Tanaka Masaharu (1925–2000):
His Economic Study and Thought in Historical Contexts

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Abstract:
Tanaka Masaharu was born in Kyoto in 1925, and lived through the long Showa Era (1925–1989) to the Heisei Era (till 2000). He grew up in traditional Kyoto and studied there, leading an eventful and exciting life, both as a person and an academic. At Kyoto University, he studied economics and the history of ideas, and in his later graduate career, he concentrated on Max Weber, especially his Wissenschaftslehre, followed by the study of eighteenth-century France’s Morelly and Mably’s socialist ideas.

In 1959, Tanaka published a Japanese translation of a commentary by Max Weber, Der Nationalstaat und die Volkswirtschaftspolitik (1895). While his interest in Marx, Lenin, and Weber deepened, he came to know Plehanov (1856–1918), the forefather of Russian Marxism, which motivated him to study Russian Marxism. His efforts resulted in the publication of A Study on the History of Russian Economic Thought in 1967, a work acclaimed as “epoch-making” among Japanese academia. This work earned him a Doctor of Economics, and he was promoted to professor in 1968.

During his tenure, Tanaka endeavored to construct a more refined Marxian economic theory. Before resigning from Kyoto University, he founded a research circle known as “The Methodology Research Meeting” in 1973. He left the university for a teaching post, focusing on Marxist economic theory at Konan University. Here, Tanaka started a reappraisal of the legacy of social thought in the West. He read Machiavelli, Hobbes, Hume, Smith, and J. S. Mill and lectured on them. He gained a new insight into Western liberalism as the result of translating Hayek’s essays.

Tanaka served as President of the Japanese Society for the History of Economic Thought (JSHET) from 1987 through 1989. At this time, Tanaka deepened his friendship with the highly respected historian of economics, Noboru Kobayashi. In 1998, Tanaka published an English article titled “The Logic of the Genesis of Money,” as the subject of money was one of long-held interest, though his early interest in Marx proved an enduring one as it appeared in the article.

Earlier in 1985, Tanaka had published a review article, “The Academic World of
Economics in early 1890s-Britain,” followed shortly by a number of others, including “A List of the writings of A. Marshall (1872–1889).” He could not, however, complete his study of Marshall, having planned to concretely elucidate the process of formation of Marshall Economics by applying the same historical method to Marshall that he had applied in his early study on Weber. He did edit and publish a substantial book during this period: A Comparative Study of Liberal Economic Thought (1997). He had intended to publish at least two more books, with The Issues of Max Weber published posthumously in 2001. Tanaka did, however, manage to edit a small book, A Memorial of a Historian of Economic Thought, before he passed away following a long sickness in 2000, at the age of 75.

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I The Formative Years, 1925–1949

Tanaka Masaharu1) was born in Kyoto in 1925, and lived through the long Showa Era (1925–1989) to the Heisei Era (till 2000). Although his lifetime of 75 years is not very long and less than the average today, it may be said to be a dramatic one. His birthplace, Kyoto, was the ancient capital of Japan, a place of various traditional as well as modern cultures. He lived there almost all of his life, although when he was a university student, he was forced to discontinue his education as he was compulsorily dispatched to an army camp in Shikoku Island, where he was trained for five months during the last year of the Second World War. He was then dismissed when the war ended in 1945.

He grew up in traditional Kyoto culture and studied in the city of Kyoto from his childhood through junior high-school, at Sanko (the Third Senior High School in Kyoto), and then at Kyoto Imperial University. He was called “Sindo” (genius) in his childhood, and even in Sanko, his genius was quite evident, according to the memoir of his classmate (Ochi Takeomi, 1923–2006, famous historian of British History).2) Kadowaki Teiji (1925–2007, an excellent Japanese Ancient Historian) also praised his sagacity during the university days.

At Kyoto University, Tanaka met Yukiwaza Kenzo (1924–1980, who later became a famous specialist in International Economics) and Hirai Toshihiko (from Kobe, 1925–2006). Tanaka and Hirai were rivals and friends in the Deguchi School and the same Faculty of Economics for a long time. About the same time, Tanaka also met Morishima Michio (1923–2004), who was his senior researcher in Kyoto University. Yamaguchi Kazuo (1927–1986) followed Tanaka two years later.

At the age of 25, Tanaka was given a teaching post at Kyoto University (after the Imperial War had ended) and was promoted to the position of professor at the Faculty of Economics in 1968. However, he resigned in 1974 at the age of 49, owing to a trouble in the Faculty or University. He then became a professor at Konan University in Kobe. It was a hard time. However, he continued to live in Kyoto and enjoyed his life there. He presided over research meetings, and enjoyed Utai (Noh song), a kind of high culture, and the game of Go, in which he was proud of having achieved the skill level of San Dan (three grade, which means very difficult and
He led an eventful and exciting life, both as a person and an academic. He learned humanities under the influence of German Bildung-Philosophy in high school (his notes of the lectures, including those by Doi Torakazu (1902–1971), a famous professor at that time, are preserved in the Archive of Kyoto University). At Kyoto University, he learned economics and the history of ideas in the class of Deguchi Yuzo (1909–2003), Aoyama Hideo (1910–1992), and others. Morishima could attend the lectures of Takata Yasuma (1883–1972), a famous economist and sociologist, but Tanaka could not because he left Kyoto University in 1943. In graduate school, Tanaka concentrated on the study of Max Weber, especially his Wissenschaftslehre. The reason for beginning his research with Max Weber was partly his own choice and partly because of his mentor, Deguchi’s advice, who was a specialist in Weber and the French Enlightenment, including the economic thought of Montesquieu and Turgot. In prewar Japan, Marxism was already banned. German Philosophy, especially Neo-Kantian Philosophy and the German Historical School were popular in Kyoto and Hitotsubashi Universities, and, to a lesser degree, in Tokyo University. In these circumstances, Tanaka was naturally motivated to study Weber.

