miscellaneous Impressive Memos in Studying in Edo* and the ‘Reading of the National Seclusion Discourse’, Yokoi had already affirmed the importance of overseas trade. If there was any difference between *Iryo-Ousetsu-Taii* and the ‘Reading of the National Seclusion Discourse’ (or *Miscellaneous Impressive Memos on Studying in Edo*) in regard to the mechanism of the political economy for overseas trade, the ‘Reading of the National Seclusion Discourse’ and *Miscellaneous Impressive Memos on Studying in Edo* can choose either ‘profits of trade’ or isolation by the ban on Christianity alternatively under the premise that at all events trade is indispensable for the West.

On the other hand, in the case of the former *Iryo-Ousetsu-Taii*, when the West that has actually approached to urge the opening of the country, it was important to fundamentally change the political-economic system to get gains for Japanese public welfare and national wealth with ‘the good cause of the righteous road’ that run through ‘the public way of national policy in all nations’.

Therefore, in *Three National Policy Theories*, Yokoi could not agree with the conformity to Mito Nariaki (1800-1860)\(^8\) that Miyauchi imagined in grasping the relation of trade to economic development (Miyauchi [1970], 273). Furthermore, because the standard of the political-economic system was ‘profits of trade’ and ‘faith through all nations’, Yokoi

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8) He governed the Mito han (now the Ibaraki prefecture) and contributed to the rise of nationalism and the Meiji restoration. At that time, he was one of the main leaders of the Joi movement (whose activity was focused on expelling foreigners).
differed from Hashimoto Sanai,\(^9\) ‘who favoured an alliance with Russia’ (Honjo [1940], pp. 366-368). ‘Although England and the United States were viewed with distrust, only a few years later men like Hashimoto and Kawaji, a high shogunal official, were favouring not only intercourse but also an alliance with Russia’, as Miyauch stressed.

V. The Fukui han and the *Three National Policies*

1. Details of the Fukui han’s invitation to Yokoi

A leading scholar and the restoration of the han school (in a word *Meidokan*) to educate retainers, the people and their children was necessary to improve the level of the han administration, when Matsudaira Shungaku (1828-1890)\(^10\), the han lord, thought Fukui in the entire Japan. The Fukui han, which was near Kyoto and Osaka, was a key centre for Japan’s sea trade, and it was located in the rich grain-producing area of northern Japan. Moreover, it was richer than other hans in its production of manufactured goods and special products, and was also rich in terms of access to fund sources based on those industries and the transportation industry. In spite of this, it fell into ‘financial difficulties’ and even its legitimacy to rule became suspect. Fukui reached the stage where it could not help but reconsider its organisation from the foundation up because it comes from a large domain owned by a Tokugawa family branch where the influence to the shogunate system was so large. Additionally, it encountered trouble from abroad. Matsudaira and his aides ceased keeping a firm grip on Fukui’s politics and economy by making policies and regulations, but

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9) Hashimoto Sanai (1834-1859) was a samurai from the Fukui han and a distinguished person in the governmental reforms of the Tokugawa regime.

10) He was an able lord in the Fukui han (now the Fukui prefecture) at the end of the Edo era. He was called one of the ‘wise lords’ at that time.
were forced to review it drastically by inviting the scholar to devise the educational system.

The immediate cause of Yokoi being invited to the Fukui han was that he stayed in the Fukui castle at the time of making his tour in 1851 and lectured on *Gattuko Mondo-sho* (Questions and Answers in School) there. Matsudaira agreed with Yokoi’s idea of ‘the agreement of study and politics’ based on ‘the way of three generations in Yao, Shun and U’ that existed in *Gattuko Mondo-sho*. Matsudaira may have thought that the policy changeover to opening the country to the world was going to be sooner or later determined by a situation where there was unprecedented trouble occurring at home and abroad.

However, by what kind of reasoning and theory was the principle of the changeover policy secured? How was the process from ‘the closed system’ to ‘the open system’ explained and made public? A person who would be able to oversee it from the planning design stage to where it could be executed was required. Yokoi, as a leading scholar and an advocate of ‘the agreement between study and politics’ was a promising person for Matsudaira, who tried to guide the bakuhan system as ‘Government President’, even if the Kumamoto han continued to dislike Yokoi.

### 2 Purpose and composition of ‘enriching the country’

‘Enriching the country’ is the main section of the *Three National Policies*, which takes the form of questions and answers.

