

## Session “The dissemination of Adam Smith’ s ideas to East Asia”

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### Session Abstract

In the early modern period, the East Asia experienced the Western civilization. Many European and American people came to the East Asia as travellers, traders, and even colonizers. First, they came to the East Asia as traders and Christian missionaries. Since the nineteenth century, some of them occupied or colonized some parts of the East Asia.

Especially, some intellectuals tried to understand what the cause of the prosperity of the West was. Indeed, East Asian people utilized Adam Smith to know the cause of the Western economic prosperity. Especially, at the latter half of the nineteenth century, East Asia imported many European and American industrial machines and products. The importation change the economic structure of East Asia. In this process, some intellectuals deepened their understanding of the Western sciences. Adam Smith’ s studies were no exception.

Through the lens of the dissemination of Adam Smith’ s ideas to East Asia, this session aims at understanding what the impact of the Western modernity on East Asia was.

In addition, the former studies tended to focus on each country. The session tries to compare China with Japan through questioning what the two countries did share in understanding Adam Smith and what the difference was.

Daisuke Arie reports some characteristics of the spread of Smith to Japan through mentioning “The Wealth of Nations” introducers. Jeng-Guo S. Chen argues the dissemination of Adam Smith to China. As a result, we can understand the process of the dissemination of Adam Smith’ s ideas to East Asia.

In addition, this session also focuses on a particular dissemination of Adam

Smith to Japan, that is, Adam Smith' Library at the University of Tokyo. In 1920, Prof. Inazo Nitobe at the University of Tokyo purchased Adam Smith' s collection of books in London. He donated the collection to the University of Tokyo. Since then, the University has been holding about one tenth of all Adam Smith' s books around the world. In 1951, Tadao Yanaihara published the catalogue of this collection (Tadao Yanaihara (ed.), *A Full and Detailed Catalogue of Books which Belonged to Adam Smith*, Tokyo: Iwanami Shoten, 1951). In spite of that, the catalogue has some incomplete points. Thus, with some Japanese scholars, we aim at publishing the new catalogue of Adam Smith' s books at the University of Tokyo. In that process, we have discovered that there are many marginalia writings. Some of them might be Smith' s own writings. Coincidentally, Prof. Nicholas Phillipson and Dr. Craig Smith also has been researching this point. Thus, we have been promising to co-operate to research Smith' s marginalia. In this session, Shinji Nohara reported Adam Smith' s marginalia writings. The writings imply another disseminating process of Adam Smith to East Asia.

Overall, this session aims at elucidating the disseminating process of Adam Smith to East Asia such as China and Japan.

## The Wrong but Influential Image of Adam Smith in the 20<sup>th</sup> century Japan: What the Adam Smith Library and Nitobe Suggest

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### Abstract

This paper examines how Japanese image of Adam Smith in the twentieth century was biased from the original Smith through investigating ‘Adam Smith Library’ in the faculty of Economics, University of Tokyo bought by Professor Inezo Nitobe in 1920, with necessary comparison with Hiroshi Mizuta’s *Adam Smith’s Library: A Catalogue* (Oxford, 2000).

For this purpose, firstly, it explores some typical characteristics of Tokyo’s Smith Library which has 160 titles of 314 copies out of 1808 titles in Mizuta’s catalogue. It shows the most unexpected fact that there is no book of political economy or theology in it. Among the titles in the library, there are history books most, then, in order of literature, philosophy, a natural history and traveler’s diary while there are very few books of law and policy. This component reflects Smith’s strong empirical-based intellectual interest in world-wide people’s actual conducts and observation of natural world. This trend is also confirmed by Mizuta’s *Catalogue* on the whole. Certainly, Smith himself once wrote, ‘I have … two other great works upon the anvil; the one is a sort of Philosophical history of all the different branches of Literature, of Philosophy, Poetry and Eloquence, the other is a sort of theory and history of Law and Government.’ (Letter to Rochefoucault, 1 Nov. 1785) It is clear that variety of fields of Tokyo library reflects Smith’s first plan that the former Japanese Smith scholars almost neglected. In other words, the contents of the Smith’s original library classified in Mizuta’s *Catalogue* shows that the study range of Smith himself was never limited to so-called political economy, and that, conversely, it covered extremely wide disciplines such as philosophy, ethics, literature, geography, biology, medicine, physics, optics, astronomy, and etc. Of course, Smith applied the common method of empirical observation-based approach towards both physical and moral world investigation.