In Japan, during those years, Weber and Karl Marx functioned as intellectual mentors. Both analyzed capitalism from a critical point of view, and Japanese intellectuals were profoundly critical of capitalism. It seemed clear to them that the wealth and power of capitalism and nationalism necessarily gave rise to imperialism, which through competition or rivalry between major countries, aimed at colonial and territorial expansions. Besides, they could draw such a view from the writings of Hobson, Lenin, and Hilferding.

Maruyama Masao (1914–1996), Ohtsuka Hisao (1907–1996), and Uchida Yoshihiko (1913–1989), all from Tokyo University, were under the intellectual influence of Marx and Weber. After the War, they formed a kind of liberal intellectual circle later to be called the “Civil Society School.” This School had a major influence on younger generations, at least from the post-war era to the 1960s. Tanaka, as a student, was no exception.

While Uchida was famous for his study of Adam Smith, he was more influenced by Marx and Weber, insofar as he was a critic of capitalism. He wrote that he studied Adam Smith to refute him. What he meant was that Smith was a champion of liberal or bourgeois individualism and the market economy, and liberal individualism and the market economy had to be overcome by Marxian thought. But Uchida also believed that the idea of civil society had a continual value in every society, past, present and future, though the idea itself was not necessarily clear.

Thus, there was a fundamental question before Tanaka as well as others. The unique military and feudal imperialism of prewar Japan or Japanese fascism was defeated completely because of its own defects and the overwhelming military power of the USA and her allies. The essential question then was which social system—capitalism or socialism (communism)—to adopt.

The legacy of the controversies concern-
ing Japanese capitalism in prewar Japan, which were fought between Koza (Lecture) School and Rohnoh (Labor-Agrarian) School of Marxism under the influence of Comintern (The Third Communist International) were constantly recalled and referred to. At what stage was Japanese capitalism to be situated? What kind of revolution does or should Japan opt for? These questions seemed to remain unsolved. For Tanaka as well as for others of his generation, the essence of capitalism or socialism was the key question to be answered. To grasp the essence of both capitalism and socialism became his serious agenda. It is not an exaggeration to say that it was a fundamental problem for not only the economists, but also for the social scientists in general in that age.

The powerful influences of Marx and Weber just mentioned were clear in Tokyo and Kyoto Universities. In another major university, Hitotsubashi University, the case seems to have been considerably different. Indeed, there were a number of Marxist professors there. Ohtsuka Kinnosuke (1889–1977) was overwhelmingly under the influence of Marx, and the influential Takashima Zenya (1904–1990), the mentor of Mizuta Hiroshi (1919– ), was under the influence of Marx and Weber. Tsuru Shigeto (1912–2006), known as a friend of E. H. Norman (1906–1957) and Paul Samuelson (1915–2009) in his Harvard days, was Marxist but worked in wider and various fields and contributed to concrete economic problems and policies as a professional economist. Two famous historians, Uehara Senroku (1899–1975) and Masuda Shiro (1908–1997), were not deeply committed to Marxism. Mizuta Hiroshi read Marx as well as Smith, but not Weber. Hirata Kiyoaki (1922–1995) was influenced by Marx.

Fortunately, Tanaka had never been sent to the battlefields like Kobayashi Noboru (1916–2007) or Mizuta Hiroshi were. After World War II, Japan was occupied by GHQ and the new constitution was formed with the collaboration of GHQ New-Dealer and some Japanese politicians. The Japanese government and a majority of the parliament determined to become a partner of the USA. However, the academic majority opposed the peace treaty solely with the USA; they wanted an overall peace treaty with all the countries concerned, including the USSR. As public intellectuals, they criticized the government and its policy in such major journals as Sekai, Chuoh-Koron, and Tenbo, and their influence was considerable.

After spending two years or so as a graduate student, Tanaka became an assistant (at that time, this post was normally given to the most promising young researcher) in the Faculty of Economics at Kyoto University in 1950, and soon became a lecturer (whereas Morishima Michio became a lecturer a little earlier). This was the result of Tanaka’s first excellent paper on the methodology of social science by Max Weber, published in Kyoto Economic Review in the previous year.³

Tanaka’s next subjects were the socialist ideas of Morelly and Mably of eighteenth-century France. He studied them under the influence of the time after the War, when many scholars rushed into the study of socialism and communism. Like other scholars of his time, he too questioned why Japan was defeated in World War II, and why it became a military state to invade China and fight against the USA. Tanaka expected to find the
answers from studying the ideas of Marx and socialism.

Tanaka’s colleague, Hirai Toshihiko began to study the early Lukács and John Locke. Hirai was attracted by Locke when Deguchi Yuzo and Ochi Takeomi translated and published R. H. Tawney’s *The Rise of Religion and Capitalism* (1926) in 1956–59. Elder Kawano Kenji (1916–1996, a professor of the Humanity Science Study Institute at Kyoto University) studied French economic history and the French Revolution; Ohno Eiji (1922–2005) proceeded to study German capitalism, Nazism, and the Jewish problem; and Hishiyama Izumi (1923–2007) studied Quesnay and French economic thought, as well as Sraffa. Some scholars of the younger generation, who were deeply influenced by the Communist Party, studied capitalism from the standpoint of orthodox Marxism.

Tanaka’s mentor, Deguchi organized a research group that cooperated with the circle of Horie Eiichi, a Marxist professor of British economic history, especially of the English Revolution. They opposed the Ohtsuka School, and translated and published *Studies in the Development of Capitalism* by Maurice Dobb in 1954, in which Tanaka took part (chapter 5).

