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His recent publications include:

1. Social Economics in Japan, Chikuma Shobo, 1999 (Japanese)
2. (Coed.) Competition, Trust, and Cooperation, Springer, 2001. (English)
3. Viennese Economic Thought, Mineruba Shobo, 2004 (Japanese)
4. Political Economy: Knowing Capitalism, Nagoya University Press, 2006 (Japanese)

Emergence of Marxian Scholarship in Japan: Kawakami Hajime and his Two Critics

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Abstract : This paper explores into the history of Marxian economics in Japan and discovers in the criticism of Kawakami Hajime (1879-1946) by Kushida Tamizo (1885-1934) and Fukumoto Kazuo (1894-1983) in the early nineteen-twenties the emergence of Marxian scholarship in Japan. Kushida criticized his mentor's moralistic traits and Fukumoto attacked Kawakami's negligence of methodology and systematic structure of Marxian thought. Accepting the criticism of both, Kawakami transformed himself to a Marxian economist and through his prolific writing provided Japanese youth with the standard knowledge of Marxian economics. Of the two critics of him, Kushida was more oriented to empirical research, while Fukumoto was more theoretical. In the mid of the ninety-thirties, all of the three left the front of the intellectual world and a new generation of Marxian economists appeared. However, in my view, all of them were deeply indebted by the scholarly horizon that had been developed by the three forerunners.

【This is an abridged conference version. The full text with referential notes is available in the *REKISHI TO KEIZAI (Journal of Political Economy and Economic History)*, no. 194 (Jan. 2007), pp.34-45..】

I. Kawakami's Way to Marxism

Kawakami Hajime's *Tale of Poverty*, which had been originally published as a series of articles in an influential newspaper *Osaka Asahi Shimbun* from September to December 1916, became a bestseller then when it appeared in a book form in 1917. This book presented a novel perspective and taught the Japanese people that the industrial growth of a nation cannot by itself solve the problem of poverty; in fact, it merely exacerbates this problem through new urban pauperism. This understanding was the common base on which the academic discourse of social scientists in pre-war Japan had developed. However, in May 1919, he ordered the publisher to cease the printing of the *Tale*, which had counted 30 times additional printings since its appearance. What is the reason of this abrupt decision?

When this book was published, he was not a Marxist but was still a member of the social policy school camp. In the last part of the *Tale*, Kawakami mentioned three measures for solving the poverty problem: (a) the voluntary restraint of luxury by the rich, (b) the remedial distribution of wealth, and (c) social reorganization that shifts production from the private to the public sector. Among these three measures, Kawakami had recommended the first (a), while the second (b) was a standard recommendation of the social policy advocates.

In 1919, Kawakami's view began to shift from the prevalent thought of the camp of social policy scholars. In January of that year, he launched his one-man journal, *Research in Social Problems*. In the Preface of the first issue, he wrote the following: "I examine various social policies under the ultimate criterion of the fundamental solution of social problems." At this point, it is important to note that although his views were beginning to differ from the thought of the social policy school, he continued to use the term "social policy" and named his journal "social problems"; nevertheless, with the introduction of the "ultimate criterion," he would make a revolutionary break from the traditional concepts of the social policy school.

The first step toward Marxism was taken when Kawakami rejected the remedial distribution policy as the solution to the poverty problem. When Kawakami reused the text of the *Tale* in his *Current Views on Social Problems Revised* in 1920, he left out the second measure (b). This standard measure of the social policy school could not pass the test of Kawakami's "ultimate criterion." However, the appeal to the morality (a) and the social reconstruction (c) measures were retained and revived as the two wheels of the moral and social revolution.

During the years when Kawakami was writing the *Tale*, he found economists to be caught in a dilemma between the production and distribution principles. The former represented self-interest and efficiency, while the latter represented distributive justice. According to him, none of the contemporary economists could answer which of these two held primacy. This was a typical dilemma faced by the economists of the social policy school. In his new year's contribution to *Osaka Asahi Shimbun* in 1918, Kawakami compared himself with a prisoner detained under an indeterminate verdict and called for the

emergence of the second Adam Smith who could solve this dilemma.

The deletion of the remedial distributive policy is evidence that Kawakami fled from this dilemma of the social policy school. Under the changing intellectual and political climate after the Russian revolution and the Rice Riot, he read Marx's works in their original text and realized the deep cleavage between revolutionary socialism and social policy. Thereafter, Kawakami adopted the former and implied this in the Preface of the first issue of *Research* through the expression "the fundamental solution of social problems."