1. The advantages and disadvantages are contained in the introduction to the ‘open system’.

   According to Yokoi, the economic grounds for an argument that was opposed to opening the country to the world were detailed as follows.
While useful resources were independent up to now for ‘isolation of hundreds of years’ (intact) in the forms of self-sufficiency, to trade with foreign countries now is the same as the export of useful resources for Japan, or the import of ‘useless resources’.

If ‘output is much more than input’ in terms of trade, the demand-and-supply balance of resources would collapse as an economic framework.

Naturally, domestic supply decreases and prices increase because of supply shortages. In the case of the productive structure under ‘closed system’ being weak, if the useful materials of the daily goods which surplus of supply capacity is scarce are exported, demand at home cannot be satisfied. On the other hand, imports are not essential for a country whose position has been one of ‘isolation for hundreds of years’. As the article becomes underestimated supply in useful daily life when the spare productive capacity turned to the export sector is poor, the occurrence of a rapid hike in prices cannot be avoided.

As a result, it is only people involved in trade and bigger merchants who receive the profits involved in this trade. The loss of advance in prices will spread to ‘all people’ as ‘the harm to trade of opening the country to the world’.

Even if gold and silver flow in, they are ‘disused and no urgent goods’ in home. The export of a fixed amount of a resource cannot solve a situation of an insufficient supply of necessary goods. A rapid change in the prices system, in a word, inflation, only occurs if there is distortion in supply and demand (Nippon Shiseki Kyokai [1977a], 29-30).

(2) Yokoi’s understanding to ‘closed economic system’

Is ‘the closed economic system’ an accurate current judgment of political economy from the viewpoint of ‘the just cause of the world’?
Even if ‘some harm to trade’ is partially acceptable, is it possible to continue to refuse to have communication with Western powers that have pursued overseas trade as ‘a national policy’ and are rich and strong?

According to Yokoi, a closed economy that has been in ‘isolation for hundreds of years’ did not have any historical grounds at all to take such a stance. It was only ‘the accepted custom for 200 years’, after the Kanei period of the early Edo era in the 1630s. However, because of this custom, people had to perceive the ‘bigger harm’ that would result from continuing to refuse to adopt ‘the open system’.

Yokoi tried to clarify the basic macro structure of the shogunate system to make these circumstances clear. At the beginning of the shogunate age, when the closed economy system began, people’s consumption habits, encompassing food, clothing, and housing, were simple in every way. People’s minds were uncluttered: they did not experience dissatisfaction in leading such a simple life style so much. However, it is a tendency of development that people’s living standards rise as peaceful times continue. Along with a living standard rise after ‘Genna-Enbu’ (Peace after Genna) and the closed economy institution, the effect of demonstration to the market society spread. In addition, the shogunate system was indispensable for the Edo stay in the lord family and ‘Otetstudai-bushin’, ‘to promote the decentralization of local powers and to increase the effects of centralization’ through the vast public works allotment and the compulsion of huge expense in Edo. Nevertheless, the annual revenue source was limited compared with the amount of expenses; the economic framework and the feudal estate were still at the same level, although the population in the territory increased (Nippon Shiseki Kyokai [1977a], 30).

Other classes apart from the samurai were able to increase their
incomes through raising the costs of their goods and services. However, the daimyo had their basic income fixed in the Kanei period. Their system did not have the flexibility to change into the fiscal framework that matched the economic development. To make up for the annual expenditure fault, it forced the stipend cutting and a specific product to resources burden. As the han was assumed to be an instrument of credit, it relied on finance from wealthy merchants. The accumulation of evils under the shogunate system for many years influenced the welfare of the samurai and the people (ibid.). In such a situation ‘disturbances will be inevitable’, according to Yokoi. It was neither an austerity measure nor an administrative service reduction on the part of the han government, but it was necessary to convert to the economic regime that corresponded to the nation’s needs, including the living standard, all at once (Nippon Shiseki Kyokai [1977a], 31-32).