The liberal Deguchi School (later named the Economic Cooperative Research Circle), though a small circle at that time, continued to make its presence felt in the Japanese academic world, and many excellent scholars were associated with the School, both from within and outside. At Kyoto University, Tanaka met many superior researchers, professors, and students. He was stimulated by them and this association widened the scope of his friends and interests and deepened his thought. Sakamoto Keiichi (1925–, a specialist on Saint-Simon, French economic and utopian thought, and economics of agriculture) and Ueyama Yasutoshi (1925–, an expert on German legal history and Max Weber) were among them. Ueyama was of the same age as Tanaka, but was sent to Manchuria as a soldier and became a prisoner of war of the Soviet army in Siberia. He had returned home in 1949. Aoyama Hideo was also a specialist in Weber, and in those days, Kyoto University had a number of Max Weber scholars in a wide sense of the word.

There were a few right-wing or conservative intellectuals in Kyoto University as well as in Japan as a whole. During the war, the right-wing professors in Tokyo University and the Kyoto Gakuha (Kyoto School) of Kyoto University intellectually supported the totalitarian state policy of making a great, prosperous Empire in East Asia, and justified the territorial expansion to China and other countries, resulting in a great number of victims of war. They were severely criticized after the War.

Tanaka and his friends at Kyoto University lived seriously through the distress and critical time after the War, but had a common idea and a strong hope to make Japan a good country. However, the “good” country was not self-evident. They never used the word patriotism or the love of country. They also questioned what a good country, socialist society, liberal society, or other such terms meant. Since they did not have the word republicanism or patriotism, they could not define their idea of the nation or country in clear terms.

The words, democracy and liberalism, independence, liberty, equality, natural right
etc. were frequently used, but they were confounded and fell into obscurity, and sometimes resolved into chaos. The reasons for this chaos were too complicated. The hostility between the USA and Soviet Russia divided the world into the West and the East. This hostility reflected on the ideas of left-wing intellectuals in Japan. The cold war ultimately determined the structure of the chaotic situation in Japan.

II Young Teacher, 1950–1967

As a young lecturer, Tanaka joined the Japanese Society for the History of Economic Thought (JSHET) from the beginning, and also the Research Group for Economic Principles, which was a predecessor of the Society for Economic Theory, mainly composed of Marxist economists, Sugihara Shiro, and others. Tanaka was influenced by Uchida Yoshihiko, so-called “Denker” Uchida, and respected him more than others in this period. Tanaka’s respect for Uchida was due to the success of his book, The Birth of Political Economy (Miraisha, 1953), where Uchida described Adam Smith as a radical, critical thinker of civilized or commercial society who foreshadowed Marx. Tanaka regularly met with Uchida, mainly in the JSHET.

In 1959, Tanaka published a Japanese translation of a commentary by Max Weber, Der Nationalstaat und die Volkswirtschaftspolitik (1895). The translation was widely read and Tanaka became known as an eminent scholar of Weber (Weberian). While his interest in Marx, Lenin, and Weber was deepening, he met Matsuda Michio (1908–1998, famous physician, interested in the history of the Russian Revolution). He also came to know Plehanov (1856–1918) as the forefather of Russian Marxism. Attending the research circle of Russia and East European history, Tanaka came to think of Matsuda as a great man and respected him. Fortunately, he could get Plehanov’s works with the help of his colleague. Soon, Tanaka realized the importance of Plehanov, which motivated him to study Russian Marxism, and to publish a series of substantial articles in the Keizai-Ronso (Kyoto Economic Review) from 1961 to 1966. He read many other Russian thinkers, including Narodniki, Marxists, and others to understand their ideas in the context of a number of the controversies concerning the status quo of the Russian society and capitalism, the nature of ideal society, the future of Russia, and ways for socialist revolutions.

Tanaka’s intensive study during this time reminds us of the heroic efforts of Max Weber, who began to study Russian and mastered it in a short time to follow and understand the Russian Revolution (1905), its circumstances, and the reasons why it happened. Finally, Tanaka’s efforts resulted in the publication of a voluminous work, A Study on the History of Russian Economic Thought in 1967 (Minerva Shobo, Kyoto). Tanaka was forty-two years old when the book was published. As a nearly 500-page book, it was called “epoch-making” in the Japanese academia. Fourteen reviews appeared in a couple of years, and Mizuta Hiroshi appreciated it as “the only book which appears scarcely once in ten years.”

In his book, Tanaka, for the first time not only in Japan but also in the world, comprehensively described Russian economic thought during the 19th century, and especially analyzed in concrete terms the various
arguments of economists and revolutionaries of various parties or factions in the 1890s as the history of the capitalist controversy. Secondly, he attempted to situate Russian economic thought in the wider history of economic thought; and thirdly, he endeavored to find the origin of Russian Marxism. Such a work had never been written by that time either in the Soviet Union or in the western countries. He wrote in the book, “Some tides of economic thoughts in Russia bloomed in the controversy of Russian capitalism, and made their characteristics clear and brought about a classical situation in the history of economic thought in Russia. If we succeed in grasping this phase, we seem to attain the strategic point of view holding a considerable wide perspective of the history of Russian economic thought.” (3rd ed., 1969, p. 4)

This work brought him the degree of Doctor of Economics and he was promoted to the position of professor at Kyoto University, Faculty of Economics in 1968. He might have dreamed of a fruitful research life, but his social renown and stability did not last so long. The year 1960 was an epoch-making year, when Japan determined to form a closer alliance with the USA, the Japan–U.S. Security Treaty. However, the opposition to this move was considerably strong, and the Kishi administration of the Liberal Democratic Party, which forced the introduction of such a policy, collapsed because of the fierce opposition by progressive citizens and intellectuals. Though Tanaka did not support the government policy, he did not become actively involved in the political movement. Instead, he was determined to clarify the essence of Marxism and Marxian economics in this period, and as just mentioned, he was promoted to the position of professor of Principles of Economics (Keizai-Genron, the economic theory). He worked very hard on his research from 1967 onward, but his concentration was disturbed by the student movement.