He took the second step toward Marxism by reconsidering the concept of moral revolution. In his article "Spiritual Reconstruction and Material Reconstruction (March 1921)," Kawakami deprived the moral revolution of its independent value and interpreted its value as the mental preparation for a revolutionary material reconstruction. According to this interpretation, the voluntary moral revolution was not an alternative measure to social revolution. In fact, it was relocated in the realm of individual motivation for involvement in the social revolution as a whole. Moreover, with regard to himself, Kawakami believed that he could confine his moralist disposition in the spiritual realm and that it would never interfere with the logic of social science. As long as he was successful in doing so, he would face no hindrance in accepting Marxism as a doctrine of social revolution. However, this was merely the middle point of his journey to Marxism.

II. Kushida Criticizes his Mentor's Idealistic Traits

Prior to his involvement in the illegal communist movement, Kawakami had a close follower as well as an attentive critic in his ex-student Kushida Tamizo. Despite his respect for Kawakami, Kushida did not refrain from criticizing his mentor's works. In the process of Kawakami's shift to Marxism, Kushida's criticism of his writings had three or four agendas.

The first was regarding the causal relationship between luxury and poverty. The core theoretical argument in Kawakami's *Tale* was that the absorption of productive elements in the production of luxury was the cause of poverty. This was clearly not a Marxian argument. In response to this argument, Sakai criticized Kawakami by stating that the elimination of luxury consumption of the rich would not increase the welfare of the poor, unless the poor acquired greater purchasing power or the capitalist produced for the poor with no remunerations.

Kushida's criticism was that Kawakami had assumed the causal relationship between poverty and luxury inversely. According to him, "the emergence of luxury in society is a product of poverty. Luxury is not the cause of poverty." However, such an interpretation was a naïve intuition of the Marxian idea of exploitation. The income of the rich is derived from the surplus value that is exploited from the poor (laborers). However, at this stage,

both Kawakami and Kushida were not well versed in Marxian economics. Kushida maintained that the social problem was one of distribution problem (poor distribution) and not production (luxury production). This criticism resulted in the author of the *Tale* revisiting the dilemma of the production and distribution principles in 1917.

The second was related to the moralist disposition in his understanding of economic thought. Kushida's most impressive critique was presented in his review article on Kawakami's *Historical Development of Capitalist Economics* (1923), namely "Does Socialism Face toward Darkness or toward Light?" (1924).

In the book that Kushida reviewed, Kawakami described the development of economic thought from B. Mandeville to the classical economists; this thought reflected the heyday of the capitalist age. He then interpreted J. St. Mill's position as a self-criticism of capitalist economics and finished with T. Carlyle and J. Ruskin's humanitarian economics. After some complaints regarding Kawakami's weak treatment of morality in economics, Kushida voiced his disagreement on the association of Carlyle and Ruskin's aristocratic reactionary thought with the advent of socialism. According to him, an economic that can transform society emerges as the demand for the representation of a partial class interest and grows in the struggle for it. Kushida, thus, denied Kawakami's idealist vision that socialism is anticipated in the minds of scholars that keep aloof from the world and think for mankind as a whole.

Further, Kushida found an idealistic bias in Kawakami's interpretation of the labor value theory. Kawakami's ahistorical interpretation of the Marxian value theory, was the third agenda behind Kushida's criticism of Kawakami's works.

In an article published in response to a critique of Marx by Koizumi Shinzo (1888–1966), Kawakami defended Marx's labor theory of value and interpreted his concept of value as the "cost value seen from the viewpoint of mankind as a whole." Apparently, Kawakami extended the Smithian real cost view of individual labor—labor as an individual's sacrifice for acquiring a product—to mankind as a whole. "The so-called value of Marx is nothing other than the cost value considered from the viewpoint of mankind as a whole. Therefore, it is natural that this value when considered from the viewpoint of a class society has a different content from that which is considered from the viewpoint of mankind as a whole. In a class society, the so-called value of Marx is not valid; thus, the exchange of goods does not occur according to the Marxian value."

In Kushida's opinion, "value" is not an eternal category as Kawakami conceived from his peculiar viewpoint of "mankind as a whole". It emerges within the society as a result of commodity production and disappears with it. In other words, the Marxian value is "a scientific representation of certain relations of production" that exists in the historical reality. He argued that in the absence of such a materialistic perspective, production price would lose its linkage with value, as there is no other means to understand the production relations of a capitalist economy other than those that develop due to commodity

production. He further revealed his anxiety that Kawakami's concept of a classless "mankind as a whole" might lead to legitimizing the collaborative policy between capital and labor.

Kushida's criticism compelled Kawakami to consider the materialistic view of history seriously and assimilate it as a part of his thinking. Kushida's fourth criticism was related to Kawakami's erroneous adoption of the relativistic interpretation of causality in the materialistic view of history. In "Materialistic View of History and Causality" published in *Research* in September 1924, Kawakami adopted a relativistic view of the causality of Ernst Mach that had been introduced by an authoritarian Japanese physicist. Kawakami's reinterpretation of the determinate relationship in the materialistic view of history as a correlation of the substructure and superstructure promptly brought forth Kushida's disapproval.