The origin of this problem was clearly the same as the composition of Jimusaku that Yokoi had written about in the Tenpo period. However, Jimusaku partly expected the legal system and the laws to be based on ‘Tenpo no Kaikaku’ (Tenpo Reforms) insofar as they related to the basic lifestyle. On the other hand, ‘enriching the country’ has already occurred at the level of rule management. ‘Revolutionary thrift’ as a fundamental reform of the political-economic structure led to the conversion to a reasonable economic regime corresponding to the nation’s needs. Basically, in the real world, it was necessary to grope for the political economic system based on ‘revolutionary thrift’ in a way that excluded ‘thrift’ in the profits of the financial authority.

According to Yokoi, the economic framework of the world is ‘the open system’ that ‘the world’s nations trade through free navigation’. If ‘this just cause of the world’ was neglected, Japan, by persisting in the law of national seclusion, would not be able to escape from
foreign incursions. Furthermore, with the contradiction of the economic framework of the shogunate system and domestic trouble, how could ‘any plan of defence’ be effective against ‘revolts of poor people’ domestically? This is precisely what ‘the harm of national seclusion’ is. Yokoi tried to give his assumption and suggestion for the conversion to ‘the world’s nations trade through free navigation to each other like the vicinity’ system in the context of ‘politics of revolutionary thrift’ by sages through ‘real reason of universal public’ here (Nippon Shiseki Kyokai [1977a], 32).

3 The industrial structure and the export-oriented industrial policy pattern of the Fukui han

The realistic transformation of economic system for the Fukui han is natural to originate in the duty through the ability to having control over Kuni (namely Fukui), although governing a country is possible for the first time because of the ability to ruling Japan (Nippon Shiseki Kyokai [1977a], 32). Through the way of public welfare, this is a vision whereby the Fukui han would become the model of the political economy and, by extending it, the political-economy model of all of Japan.

If ‘faith with the foreign country’ are firmly defended on ‘the way of trade’ as ‘public way in accord with the circumstances of the world’, and then, ‘if new profits by an overseas trade is formulated as a strategy of financial procurement, the vassal need not increase taxes to the life goods and Komonomonari of the people who do not obtain a lot of earnings. Therefore, the han government need not become thieves by ‘politics of money-making in the country’ (Nippon Shiseki Kyokai [1977a], 33).

(1) The law of the monopoly system of the Fukui han before opening up the country
Let us explain by using chart 1: ‘the law of the monopoly system of the Fukui han before opening the country’. Arrow A is provided for the han government about specific products or manufactured products at all events. This supply condition is controlled by the final demand degree of the product, competing goods and each purchaser’s range and condition (especially with D).

As the offered price of arrow B by the han government basically assumes the buyer’s monopoly, the government tries to lower and suppress the purchase condition of arrow C as much as possible according to ‘the politics of moneymaking’. The han government tries especially to suppress the amount of purchases of B and to acquire the maximum earnings, looking at the value of sales in E. As for Kuramono and their stock period of supply-demand, the confidence of han note and the warehouse bill, etc. are used, and they are operated to expect larger earnings. The han government in Kumamoto behaved ‘like merchants’ by the direct control work method of the han-owned plant in the market, including the provision of technological improvements as a business.

However, we cannot believe easily that ‘private people’ accepted the buyer’s monopoly by the han government with regard to various products, where the opportunity for making big earnings was expected. If possible, it is assumed that they were sold to ‘merchants’, as arrow D shows. However, as for specific products and manufactured products that a demand expansion and new development were able to expect, any hans held the authority of the wholesale price discrimination by the buyer’s monopoly. Moreover, it was usual for information on the greater demand, such as in Osaka and Edo, was held by the wholesale stores and the brokers in these regions. As Yokoi said, the prices of specific products and manufactured products from ‘private people’ in those territories were ‘half the price’ of the wholesale prices in Osaka.
and Edo. If the han government purchased them, this would likely be at a price that was less than ‘half price’.

In the arrow E, the competition with other hans, the good and evil of their quality, their bid sales system (the stock companion’s setting and operation), the fund condition and the method on enforcing a monopoly system in the han government, and various dealings like allotment of transportation fees and commissions cost from the local territory to large demand, are related to the dealings of the han government and the merchants. The quality in Arrow F affects not only the amount of sales but also the net revenue, depending on charges such as business taxes and the forced contribution.