As is well known, Japan experienced high economic growth especially in the 1960s and ’70s, and the “affluent society” (Galbraith) was born, along with serious environmental problems. The affluence naturally resulted in the decline of Marxism, whereas the environmental pollution caused by the capitalist industrial corporations strengthened the influence of Marxism and other oppositional ideologies and actions. Therefore, that was a great turning point for Japanese society and social sciences, especially Marxism. There were many problems in the post-war world, raised by the antagonism between the West and the East. Various forms of corruption were found everywhere.

In 1968, students in Europe, America, and Japan protested against the long cold war, the Vietnam War (1960–1975), and the various forms of corruption in the establishment. They wanted more liberty than ever, and protested against various oppressions by their respective governments. This led to a recovery for Marxism. The early texts by Marx were read widely; Che Guevara (1928–1967) and Mao Zedong (1893–1976) attracted attention; and the works of Habermas, Foucault, and Marcuse were welcomed by the younger generations.

In Das Kapital, Marx stated that capitalism would inevitably collapse by its own mechanisms. However, whether or not his logic was right was a great problem. From reading Das Kapital, Uno Kozo (1897–
argued that the mechanism of capitalism had a cyclical movement repeated infinitely; therefore, capitalism would never collapse automatically. If that was the case, capitalism could be overthrown only by the revolutionary action of the people. This implication of the Uno-Riron (Uno Theory) caught the attention of active New Left students in Japan. Whether capitalism collapses automatically or not was the most critical issue in the Russian controversy of capitalism in the 1890s and for Marxism in general. This problem was an important subject that Tanaka had to focus on.

In the late 1970s, many students in Japan became more active in their opposition to the establishment, and a number of intellectuals supported the radical student power. For example, Orihara Hiroshi (1935–, then Assistant of Tokyo University, Max Weber), Takahashi Kazumi (1931–1971, Associate Professor of Kyoto University, novelist), and Takita Osamu (1940–, real name is Takemoto Nobuhiro, Assistant of Kyoto University) as teachers of the opposition or dissenting to their university (Zohan Kyoin), as well as Hani Goro (1901–1985) or Yoshimoto Takaaki (1924–2012) as critics or public intellectuals, expressed their anti-government opinion and their support for the radical left-wing students. Tanaka could not neglect the radical actions of Takahashi Kazumi and felt a kind of sympathy with him as a dissenter, because Takahashi directly or indirectly criticized corruption in the University and professors sharply in his essays and novels. But in fact, Tanaka could not become a dissenting professor in Kyoto University.

Tanaka stayed as a visiting professor at the London School of Economics from 1970 to the next year, where he studied as a specialist in the history of Russian economic thought. At that time, he was not interested in Lionel Robbins (1898–1984), and did not meet him. Instead, he sometimes visited Professor Morishima Michio. It was in London that he happened to meet Taniuchi Yuzuru (1923–2004, a historian on Soviet Russia and Stalinism) for the first time, though these two great scholars had known each other very well through their writings on Russia. Taniuchi kept contact with E. H. Carr (1892–1982), but Tanaka felt no need to do so.

On returning from Europe, Tanaka encountered the radical actions of a left-wing assistant, Takemoto, who was still promoting his so-called revolutionary movement to fight against the Japanese police and continued his long absence from Kyoto University. Takemoto was suspected to have instructed someone to kill a member of the Japanese Self Defense Force and a warrant for his arrest was issued. Takemoto was innocent, but he escaped in order to fight against the police. He had some supporters and could escape for a long time. Tanaka was embarrassed to be involved in this affair. For him and the Deguchi School, Takemoto was a promising, talented researcher among the disciples of Professor Deguchi and Hirai. At that time, Takemoto was a good researcher of Rosa Luxemburg.

Tanaka was famous for his sharp argument—he issued words like a revolver—and direct criticism that his friends and students enjoyed. Perhaps many sharp arguments were exchanged between Tanaka and Takemoto. But his strong arguments and direct criticism could not always bring out the posi-
tive fruits he wanted. As a radical thinker, Takemoto continued his absence from Kyoto University to fight against the power of the state, and Tanaka had to leave the university because of his determined action as a responsible professor. It was an unintended result. He showed leadership to resolve the problem of Takemoto’s absence, and the Faculty of Economics determined to propose his dismissal to the President of Kyoto University. Many opposed the proposal, and the President suspended the dismissal.

Tanaka’s leadership might have been only formal, but it resulted in his isolation from many colleagues and students of the University. Though he may not have expected to resign, he never regretted his determination, because it was strictly connected with the ethic of responsibility that Max Weber taught him. Weber retired from Heidelberg University at the age of forty-two, and Tanaka resigned as professor of Kyoto University at the age of forty-eight, but for different reasons. Both were not old. This bitter experience, it may be said, made Tanaka a deliberate, prudent, and virtuous professor.

Most members of the Deguchi School were continually active in research and teaching, and many became academic leaders in the universities in the western part of Japan in due course. The Ohtsuka School of Economic History and the Uno Schule (School), led by Ohtsuka Hisao and Uno Kozo respectively, and composed of very famous and powerful professors mainly from the University of Tokyo, still showed a strong presence. The influence of Yoshimoto also prevailed in each campus and in journalism, but Tanaka had no interest in Yoshimoto. He parted gradually from these two Schools, and moved more and more toward estimating Maruyama Masao, though Maruyama had been sometimes criticized because of his intellectual authority in this period.

Hiromatsu Wataru (1933–1994) appeared as a Marxian philosopher and wrote many books concerning the formation of the idea of alienation and Verdinglichung (reification) in Marx; and Hirata Kiyoshi wrote about “Civil Society and Socialism,” postulating that civil society as a historically penetrating element, connected with the productive power of society, must become the foundation for socialist society. Hirata wrote these articles in public journals such as *Siso*, *Sekai*, and *Tenbo* that many intellectuals and students read in those days. Hirata’s idea of civil society, the so-called Hirata-Riron (Hirata Theory), thus became famous. Though Tanaka highly regarded Hiromatsu’s work, he generally rejected Hirata’s theory as being problematic on many points. It might be ironical that Hirata took up the post of professor of economic theory in Kyoto University, which Tanaka left in 1974. Tanaka evaluated the works of Mizuta and Ito Mitsuharu (1927–), rather than Hirata.