III. Fukumoto Introduces the Consciousness on Methodology

Fukumoto Kazuo was a young professor who had recently returned after studying in Germany and France; upon returning, he began contributing to the journal of the communist group, *Marxism*. The first article he published in December 1924 with the title, "Argument on the Range of *The Capital* in Marx's Critique of Political Economy."

In this article, Fukumoto conceived the totality of the modern bourgeois society as an enlarged reproduction process of the following four-layered system: (1) pure economic process, (2) state process (political process), (3) conscious process, and (4) international process. Based on this construction, he defined "the unified totality of all the processes" as the object of criticism in political economy and identified its final purpose as "clarifying the law of economic motion" of the modern bourgeois society. According to him, the range of *The Capital* is confined in the abstract part of the pure economic process, and to obtain the law of real motion of capital, one has to consciously apply the methodology to the analysis of advancing history.

This position was a criticism of the debate on accumulation and collapse between Fukuda Tokuzo (1874–1930) and Kawakami in 1921–1922. While Fukuda argued for the eternal growth of the capitalist economy based on Tugan Baranovsky's view, Kawakami rebutted it on the basis of Rosa Luxemburg's view of deficit of demand in the extended reproduction process. However, as observed by Fukumoto, both Fukuda and Kawakami had directly interpreted an abstract possibility in the analysis of the extended reproduction process as the law of real motion of capitalism.

In the following contributions, Fukumoto dealt with the methodology of the criticism of political economy. In his view, previous Japanese Marxists were not aware of the dialectic method of materialism. According to him, this method implied the downward way

of analytic abstraction and the upward way of synthetic construction that he had observed in Marx's *Introduction to the Critique of Political Economy*. Fukumoto interpreted this dual way as the method of logical abstraction and construction as well as that of recognition and reconstruction of the historical totality of the bourgeois society. Before Fukumoto, this dual way methodology was not known to Marxists in Japan.

Fukumoto applied this methodology to commodity as the starting point of *The Capital*. In the interpretation of the commodity, Kawakami and Kushida had different opinions. Kawakami regarded the commodity as an "abstract commodity" without historicity, while Kushida interpreted it as a "simple commodity" that existed historically in the pre-capitalist stage of society. However, by applying the dual way methodology, Fukumoto maintained that in its relationship with the capitalist commodity, the simple commodity has both abstractness and historicity.

Further, Fukumoto impressively used his concept of totality and the dual way methodology in his reconstruction of the materialistic view of history. For Fukumoto, the materialistic view of society was the "observation of the totality from the necessity of affairs, and the essence, further to the motion." He renamed every layer of social formation with the dynamic term "process," which implies both reproduction and transformation: the pure economic process, the state process, the consciousness process, the international process, and, finally, the world process.

Apart from presenting the grand perspective and numerous impressive citations from Marx's works, Fukumoto's peculiarity lay in his emphasis on class consciousness and class struggle. According to him, in the modern bourgeois society, only the property-less class had the privileged position that could recognize the society with its mediation (Vermittlung), in its formation (Werden), and in its totality (Totalität). Further, the consciousness of the property-less class provided intellectuals with the chance to solve the dilemma of the theoretical recognition and the real praxis. Thus, the assimilation of the materialistic view of society was necessary to acquire the "class consciousness" of the property-less class.

Fukumoto's appeal to the youth was not limited to providing a fresh insight into the system and method of Marxism. Rather, it set forth a political movement that led to the second foundation of the Japan Communist Party (JCP) in December 1926. The first Communist Party that had been founded in July 1922 had dissolved in a few years. However, around 1925, owing to the changing sociopolitical scenario of the country and the growing prominence of the communist group that maintained the legal journal of Marxism, there was an opportunity to establish a new political organization. Therefore, the leader of the first JCP, Yamakawa Hitoshi (1880–1958), proposed a common front party under the banner "Direction Turn." Fukumoto (under the pseudo name Hojo Kazuo) challenged him with the Leninist organization principle of the formation of a pure political core of conscious activists. Fukumoto's theory ("separate clearly before uniting!") was adopted by

the group that aimed to reorganize the Communist Party. In legal publications, such as the Marxist, the new direction, i. e. the "direction turn of the 'direction turn,'" was accepted as the acquisition of pure "class consciousness" based on the understanding and interpretation of Fukumoto's works. The opposition groups that did not join the reorganization process attacked the new direction and termed it "Fukumotoism." Similarly, the direction for a mass front party that had been proposed by Yamakawa was termed "Yamakawaism."

IV. The Horizon Acquired

Kushida's attitude toward Fukumoto was clearly evident in his review article that dealt with Fukumoto's *Methodology of the Critique of Political Economy* (1926). In this article, Kushida first presented a skeptical view of Fukumoto's emphasis on the methodological text that Marx would have deleted from his grand plan of the *Critique of Political Economy*. Moreover, he maintained that Marx had never urged his readers to grasp the methodology. Finally, Kushida recommended that the reader bring the method into practice, particularly in empirical research.