Secondly, this paper draws a unique historical background of early Japanese scholarship of political economy since Meiji era. The introduction of the western economic thought had been already introduced into Japan at the end of Tokugawa Shogunate era in the first half of 1860s. After the Meiji restoration of 1868, huge numbers of economic books were purchased and translated for the purpose of modernization of the country. As for the translation of the *Wealth of Nations*, an abridged version was published in 1882 and the first completed one was done in 1888. It was not, however, the *Wealth of Nations* itself but the M. G. Fawcett's introductory textbook titled *Political Economy for Beginners* (『宝氏経済学』) that were most spread and contributed to disseminate the name of Smith by its various translated versions. From the first time Smith was mainly accepted as 'a father of economics' in a vulgarized fragmental way. It is also well known that Fukuzawa, founder of Keio Gijuku, University contributed very much to spread the name of Smith as a founder of political economy by *Gakumon no Susume* (『学問のすすめ』: *An Encouragement of Learning*, 1872-76) and other writings at the early stage of Meiji era.

Another important event was the launch of a number of new economic magazines, such as *Tokyo Keizai Zasshi* (『東京経済雑誌』: *Tokyo Economic Magazine*, 1879)、*Kokumin no Tomo* (『国民之友』: *The Friend of the Nation*, 1887)、*Nihon Rizai Zasshi* (『日本理財雑誌』: *Japanese Economic Magazine*, 1889) and others. Such economic magazines were going to part to a business magazine, a labor movement magazine and an academic journal during first decade of the 20th century. As for university academic journals, the followings were published one after another: *Mita Gakkai Zasshi* (『三田学会雑誌』: *Mita Journal of Economics*, Keio Gijuku University, 1909)、*Keizai Ronso* (『経済論叢』: *The Economic Review*, Kyoto Imperial University, 1915)、*Shogaku Kenkyu* (『商学研究』: Tokyo University of Commerce) *Keizaigaku Ronshu* (『経済学論集』: *The Journal of Economic Studies*, Tokyo Imperial University, 1922) .

In addition, as written above, it was the year of 1920 when the Smith Library came to Japan by the effort of Nitobe who found one of the portions of the original Smith's library in a secondhand book shop catalogue in London. Coincidentally, the faculty of economics of the Imperial University of Tokyo and Kyoto had become independent from the faculty of Law in 1919, and immediately after the enforcement of University Act (大学令), Tokyo University of Commerce was established. The act also stimulated the establishment of the faculty of economics in many of private

universities all over Japan.

Thirdly, the paper has to show that some leading university economic journals published commemorative special feature for "Bicentenary of Adam Smith Birth" in 1923-24: *Shogaku Kenkyu* (Tokyo Commerce), *Keizaigaku Ronshu* (Tokyo), *Keizai Ronso* (Kyoto), *Mita Gakkai Zasshi* (Keio). Also, many of independent commemorative monographs were written for other university journals together with for some general economic magazines. Those events certainly confirm Smith's image of 'a father of economics' strongly to everyone who was interested in economy and commerce in Japan. Even Ei-ichi Shibusawa gave a commemorative statement *Shokan* for *Tokyo Keizaizashi* (No. 23, Jul. 1923). Regarding the titles of those journals, they covered many themes of the *Wealth of Nations*: value theory, monetary theory, colonial policy, laissez-faire, free competition and monopoly, moral sentiments, mercantilism, ethics together with biography and bibliography.

Fourthly, this paper emphasizes that it should be noted as the most important aspect of Japanese interpretation and acceptance of Smith that there was a shadow of Marx in front of Japanese scholars of the history of economic thought from the first time. Actually, the first complete translation of Marx's *Capital* to Japanese scholars appeared almost same time as the second refined complete translation the *Wealth of Nations* around 1920. As a result, Smith scholars those days were quite likely to concentrate on Smith's value and price theory particularly from the view point of labour theory of value rather than other themes in the *Wealth of Nations*. Obviously this tendency had been kept on going after World War II. The most symbolic example of this case was how Yoshihiko Uchida read Smith. For him, Smith was an 'incomplete Marx' because of portraying him as a precursor of labour theorist or a prophet of Capitalist alienation that were in Uchida's *Keizaigaku no Seitan* (*The Birth of Political Economy*: 『経済学の生誕』, 1953)、*Shihon-ron no Sekai* (『資本論の世界』: *The World of the Capital*, 1966). This type of image of Smith looks still alive although it was certainly meaningful as 'a product of age' until the beginning of Japan's rapid economic growth in the middle of 1960s.