In the case of ‘Merchants’, they have the real power about all specific products and manufactured products of han. As for the knowhow of direct management work method including the risk-bearing and the technological quality improvement in Kuramono, any fundraising from monopoly enterprise, and the maintenance and development of market
organizing of nationwide scale or the marketing channel excluding Osaka and Edo through Kabu-nakama (trade guild) such as wholesale stores and brokers (arrows $GH$), they cannot help relying on merchants’ ability. As Yokoi said, the price, the quality assessment operation, and any information controls on the negotiations were naturally believed to be performed by Kabu-nakama.

Yokoi’s explanation about ‘the law of the monopoly system of the Fukui han before opening the country’ was a criticism of the han economic policy in a similar manner to the contents of the ‘politics of moneymaking’ in Jimusaku in relation to the Kumamoto han during the Tenpo years.

(2) The industrial policy of ‘enriching the country’

On the other hand, the industrial policy of ‘enriching the country’ to become rich for the han government, the samurai, and the ordinary people, first of all should examine the overseas situation and the ‘Yokohama and Nagasaki’ markets like Arrow 3. Arrow 2 shows the demand of ‘private people’, specifically purchase provisions covering various transport costs and miscellaneous expenses from the han to open ports according to this market price. With regard to the recent situation of the ports being opened, as the specific products and manufactured products of the Kuni were international commodities too, they could be expected to have a competitive advantage, although it depended on the presence/absence of the information-collecting ability of ‘the mercantile houses in Yokohama and Nagasaki’, as illustrated by Arrow 3.

Therefore, ‘high prices’ that had hitherto not existed could be expected for these products, as shown by Arrow 2.\footnote{In particular, the raw silk that worldwide was in short supply as a result of a disease outbreak in Europe is an example of this case.}
people’ corresponding to Arrow 2 increased naturally, ‘products in the country’ became the object of the production increase, and earnings reached several hundred thousand ryo as a total. Of course, as it was impossible to purchase all products, some of them were sold to merchants.

However, the han government changed its position on this being an official monopoly, and it approved of merchants buying and selling publicly (Arrows 7 and 8) in a manner that was different from the past monopoly system (Arrows 1 and 2). According to Yokoi, market prices were set by the ‘big merchants’, and through them, ‘Kaisho’ (the meeting place) was established in Fukui and Mikuni. Then the establishment of the trade market by the ‘Kaisho’ organisation investigated the dealings of wealthy farmers and wealthy merchants.

The organisation of ‘Kaisho’ should pay attention to the selection of Motojime (President). Through the framework created by him and his companions, ‘Kaisho’ should deal with the cargo collection of products freely. Above all ‘Kaisho’ is organised on the location of ‘Fukui and Mikuni’. Neither Osaka nor Edo were came the direct administration of the shogunate when they attained real power with the central issue of price formation, although it was actually organised in Fukui (Nippon Shiseki Kyokai [1977a], 33). Even if there is a link of the political cost of the han with the economic factor, as the production location relates to problems of shipping expense between regions, production cost, stock expense, and communications cost etc., it is more advantageous to control of real power in the castle city and the outer port for it. When ‘ports in Yokohama and Nagasaki’ or foreign countries are considered as the market, as the reason for the sales base, there is no reason that has already been limited only domestically.

Through reviewing arrows $1 \rightarrow 4 \rightarrow 6, \ 7 \rightarrow 9 \ or \ 7 \rightarrow 11$, even if the
Chart 2 The industrial policy of ‘enriching the country’

supply reinforcement is practicable and it is possible to secure the marketing channels of those products for export, the problem is whether the export capacity can really promote ‘private people’ to a possible business scale.

If ‘Kaisho’ by the route of Arrow $3 \rightarrow 2$ certainly transmits that information to ‘private people’ through the han of Arrow $10$ and $11 \rightarrow 3$, the uncertainty relating to ‘trade’ can decrease cumulatively, and an increase in supply as a result of the synergy effect can be hoped for. However, because past investment in those products was capital investment from the viewpoint of the ‘merchant’, ‘even though products
are made or tend to increase', to engage in capital investment, businesses in the past could not have succeeded because of a lack of funds, the character of products, the structure of the external market, and the uncertainty of the scale selection between various activities. In particular, compared with Kuramono, which was domestically oriented, the industrial policy of ‘enriching the country’ based on the trade including foreign countries is not small at the rotation of the business fund and at the risk according to troubles and periods. Therefore, to solve these problems, as for the fundraising through Arrow 2, ‘convenience’ furnished ‘private people’ with low interest or interest free is explained. Yokoi suggested that this type of loan should be loan funds provided by government, such as motoshikomi\textsuperscript{12), fujiki\textsuperscript{13), and ‘cost of night soil’\textsuperscript{14). Because loan funds were provided by government, ‘private people’ did not have to deal with ‘business funds charged at high rates’ by merchants in uncertain undertakings. In the course of arrows 1 → 4 → 6, ‘even if loan funds by the government were not able to recover the profits of the principal, the profits of the government would be obtained from abroad’ (Nippon Shiseki Kyokai \textit{[1977b]}, 34).