Ito became a Keynesian, and he once explained that he became a specialist in Keynes out of negative choice—he wanted to study Adam Smith, but Mizuta had already started his Adam Smith study, and therefore, he changed to study Keynes. Though Tanaka evaluated Ito’s work, he did not regard Keynes as a subject for serious study. Though Tanaka understood the importance of Keynes, and had all the volumes of Keynes’ Works, he did not engage with his theories.

In the midst of the Vietnam War, the civil war in Kampuchea (Cambodia), and the
Cultural Revolution in China (1966–77), Japan enjoyed peace and economic prosperity. This gave birth to an affluent society in the 1970s, which produced and maintained a great number of middle-class people. This middle class, which had received liberal democratic education after the War, became the pillar and basis of society, and Japanese society came to have a stable structure based on its middle class.

Tanaka was interested in the Vietnam War and hated American imperialism. However, he was rather skeptical about the Cultural Revolution in mainland China. The affluent society, recently born as a result of rapid economic growth in Japan, had a double or ambivalent effect, giving rise to radical student power critical of the establishment on the one hand, and the decline of Marxism in Japan on the other hand, which contributed to the maintenance of the establishment.

As a professor of economic principles, between 1968 and 1974, Tanaka endeavored to construct a more refined and true Marxian economic theory. He repeatedly read and deliberated upon Das Kapital and The Economic Principles by Uno Kozo (1897–1977), who strongly influenced the radical New Left students in those days. At the same time, as a teacher at Kyoto University, he made a great effort to train and bring up a number of researchers of the next generation, including Ohtsu Sadami (1938–, specialist in Soviet Russia), Matsushima Atsusige (1940–, Pareto, economic philosophy), Umezawa Naoki (1949–, economic principles), Shibata Shuji (1948–, life economics), and Tanaka Hideo (1949–, Scottish Enlightenment).

Tanaka lectured in his small graduate seminar with passion. It was surprising that he sometimes talked continuously for two hours there without pause. He was noted for his skillful talk, full of wit and humor. Though he could speak rapidly about his ideas, his speed was less than that of Isaiah Berlin or Maruyama Masao.

Tanaka was not a prolific scholar, and the last article he published in his days as Professor of Kyoto University was “A Note on the Last Days of Marx” in 1972. Tanaka paid attention to Marx’s ideas on the traditional Russian community of “Mir,” which could become the basis for future socialism. In this article, Tanaka criticized the work of Wada Haruki (1938–) and they exchanged opinions.

III The Days in Konan University, 1974–1991

Before resigning from Kyoto University, Tanaka started a research circle named “The Methodology Research Meeting” in 1973, which subsequently became a substitute for his graduate class in Kyoto University. The original members were Ohtsu Sadami, Matsushima Atsushige, Kaku Sachio (German economic history), Kojima Shuichi (Russian agrarian economics), Umezawa Naoki, and others. Later, Yagi Kiichiro (1947– , Marx, Menger, history of German and Austrian economic thought, economic principles) also became a member. Through research, presentations, and discussions, Tanaka endeavored to find a new perspective concerning the history of economic thought and Marxian ideology. Though still a sharp critic, Tanaka listened more carefully to presentations and arguments, especially those of Ohtsu, Matsu-
shima, Yagi, Umezawa, and Kojima.

Among Tanaka's disciples, Umezawa was the most faithful to his mentor. Kojima, though he came from outside Tanaka School, was also faithful to him. It may be said that Umezawa was a follower of Tanaka's economic principles, and Kojima was a follower of his study of the history of Russian economic thought. Tanaka and Ohtsu found their common interest in the experimental trials of socialist market economies in Yugoslavia, Hungary, and other East European countries. In this circle, Tanaka continued to read widely, for example, Kenneth Boulding (1910–1993), Maurice Godelier (1934–), Karl Polanyi (1886–1964), Milton Friedman (1912–2006), Friedrich von Hayek (1899–1992), Ludwig von Mises (1881–1973), and other economists.

Henceforth, Tanaka changed. He continued to be a sharp controversialist but grew to talk more deliberately. He also became more prudent than before. At Konan University, Tanaka was welcomed warmly by Sugihara Shiro, Yamaguchi Kazuo, Yamauchi Hisashi (1929–2006, anthropologist), Takahashi Tetuo (1931–, industrial policy, Hobson, famous for his essays), Mori Tuneo (finance), Kumazawa Makoto (1938–, labor economy), Shirasugi Tsuyoshi (1936–, Sraffa), Yoshizawa Hidenari (1941–, economic principles, Polanyi, monetary theory), Takizawa Hideki (1943–, the last pupil of Ohtsuka Hisao, Korean economy and society), Fujimoto Tateo (1946–, German financial history, Loepke, and Ordo School economics), and others. A number of his former students were there too. Yamaguchi Kazuo, mentioned earlier, was two years his junior in Deguchi School, and studied German socialist history and thought.

Tanaka taught economic principles at Konan University, and made an effort to reconsider and reevaluate the legacy of modern social thought in the West. It was a kind of return to his young Sanko days, when he was educated in German humanities, especially Kant and Kantianism. He read from Machiavelli, Hobbes, Hume, Smith, and J. S. Mill, and lectured about them in his undergraduate class of the History of Social Thought. He received a few graduate students and trained them at Konan.

He reevaluated liberalism through the translation of some essays by Hayek⁶—in Japan at that time, translation of Hayek's work was still rare and he was rather unpopular because he was considered conservative and reactionary. Tanaka was also interested in the works of Lionel Robbins and his legacy at the London School of Economics, where Tanaka had studied as a visiting professor in 1970–71 as a specialist in Russian economic thought. At that time, as mentioned earlier, he had not been interested in Robbins. In London, Tanaka met again Morishima Michio, then professor of LSE. They might have enjoyed conversations on various topics.