However, Kushida's call for a greater focus on empirical scholarship was not one that Kawakami followed. As Yamanouchi Yasushi suggests, Fukumoto's emphasis on class consciousness might have strongly appealed to Kawakami's idealistic mind. In his reconstruction of the materialistic view of history, Fukumoto included two layers, i.e., the "state process (political process)" and the "conscious process," between the "pure economic process" and the "international process." In the former, he included all the social life processes (political, juridical, familial, religious, moral, and pedagogical life processes) that are determined by the material production process. In the latter, he focused on the intellectual production process that produces the various forms of social consciousness (ideas and ideologies). In this section, he described fetishism and reification under the capitalist system of commodity production and emphasized on the advantage of the class consciousness of the property-less class in the recognition of social relations.

Kawakami, who was charged with ignoring the abstractness of the analysis of *The Capital* and neglecting the political process, disagreed with Fukumoto on the location of the "conscious process" as well as the "forms of social consciousness" that appeared in this process. In "On Marx's 'Forms of Social Consciousness'" in January 1926, he maintained that "some of the forms of social consciousness (...) which has an inseparable connection with the 'real base' which constitutes the economic structure of society. These forms of economic consciousness are interwoven in the basis." According to him, there is no "pure economic process." "Thus, a study of the economic structure of society means a study of the dominating forms of social consciousness."

Moreover, after a year, in response to Fukumoto's anti-critique that Kawakami

assumed a classless economic consciousness and neglected its contradictions, Kawakami wrote that “It is a great mistake when one supposes that the consciousness under a class society is always split in terms of classes. ... Even in the laboring class, the naturally growing consciousness is an ordinäre Vorstellung, i.e., a Bürgervorstellung (bourgeois concept).” Therefore, it was the duty of scientific criticism of political economy to assist the laboring class to attain the critical consciousness of the existing social order. This was another interpretation of Marxian scholarship that differed from Kushida’s empirical direction.

V. Shifts in the Debates

Fukumoto, who introduced the total vision and methodology of Marx’s critique of political economy to the intellectuals of Japan, lost his influence after the Comintern’s criticism. He was arrested in June 1928 and was imprisoned for fourteen years. On the other hand, owing to government pressure, Kawakami had to leave Kyoto University in May 1928. His subsequent works reflected intense partisanship as opposed to independent scholarship. Thereafter, in January 1933, Kawakami was also arrested for his involvement in the illegal activities of the JCP. Meanwhile, Kushida continued as an academic scholar and furthered his investigations on the analysis of the agricultural problem of Japanese capitalism. Through the rest of his life, Kushida remained completely devoted to his research; however, he died abruptly in November 1934. Thus, around the mid-1930s, all three of them exited the center stage of the debate on Japanese Marxism. Therefore, the subsequent debate on the nature of capitalism in Japan was to be raged by a new generation of Marxian scholars that were divided in the Koza school and the Rono school.

In his retrospective address in 1974, Yamada Moritaro (1897–1980), one of the leading scholars of the Koza School, mentioned three debates that contributed to the emergence of the theoretical studies of Marxian economics in Japan: (1) the debate on reproduction and accumulation of capital, (2) the debate on value, and (3) the debate on rent. In his opinion, 1921, the year in which the first debate began, was a memorable year in the history of political economy in Japan.

All three debates were initiated by critiques on Marx’s views by non-Marxist academicians. In the first and second debates, both Marx’s critics and defenders borrowed extensively from Western scholars, and occasionally, the critics’ knowledge of Marx surpassed that of the defenders. However, these debates between the Marxists and non-Marxists soon gave way to detailed discussions among the Marxists. Kawakami and Kushida’s contributions to these debates were remarkable.

Then, how was the influence of Fukumoto, whose reputation was denied by the Comintern’s authority? Some researchers attempted to compare the three-staged system

presented by Uno Kozo (1897–1977) with Fukumoto’s argument on the limitation of Marx’s *Capital*. Moreover, it is a fact that Uno had received some hints from Fukumoto. However, based on the fact that Kawakami could appropriate Fukumoto’s theory of the “conscious process” into his view of the economic structure, it is clear that Fukumoto’s theory was not one that advocated the separation of ahistorical principles and ideologies.

Rather, I am tempted to surmise that Fukumoto’s call for totality was a product of the influence of the scholars of the Koza School, such as Yamada. Although the supporters of the JCP considered “Fukumotoism” as the worst sin that the party had ever committed, it might have had a persistent subconscious influence on them. In this case, it is most likely that the economists of the Koza School, and not the Rono School, might have been effective in reviving the idea of totality that was introduced by Fukumoto.

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