Next, where financial support was arranged in order to promote domestic and foreign dealings, problems of ‘various articles, machines and methods to their growth and manufacturing methods for the private sector’, and moreover the infrastructures necessary to construct these technologies in the wider sense could not be avoided. If ‘private business’ tackled such problems of ‘various articles, machines and methods to manufacture them or their growth and manufacturing methods’, these

\textsuperscript{12) The cost of preparation or the adjustment costs for providing the framework.  
\textsuperscript{13) It was not only millet, but also meant government loans for relief in times of economic difficulty.  
\textsuperscript{14) Human feces used especially for fertilizing the soil.
problems had widespread external effects. On the other hand, it is necessary to have the aspect of public knowledge value. Then, though Yokoi maintained that ‘at first the office tried to conduct an experiment on various articles or services, and after such an experiment it is necessary to guide people through a conscientious compassion’, this also had one side of the intellectual superiority by the han which would like to hold a leading part of production and the sale that might disperse outside the domain (Nippon Shiseki Kyokai [1977b], 35).

However, according to Yokoi, under qualification of public knowledge in the intellectual superiority by the han, though it can develop much production methods, farming, and an appliance including ‘sericulture art’, and though by the way of them he agrees with the experiment of the han that practises the efficiency of which ‘human strength is omitted very much’ or increases labour and capital of productivity; safety as the obligation of public organization should be opened to people ‘to not only examine it enough in the han government but also win people’s trust’. It is the reason why ‘popular feelings’ repulse and social friction grows, ‘even if these are convenience new matters are forced’ (cf., Nippon Shiseki Kyokai [1977b], 35). Realistically, the past technique, the resource distribution (manpower, an industrial tradition, their related field, and natural resources and climate), the culture and the history tradition in that region are important. Because there is still concern that an easy improvement only as for economic efficiency may cause social friction and bring a negative effect in the whole society (ibid.).

Though it has described here about special products, the things that ‘rice and money are lent, convenience is taught, and their profits are derived from their active business’ is the same as the entire ‘commerce and industry’ sector. This policy aimed for making engaged in working
of the export promotion type through which ‘fellows of idleness were made to start in each occupation according to their favour’, and to make it use for ‘enriching the country’. And, it imagined ‘loans’ concerning them if there were lack in the fund, the technological problem, the know-how, and information to establish in such fields (Nippon Shiseki Kyokai [1977b], 35-36). In a word, Yokoi sought to achieve the target of ‘enriching the country’ through an industrial policy and a development strategy that focused on opening the country, replacing the thinking of the han administration, which had considered only the fiscal revenue and the expenditure of the han up to that point. Such an industrial policy can equally be understood as uniting ‘private people’, who thus far had been divided according to their ‘agriculture, industry, and commerce’ activities, as economic agents. Moreover, it presents a picture to ‘private people’ that the ‘persons in charge of the han government’ have to work within the framework of any management or monitoring mechanism with the utmost effort.

(3) The method of ‘the general exchanger of domestic products’ as actually practised in Fukui

The point that the method of ‘the general exchanger for domestic products’ actually practised in Fukui’ by the chief of the Production Bureau, Mitsuoka Hachiro (known as Yuri Kimimasa), and kanjo-bugyo (commissioner of finance in Fukui), Hasebe Zinbei replaced the industrial policy of ‘enriching the country’ of Yokoi illustrated in chart 2, was ‘the general exchanger for domestic products’ which Yokoi called ‘big-merchants’ or ‘Kaisho’. ‘The general exchanger for domestic products’ was constituted of the motojimeyaku (securer of the foundation) and the tonya (wholesale merchants), and the han government (that is, the council of the Chief of the Production Bureau, the magistrate of
the city <Fukui>, the commissioner of finance and kori-bugyo <the magistrate of the county>). This body played a supervision, guidance, and adjustment role for ‘the general exchanger’, ‘private people’ and the Fukui mercantile house in Yokohama, and the Nagasaki trade. In a word, the transactions of private products were unified by ‘the general exchanger for domestic products’. Although the role sharing between ‘big merchants’ for private products and the han government was not clearly set out in Yokoi’s idea, the role of ‘the general exchanger for domestic products’, as practised in Fukui, established the form of the transaction method.