Tanaka apparently thought the legacy of western liberal social thought from Hobbes to Smith had some positive elements of liberalism, natural right theory, and individualism, which Marx could not inherit positively because he was hindered by his bias to them and the class society model.

Tanaka read Hobbes' *Leviathan* (1651) and Smith's *Theory of Moral Sentiments* (1759) in this period seriously. The translations of both works by Mizuta were of great
use. He paid attention to Mizuta’s famous article, “The formation of the idea of sympathy in Adam Smith.”

When we rethink the social order, Leviathan, a work written in the midst of civil war, and Moral Sentiments as the writing of an observer of civilized society might be considered as useful as Locke’s Two Treatises of Civil Government (1690), or Hume’s Political Discourses (1752), or Treatise of Human Nature (1739–1740). Tanaka especially took notice of Hobbes’ idea that men should make civil society through contracts based on equality, and Smith’s idea of the exchange of sympathy between men in civil society. He also considered that the comprehensiveness of moral philosophy based on various experiences and deliberations on human nature was important.

In the 1980s, both the Japanese academia and journalism were interested in, and strongly influenced by, French Post-Structuralism. Asada Akira’s Structure and Power, which summarized Post-Structuralism, was enthusiastically hailed by the youth. The New Academism—which was a kind of amalgam of journalism and academics, or a fusion of amateurism and professionalism—was born and became great in this period. It may be said that French modern philosophy and ideas from Jean-Paul Sartre (1905–1980), Lévi-Strauss (1908–2009), Louis Althusser (1918–1990), Michele Foucault (1926–1984), Roland Barthes (1915–1980), and others had a lasting influence in postwar Japan. Yamaguchi Masao (1931–2013, cultural anthropology) was one of the key persons of this trend. Tanaka showed no serious interest in these fashionable trends; instead, he moved to the study of liberalism from a historical perspective.

Together with his study circle in Kyoto, Tanaka read various books in various fields in order to overcome Marxism or find a way out of it. Soon, he came to evaluate the legacy of liberalism and of Hayek. Kantian Liberalism was his favorite in his high-school days. However, he now took Anglo-American and Australian Liberalism seriously. As he entered the world of liberalism, Marxism became a more deficient ideology for him. He gradually lost interest in creating a refined Marxian economic theory that would be an alternative to the Uno Genron (Economic Principles).

As mentioned earlier, Tanaka published a Japanese anthology of Hayek’s writings, Market, Knowledge, and Liberty in 1986, with the help of his disciple Hideo Tanaka, a specialist in Scottish Enlightenment. This translation was read widely and became a forerunner of the Hayek boom in Japan, far beyond Tanaka’s expectation, although the Hayek boom had started earlier in the West. Tanaka did not always enshrine Hayek, but apparently, he highly appreciated Hayek’s argument of liberalism, including the distinction between true and false liberalism.

However, this translation did not go down well with Ito Mitsuharu. At lunch time at one of the annual meetings of JSHET in about 1987, he asked indignantly, “Why have you translated Hayek? He is not only conservative, but also reactionary.” As a distinguished economist, Ito was a Keynesian and full of confidence to be always progressive. He did not appreciate Hayek or his liberalism even though he appreciated Marx. I do not dare to say whether Tanaka or Ito was right. It is true that the differences between
them were not small. Tanaka was a good rival to Ito not only in Gakumon (scientific activity), but also in the game of Go.

The cold war ended gradually in the 1980s, and at last in 1989, the Revolution of East Europe happened, leading to a collapse of the socialist regime. The change to a market economy was not easy, but the ideal of a socialist planned economy had failed completely. The reason for this failure was a problem to be understood. There were many arguments, in which Hayek had a powerful opinion. He argued that the construction of a great society that conceived the omnipotence of the central government in regulating society or economic activity in socialism was only a fantasy. The most important thing is to know the limitations of reason. He criticized the arrogance of reason or intelligence, as if it could accomplish everything. According to him, the knowledge available on the actual spot or individual want was the most important element in an economy. Without the existence of a market, he believed, man could not regulate the economy.

In the 1980s, the social history of the Annales School had a great influence in Japan. Many writings of Fernand Braudel (1902–1985), Immanuel Le Roy Ladurie (1929– ), and others of the Annales had been translated and published in these years. Immanuel Wallerstein (1930– ) also became popular through translation. Tanaka was not so interested in them. He was skeptical about this history boom, as he was about new academism in Japan. Amino Yoshihiko (1928–2004, Japanese medieval history), Yamaguchi Masao, Abe Kinya (1935–2006, German medieval history), and Murakami Yoichiro (1936–, history of science) were very active in these days, and Tanaka sometimes read them. But generally, he focused on the study of liberalism and especially of Alfred Marshall (1842–1924). He did not evaluate the regulation boom.

Tanaka was the president of JSHET from 1987 through 1989. At this time, the friendship between Tanaka and Kobayashi became deeper than before. Kobayashi was nine years older than Tanaka, and as a former President of JSHET, encouraged Tanaka. Tanaka respected Kobayashi, but never enshrined him. Kobayashi felt a kind of benevolence toward him, which was seen in his essay, “Philosopher in Taishogun.” Tanaka was now growing more liberal and realist than before, and the distance between them grew shorter than ever.

Kobayashi had never been a Marxist. From his early days, he was a liberal intellectual who continued to study Friedrich List, British mercantilism including Josiah Tucker and Sir James Steuart, and Adam Smith. He enjoyed writing poetry (Waka) and collecting Kokeshi (wooden dolls). He read widely. He liked the historical short novels by Mori Ohgai very much, but was critical of his idleness as an army surgeon—when Mori was superintendent general and Kakke (beriberi) prevailed in his army, he neglected it. Kobayashi knew Marx and Keynes very well. He used Marx (History of the Theory of Surplus Value) to analyze the historical process of the formation of mercantilism. Kobayashi acknowledged that he owed his understanding of Keynes to Kumagai Hisao (1914–1996). Kobayashi made use of the Keynes’ idea of effective demand in the analysis of mercantilism and Adam Smith.