Lastly, this paper returns back to the inevitable question why Nitobe, in 1920 could decide to purchase the portion of Adam Smith Library for the department of economics in spite of documents about the economics not being included in it. There were a

couple of possible reasons: First, Nitobe were not interested in theoretical aspect of classical political economy such as value theory because of his personal and academic background. He was quite practical about everything, so that his interest in Smith, for example, was confined to colonial policy that was his lecture theme in the Tokyo Imperial University of Tokyo during 1909–20. This is confirmed by the contents of Nitobe Libraries in the University of Tokyo, Hokkaido University and Tokyo Womens Christian University: Second, Nitobe might be hostile to Marxist idea of socialism or communism because of his Quaker background in Sapporo, enough foreign experiences of daily life, art and culture in some developed western countries America, Germany and extremely wealthy personal life. In fact, he expressed anti-equality feeling elsewhere, for instance as follows: ' It is unavoidable that a difference of the poverty and wealth occurs as far as there is a difference in human personality.' (「人間の個性に差がある限り、貧富の差が生じるのはやむを得ない」) in *Yowatari no michi* (『世渡りの道』: *The Course of the Making a Living in the World*)

In conclusion, Firstly, Smith' s image those days was rather one-sided. Secondly, the contents of the Smith library were not suitable for the department of economics. However, it is paradoxical that he was surely able to buy the Library because Nitobe was not such interested in economist Smith and did not know enough about him. In short, it was some accidental results that he purchased Tokyo Smith Library.

## Adam Smith's marginalia

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Adam Smith was a collector of books. The University of Tokyo holds 315 Smith's books. Of 315 items in the University of Tokyo, 43 books contain marginalia.

In Smith's books, there are several kinds of marginalia. Of Smith's marginalia on the Tokyo portion, the marginalia writings can be classified as the following: marks (x-mark and strike-through), lines, writings in and around texts, and writings in blank page. Among them, writings include several hands. Thus, we have to ascertain whether these handwritings are Smith's own handwritings or not. However, at least, some marginalia might be Smith's own handwritings. Among them is Thomas Hobbes' *Leviathan*. Further, the type of handwritings in *Leviathan* can be seen other books (David Hume's *History of England*, vol. 1 (ASL 838); Euclides, *The elements of Euclid* (ASL 585), etc). Only in the first few pages of texts, there exist handwritings except for lines and marks. These writings show the similar pattern of writings, so must be written by the same person. However, for the moment, we cannot ascertain who was the author. However, the detailed analysis of *Leviathan* reveals some tendency of the author.

### I *Leviathan's* annotation.

In Hobbes' *Leviathan*, held by Smith, there are annotations. The annotations can be classified as the following. Hereafter, I mention the annotator on *Leviathan* as "the author." The mark [ ] is the part the author added or changed.

#### 1. The addition of omitted words.

In English, sometimes, some words are omitted because it is not necessary to repeat or the reader is supposed to know already. The author added words which Hobbes omitted.

For instance, " For [the reason that] there is not any vertue that disposeth a man, either to the service of God, or [disposeth a man] to the service of his Country " (Hobbes 1651, 1). The author added the word "the reason that." There is needless to add such phrase in view of style. It must be added for the clarity of

meaning. Further, the author repeated the phrase "disposeth a man" intentionally. This is also for the clarity of meaning.

## 2. The replacement of pronoun with proper noun.

The author replaced pronoun with proper noun. He wrote, "his [S. Godophin's] person" (1). It seems that the author thought that pronoun was unclear, so needs being changed by proper noun.

## 3. The replacement of people in general with "I"

The author replaced the words referring to words indicating people in general, and the third-person with the first-person. He wrote, "But to reach us [me], that for the similitude of the thoughts [of one man] and Passions of one man, to the thoughts [of another man] and Passions of another [man], whosoever looketh into himself [myself] and considereth [consider] what he doth [I do], when he does [I do] *think, opine, reason, hope, feare, &C.*, and upon what grounds." (2). The author replaced "us" with "me," "he doth" with "I do." The author seems to think that words referring to people in general are not clear, so needs to be clarified. To clarify these words, they must be replaced with the first-person. It's not people in general but I that think such and such things.