4 The model of political-economic policy: An imitation of the West or an original political economy?

The last important question is whether trade and commerce are a form of Western institutionalisation or whether the policy conversion is an original form of political economy if put at the centre of the political system. Yokoi said that any claim that engaging in trade and commerce was an imitation of the West was superficial. That is, according to the sages in ancient China, a development policy that prioritised trade and commerce and enriched society was the system of political economy that existed originally in East Asia (Nippon Shiseki Kyokai [1977a], 38).

As shown by the Shujing (the Book of History), in the oldest classic, in which sages’ thoughts were collected as the peculiar theory of heaven and earth, six of the fundamental laws between heaven and earth relate to trade (that is, laws that are added for mankind’s life through water, fire, metal, tree, soil, and corn). By using them, Yao and Shun developed the country by promoting a form of trade according to the ‘reason of nature’, namely ‘three types of conduct’ (‘virtue, usefulness, and public welfare’) (ibid.). Next, ‘U’, who succeeded Shun, accomplished
the ‘encouragement of new industry’ and made social infrastructural improvements in ‘nine rivers and the seven seas’, encompassing flood controls, canals, harbours, and circulation. He bore in mind so that both the population and overall wealth could grow. ‘Three generations of Yao, Shun and U’ are basic components of the political economy in the East long ago, and their policy thinking is ‘the basic principle of morals (beneficence, education, and benevolent rule) which the sages established’ (Nippon Shiseki Kyokai [1977a], 38).

The industrial exploitation and opening ports which came up the wide policy platform through ‘public opinion’ based on doctrines of Yao, Shun and U and well, became steps to ‘enriching the country’ by samurai and people (Nippon Shiseki Kyokai [1977a], 348). ‘Politics of money-making’ based on , so to speak, ‘selfish motives after Qin-Han dynasty’, which only the han government aimed in fact and ‘(political economy’s) scholars so far in Tang (China) and Japan overlooked any serious defect of selfish motive’, obtained the chance to ‘do ablation’ by way of ‘the public way of the world’ by ‘the reason for international trade’.

Therefore, the mechanism of the shogunate system never had any legitimate in sage’s genealogy. ‘When the peace and the security of the nation were realised, though all members of the loyal staff exerted their capacity owing to the stability and prosperity of the family of Tokugawa’, they had not looked back to ‘all of the people’s happiness’.

On that account, in the political-economy to make steady ‘private affairs of the family’, ‘lords of hans also wish for the prosperity and security of their family only with sovereign and subjects together along this line. Owing to becoming the custom where a neighbouring han is considered enemy, all shogunate, daimyos and their good government officials have prejudice of the national seclusion, and are going to shut their country.
Moreover, because not only these matters but also the territory country and their human nature try to shut, such a situation without ‘interactive opening to traffic and communication’ among people cannot escape any disadvantage and any damage. As they gave themselves to the monarch and just thought of the Tokugawa and each han selfishly, happiness of general people was spoiled and trust of people to the government went away’ (Nippon Shiseki Kyokai [1977a], 38-39).

In contrast to Japan, the U. S. since Washington has strictly carried out three major policies (renunciation of war, to become rich in the political-economy by seeking knowledge, and to hand over the power of the President through choosing a sage like Yao, Shun and U). As a result, it has succeeded to introduce and apply ‘all excellence of the world’ from the legal system to instrument/technology with the viewpoint of publicness. The event exactly is ideal politics by glorious reign. In the case of the UK’s political-economic system, it is a form of public consensus that ‘is familiar with the conditions of people’ and that ‘consults with people by all means’. About the economies of such the U.S. and the U.K., ‘they correspond to politics and education, and are the political-economy by ethics for people. This corresponds exactly with the political and educational systems of the three generations of Yao, Shun, and U’ (Nippon Shiseki Kyokai 1977a, 39-40).