Kobayashi was a realist. His own social
thought was not based upon Utopia of any sort, but upon the idea of a Normal National Economy. The Normal National Economy was an economy based on a balance between agriculture and industry in a nation. For Kobayashi, the nation was given and people were born in some nation. To escape poverty under the conditions of modern capitalism, he believed that each nation must develop not only agriculture but also industry. Without industry, a nation cannot become a rich nation. This was the central idea in Kobayashi’s thought. However, this idea may appear a little anachronistic now, with the rapid expansion of globalization that has led to the international and multinational growth of many large companies. From a contemporary perspective, how should we estimate Kobayashi’s national economy?

Tanaka thought capitalism was a more complicated phenomenon than the idea of Kobayashi’s National Economy, which he inherited from the historical idea of national economy by Ohtsuka. But Tanaka could not clearly outline his idea of capitalism. Though the former Kantian idealist Tanaka gradually came nearer to the realist Kobayashi, there were big differences between them. However, it may be said that both were a kind of liberal realist.

One of Tanaka’s valuable contributions was in 1988, when he enabled JSHT to hold a special lecture by J. G. A. Pocock (1924–) in their annual conference. Pocock was not an economist, but a historian of political thought. His *Machiavellian Moment* (1975) is a great book that analyzes the Augustan Controversy including land, commerce, and credit. This book is important for historians of economic thought in the eighteenth century. Tanaka was not a serious reader of Pocock, but understood his importance and that of his work well.

During his presidency, Showa Tennoh (Emperor Hirohito) fell prey to a fatal disease, and in spite of extraordinary blood transfusion, passed away, after which the people became so self-controlled or self-restrained in their ordinary behavior. President Tanaka urged by Mizuta expressed publicly such self-control to be regrettable and bad for our society, our life, and liberal activities.

Tanaka published an English article, “The Logic of the Genesis of Money: A Critical Reinterpretation of Marx’s Theory of Value Form,” in 1988. Money was a subject of long research and thinking for him, right from his days in Kyoto University. This title also showed his enduring interest in Marx. Though he made great efforts to move away from Marxism, he never totally dismissed the theoretical legacy of Marx. Besides, Tanaka sometimes argued and published about the monetary theory of Weber, and considered those of Knies, Knapp, and Carl Menger. Tanaka noticed the experiential approach of both Weber and Menger. His study of Weber’s monetary theory and arguments was excellent and his original contribution is highly valued.

It is to be noted that in these days, he attended the research project of the Victorian Era in Konan University, and cooperated with Professor Sugihara Shiro, his elder in Kyoto University, and his former student, Professor Takahashi Tetsuo. Sugihara was a famous and diligent scholar who started studying Marx, J. S. Mill, and Kawakami Hajime from his assistant days in Kyoto University after the War. Sugihara wrote
many books in his days at Konan University as well as in his former Kansai University days. Tanaka respected Sugihara’s gentlemanlike personality, but was critical of his too prolific and easy ways of studying and writing.

In 1989, the world experienced a great change. The Wall of Berlin came down and the socialist regime from Russia to the East European countries suddenly and radically collapsed. It was beyond everybody’s expectations, including Tanaka’s. Francis Fukuyama named it the end of history. The desire for liberty and the power of liberalism was very strong. The works of liberalism by Hayek, especially *The Road to the Serfdom* (1944), were read intensely and earnestly in those days.

The dictatorship of one or a few members of the Communist Party in the socialist states naturally fell into corruption. The luxurious and privileged life of the governing class of communists in these states, who forgot and discarded the ideal of Salus Populi, and neglected the poverty of the people, revealed their fraud and injustice, even though they declared that their state was a commonwealth (republic). A republic without virtues was no more a commonwealth. Thus, the ancient regime of socialist states finally broke down.

The collapse of socialist states in Eastern Europe influenced the movement toward democracy in other countries, including mainland China, but the protest for liberty and democracy in China was oppressed violently by the Communist government and its army, whose leaders were Deng Xiaoping (1904–1997) and Jiang Zemin (1926–). This was the Tiananmen Square protests of 1989. The Chinese communist government subsequently rushed into “development dictatorship” and communist bureaucratic capitalism, making use of the so-called anti-Japan education.

**IV The Later Days, 1992–2000**

The bubble at last collapsed and the Japanese economy fell into stagnation from about 1990. The stagnation continued and troubled Japan for a long time since then. In this period, Tanaka continued to study economic liberalism and gradually concentrated on re-evaluating the legacy of Alfred Marshall.

In 1985, Tanaka published an overview article, “The Academic World of Economics in the early 1890s-Britain.” Then, in 1989–90, he published “A List of the Writings of A. Marshall (1872–1889),” “A List of the Writings of A. Marshall (1890–1924),” and “A List of the Writings of A. Marshall (1872–1924) : A Supplement.” This tells us what he had in his mind. In the end, Tanaka could not complete his study of Marshall, but planned to concretely elucidate the process of formation of Marshall Economics, by applying the same historical method to it that he had applied in his early study of the history of Russian economic thought.

Tanaka retired from Konan University in 1991. He found the next teaching position in Ryukoku University in Kyoto, where he taught the history of economic thought, especially Marshall, mainly in his graduate class. His ambition was to complete the Marshall study.

Tanaka edited and published a substantial book, _A Comparative Study of Liberal Economic Thought_ in 1997 (Univ. of Nagoya Press). It was an outcome of the study pro-
moted in his research circle in Kyoto. This book contained a substantial overview of the history of liberal economic thought from the 17th through the 20th centuries. His support for liberalism is apparent in this article. Tanaka wrote as follows.