## 4. The change of words

In addition to the above third point, the author sometimes changed words. The author wrote, "Therefore [For that reason] in honour and gratitude to him" (1). Other cases are; how [in what manner] the; how [in what manner] it ;yet [notwithstanding], me; If [supposing that] notwithstanding. In these cases, the author paid attention to conjunction. The author replaced the conjunctions with the more clear phrases.

## 5. Summary

In addition to the writings in text, the author summarizes the text.

Therefore, these marginalia suggests that the author did not intend to improve the style of sentences. Rather, the author seemed to intend to clarify the meaning of words and sentences.



## II Suggestions

The author seems to have some intellectual thought, the thought that is compatible with Smith's thought (although we cannot ascertain whether the marginalia was Smith's own one or not).

First, the author seems to be nominalist. Nominalist thought general words as derived from proper words. The author here replaced general words with proper ones. He wrote, "The cause of [my] Sense, is the Externall Body, or Object, which [external body] presseth the organ proper to each Sense, either immediately, as in the [my] Tast and Touch; or mediately, as in [my] Seeing, Hearing, and Smelling" (2). He did not like the general words such as "sense" and "Tast(e) and Touch." These are derived from my feeling. Thus, "my" should be added. He also wrote, "let one man [me] read another [man] by his actions never so perfectly" (2). He did not like words indicating people in general. Instead, he saw that the general word means "I" in reality.

In this regard, Smith was said to be nominalist. As Mizuta (2014) argued, Smith was nominalist. Indeed, In *Considerations Concerning the First Formation of Languages*, Smith saw general words as derived from "particular names" (Smith 1985, 203-4). He wrote, "An Englishman, describing any great river which he may have seen in some foreign country, naturally says, that it is another Thames" (204). General names are nothing but the abstraction of particular names. Then, when using general names, people in reality suppose particular objects. The author focused on what object Hobbes bore in his mind.

Second, this focus on the general names also implies his stance that one cannot know others' inner feelings and mind. He repeatedly replaced general words with the first-person. Further, he added the first person (my) to general words. He wrote, "the cause of [my] Sense]" (2). The sense Hobbes referred applied for people in general. However, the author thought that the sense Hobbes referred was, in reality, nothing but Hobbes own sense because he could not know other's sense. The author seems to think that one cannot know others' mind and sentiments.

This stance was compatible with Smith's stance. Smith thought that one cannot know others' sentiments. In *The Theory of Moral Sentiments*, he wrote, "every faculty in one man is the measure by which he judges of the like faculty in another. I judge of your sight by my sight" (Smith 1982, I. i. 3. 10).

Third, the author focused on the clarity of sentences. He did not like pronoun. Sometimes, pronoun makes sentences not clear. Replacing pronoun with proper noun can make sentences clear in meaning.

This tendency is also seen in Smith. In *Lectures on Rhetoric and Belles Lettres*, Smith wrote, "the frequent use of Pronouns is also not agreeable to perpicuity, as it makes <us> look to what they refer to" (Smith 1985, I. 15). Basically, he prefers "perpicuity of stile" (I. 1). The clarity of the style of writings are essential for the fine writings.

### III Conclusion

In Smith's books, there are many handwritings, or marginalia. These contained several hands. Some seem to be written by the same hand because of the some pattern of annotation and the writing style. These points are applicable for marginalia in Hobbes' *Leviathan*. Then, the marginalia shows that the author of the marginalia paid attention to the clarity of sentences, the clarity that is relevant to Smith's thought.

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## The Use and Abuse of Adam Smith in China, 1902– 2012

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### Three Modernist Renderings of Adam Smith in China

#### 1. Adam Smith for National Revival against Traditionalism

The mythology of Smith is a tenacious one in China, which is originated from Yan Fu, the first major translator of WN in 1901-3. Smith was not completely unknown to Chinese literati and officials. But it is Yan Fu who creates the modernist image of Smith whose economics will, according to Yan, enrich and strengthen the nation from the brink of decadence and universal collapse. In 1896, one year after the defeat of the Qing China in the Sino-Japanese War, Yan translated *Evolution and Ethics* by Thomas Huxley into Chinese re-entitled as *Tianyanlun* (On the Evolution of the Heaven or Nature). In the Chinese translation, Yan emphatically points out that struggle for survival is the truth of all sorts of species, including humans. In the peril of the nation, the Chinese people have to strengthen themselves physically and intellectually. In the same translation, Yan introduces Smith and comments that western nations mount unto the supremacy at the time Smith publish WN. By dint of notions of the struggle for survival and evolution, Smith' s economic thought comes into Chinese literature as the Messiah for the nation, who may deliver the worn-out wretched nation and revive it.