However, Yokoi noted the following: ‘I do not dare respect the Western style. Moreover, I won’t say “imitate Western civilisation, and its art and science system.” I do not want you to make a mistake in this regard’ (Nippon Shiseki Kyokai [1977a], 38-39). The creation of the West’s ‘wealth and power’ of the West was, for him, due to ‘world trade’. According to the standard of ‘the public way’ by ‘the righteous road’, Yokoi as a Confucian scholar derived universal ethics from an individual/family to han administration/Japan/the world, based on a
well - cultivated mind of real learnings and ‘public opinion’.

If the discrepancies that arise at various stages are caused by Yokoi’s standpoint, their gaps can be resolved by the policy objective of ‘enriching the country’. The policy instruments that can smoothly solve them are the various industrial policies aimed at ‘enriching the country’ and are ‘practised’ by the financial policy of capital creation in the form of ‘the Dajokan-satsu’ issued by the Daijokan (the Grand Council in the Meiji new government) in place of ‘han note’.

**VI Conclusion: Yokoi after ‘enriching the country’**

It is said that the practice of Yokoi’s doctrines by Mistuoka at first started business through one hundred thousand ryo by ‘silver note’, and especially was lent through each business within the Fukui han and ‘the general exchanger for domestic products’. Hundreds of thousands ryo were saved as specie including the Ezo trade (now Hokkaido trading) in the safe of the Fukui han from the first fiscal year of Bunkyu periods. The finance of Fukui that the deficit of several tens of thousands of ryo had been continued under monopoly system, became reversed situation (cf. Matsuura [2000], 181-182; Mikami [1999], 77-88). The action of the enriching country plan by Yokoi brought a large effect to the Fukui han, and its existence became well-known in the whole country.

The Fukui region got excited over the boom. Not only agricultural/industrial/commercial class but also the development of industry by samurai arrived at much active situation. In spite of Mistuoka coming from the Fukui han that had supported the shogunate system, the practical success he achieved in industry and the monetary policy guaranteed his position as one of the main statesmen in charge of the finance department of the new Meiji government and the section that encouraged new industry with ‘the Dajokan-satsu’ (the Meiji government’s paper
money) and the policy of the Commerce Office.

Up until then, there had been no political economist who ‘discovered
the foundation of Confucianism as a principle of exchange all over the
world’, and accomplished the unification of theory and practice according
to ‘this success’. After the Qin-Han dynasty, ‘(the governments’) private
views of the country’s isolationist stance were never sincere’. Therefore,
the usual doctrines applied in the previous political economy were only
satisfied with the interpretation of religious scriptures. The unification
of the theory and policy of Yokoi’s political economy was to understand
that ‘to control house and country is the same thing as knowing the
way of sincerity over the world under Yao and Shun. This is true for
Jitsugaku. Only this learning can treat the impossible phenomenon in
the past doctrines’ (Nippon Shiseki Kyokai [1977a], 350).

When searching for the truth of Eastern learning from ancient times
and arriving at the theory and the policy of ‘three generations of Yao,
Shun, and U’, Yokoi examined the following questions. Why did the
shogunate system suffer from confusion and why did it suffer from the
external pressure of the Western powers? Yokoi himself understood
these matters seemed to be ‘impossible phenomenon’ after the late Edo
period. He was able to aim the political-economic system at ‘enriching
the country’ through ‘private business’.

The thinking of the basic policy of the Meiji government, that is, the
‘Imperial Covenant Consisting of Five Articles’, made know in March
1868, was not irrelevant to Yokoi. As a Confucian, he was able to
receive the status of ‘Jushii-no-ge (Junior Fourth Rank, Lower Grade),
Sanyo (councillor)’ after the Meiji Restoration, and participated in the
planning of the new government. However, the modern Meiji was after
all ‘his last will’s days’ for this scholar who was born in the Bunka
era and completed his achievement in the Tenpo era. Yokoi who has
already been sick doesn’t seem to have spent the Meiji era long too much even if not assassinated in Kyoto 1869.

Investigating ‘the learning of truth’ from the method of recognising the comparative system, as a result, after Restoration, the purpose and the procedure as political-economic policy model by ‘enriching the country’ and ‘open discussion’, were left. Beyond the ‘encouragement of new industry’, how did Yokoi’s policy thinking connect with an original political economy model based on the modernisation process after the Meiji era? Investigating such an issue seems hugely important today.

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