I think that liberalism is a principle, but protectionism cannot become a principle. A principle means that if we get out of it, the outcome necessarily becomes fatally bad. When I say so, the following refutation is expected instantly. That is, historically every country has properly used both liberalism and protectionism for their national interests. And now it is the reality that the major countries in the world generally support liberalism, but maintain exceptional protections and never give way. Therefore, aren’t both equal? This refutation seems to be true. But what is the result when the protectionism of each country is intensified? The consequence is the creation of a small, uneconomical reproduction area, with higher cost than the world market, in a closed national economy, or blocked economic zones united as colonies and semi-colonies with a strong country, also uneconomical. The world market will become small or extinct, and there will be a great international political crisis. Protectionism gave rise to the causes of World War I and II, together with the redivision of colonies and expansion of territory.

The Methodology Research Meeting mentioned earlier, continued its research and discussion from 1974 through 2000 and beyond, meeting about once a month and conducting more than 200 such meetings. After Tanaka’s death, his followers continued this Meeting for some years, but it was closed in due course with a change of generation.

Tanaka was a leader both in JSHET and the Methodology Research Meeting for a long time. His influence was considerable in both groups. However, he did not become famous outside the academia, mainly because he did not write for popular readers. He confined himself to the small society of learned specialists. He always endeavored to create original and excellent studies.

The Methodology Research group was composed mainly of economists and historians of economic thought. Therefore, they were not too interested in the Cambridge contextual analysis developed mainly in the area of the history of political thought. However, they knew very well the method of social sciences developed by Max Weber. There was a wide, common basis between Weber and the Cambridge School in their approach to texts. Quentin Skinner (1940–) refers to Max Weber in his article (Meanings and Contexts). It may be said that Max Weber was, as it were, a contextualist before the rise of contextualism. The reason was found in the essence of historical analysis. It was apparent that the historical analysis of texts, whether political or economic, had to be contextual.

Both Maruyama Masao and Kobayashi Noboru may be said to have been contextualists before the rise of contextualism. Their approaches to the old texts were not simply textual but contextual, in which they consciously discovered the background and the intention of the author, the contexts of debates, and changes and continuances of ideas and thoughts—innovations and succession or
inherances. The historical study of ideas and ideologies must be concrete, contextual analysis, insofar as it is not an un-historical and abstract idea (Begriff, notion) analysis.

Tanaka passed away after a long sickness in 2000, at the age of 75. His wife had died long before him. He intended to publish at least two more books. One was *The Issues of Max Weber* (in Japanese), which was published in 2001. It was his last book. He also edited a small book, *A Memorial of a Historian of Economic Thought* before his death. This book comprised essays, where he talked about other areas in his life besides academics. It was also a testimony of his deeply loved personality. A colleague in Konan University once talked about Tanaka comparing him with Amadeus (Mozart). Though there were several differences between the two, but in his opinion, both were by nature geniuses and innocent.

There remained a great number of notebooks that are evidence to his enduring endeavor and industriousness. In many notebooks, the writings ended after a few pages, which may be a reflection of his swift change of interests or a consequence of his nervous depression. There was one named Adam Smith Society, in which he noted the record of its meeting. This may be a testimony that he cherished this senior society.

Tanaka became an economist and historian of economic thought. It was his choice, but perhaps the times greatly influenced this choice. If he was born in another day, he might have become a different specialist, more philosophical or artistic. Tanaka as a historian of economic thought was not identical with his original nature and talent. Tanaka was good at the game of Go, and indeed he was strong. He was also a good singer of Utai (Noh song). He liked to watch baseball, and was a fan of the Giants (Yomiuri Kyojin). Though he enjoyed his life, but whether he enjoyed his science (Wissenschaft) as a profession (Beruf) is not certain.

Tanaka was a very skillful speaker, full of wit and irony. Sharp criticism with humor was his specialty. His conversation pleased everyone. The lunchtime restaurant in Konan University became a salon, whose center was Tanaka, and everyone enjoyed his talk. He was loved by many including Kobayashi Noboru and Mizuta Hiroshi, who knew him very well.

*Tsuiso (Memoir: A Teacher Tanaka Masaharu)*, published in 2002, is a memoir of his good character and excellent life and works by a number of his friends, including senior scholars like Kobayashi, Mizuta, Sugihara, Ohno, his colleagues in some academic societies, and his disciples. When we read *Tsuiso*, we are reminded vividly of the late professor Tanaka, as if he is still alive and criticizing us.

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**Notes**

1) Throughout the present paper, I follow the Japanese practice of placing surnames before personal names.

2) We can know about his childhood from some of his friends’ essays in *Tsuiso (Memoir: A Teacher Tanaka Masaharu)*, 2002.


4) See the list of Tanaka’s writings at the end of this article.
8) In *Konan Journal of Social Sciences* Vol. I, pp. 1–24, 1988. This is a translation of his article published in Japanese in Japan. He received some letters of comments from foreign scholars, which was rare.
10) “An Introduction to the Economic Thought of Liberalism.”

The chief writings of Tanaka Masaharu in chronological order (the works cited below were published in Japanese unless otherwise specified.)


“The Types of the Arguments Appeared in the Russian Capitalism Controversy (1)—In the Cases of Narodniki and Lawful Marxists,”
Keizai-Ronso (Kyoto Economic Review), 95 (6), 1965.

“The Types of the Arguments Appeared in the Russian Capitalism Controversy (2)—In the Case of Tugan-Baranovsky,” Keizai-Ronso (Kyoto Economic Review), 96 (5), 1965.


“The Controversies concerning Russian Capitalism,” Kyoto University Economic Review, 36 (2), 1966. (English)


“The Narodniki and Marx on Russian Capitalism in the 1870s–1880s,” Kyoto University Economic Review, 39 (2), 1969. (English)


Obituary

Tsuiso (Memoir: A Teacher Tanaka Masaharu), (ed. by Tanaka Hideo), Kyoto, 2002.