The saviourship of Adam Smith in China rests on two master ideas largely overlooked by intellects in traditional China: the enlightened self-interest and economic liberty. Yan Fu observes that the whole system of Confucianism propagates moral integrity and virtues. The good of an action is solely judged by intention and inherent goodness of the person, not the consequences or effects of the action. Dong Zhongshu' s epigram, written nearly two thousand years ago, is exemplary of the moralist tradition: rectify what is proper but not what is advantageous or interested; understand the way but not the result [of doings]. Against the Confucian and traditional moral motto, Yan points out that Smith' s WN betrays a dialectic relation of morality and social prosperity that has been little acknowledged by the Chinese people: self-interest and public good go hands in hands and mutually

support each other. Yan' s Mandevilliean reading of Smith casts a major storm on Confucianism and traditional moral philosophy.

Yan' s emphasis of the enlightened self-interest in WN is commonly shared by his European contemporaries. So is his belief that WN defends unqualifiedly for free-trade. Many of Yan' s Chinese patriots favour protectionist policies. They propose that the trade is a kind war in the face of Western imperialist powers who are draining out sources from China through trades. Having believed that natural selection of the mechanism of struggle for survival, Yan does not second any protectionist measure. He contests that every individual and nation alike has to be thrown into competitions, through which and only through which, everyone and nation can release all the physical and intellectual potentials: competition is good and beneficial in the long term as it enhances the production of all parties involved. The idea of free-trade means much more than an economic precept in the Qing China; it, along with self-interest, bespeaks an overturn of the mentality of patrician system of Chinese politics, namely the traditional China. To Yan, the devastating conditions of traditional China are derived from material poverty and intellectual imbecility that is resulted from political suppression of despotic emperors. By bring Smithian notion of free-trade to the forefront, Yan contrasts the old China of ignorance, protectionism and despotic vis-à-vis the envisaged new China who will be ready to open itself to all competition from all corners of the world.

### Two Critiques of Smithian Liberalism

Yan' s portrayal of Smith' s thought prevails in most of learned societies in China. In Yan' s rendering and in light of social Darwinism, Smith' s liberalism is commonly held as aggressive, cruel and unqualified a breed as the laissez-faire school. This allegedly Smithian liberalism and laissez-faire appears in Taiwan and the Mainland China after 1949 in greatly separate guises. In Taiwan, it is imminently associated with Frederick Hayek' s libertarianism as an ideological resource speaking for privatization and political reform in the face of the totalitarian regime of the KMT. In the Mainland China, it is considered as paseè of the bourgeoisie ideology serving as a capitalist instrument exploiting the proletariat for the advantage of the middle classes. Both in Taiwan and the Mainland China, the modernist

discourses of Smith' s alleged liberalism are, no doubt, highly political. But it is used to generate oppositional prowess in Taiwan, whereas to consolidate the establishment.

During the Japanese government (1895-1945), Taiwanese society contacted with Smith' s economic thought through, by and large, the lecturers of 楠井隆三 at the Imperial University of Taipei. The first modern Chinese translation of WN is from the pen of 張漢裕 (Zhang Hanyu, 1913-1998), studied with and supervised by 矢内原 忠雄 (Yanaiharu Tadao) at Tokyo University in the 1940s. But it has to wait until the introduction of Hayekian libertarianism that Smith' s economics returned to the public forum in Taiwan, after the oblivion of Yan Fu' s translation of opaque of classic language. To be sure, in the second half of the twenty century, Smith was studied in Taiwan obliquely via Hayek' s representation and the libertarian principles of the Chicago School. Hayek reads Smith through the lens of Mandevilliean notion of 'the spontaneous order' or 'unintended consequence' . It is certainly debatable if Smith acknowledges the inherent paradox between the intention and morality of collective actions. But it is for sure that Smith' s economic thought is marginalized in the face of libertarianism, which embraces capitalism as an inevitable pattern of economy according to human nature. Smith, in short, is overshadowed by the Chicago School of economics during the period of the so called 'economic miracle' in the history of Taiwan. Smith is erroneously and anachronistically ascribed to ( a predecessor of) the school of "there is no such things as free lunch."

On the other side of the Strait, Marxists, of varied trends, are powerful modernist presentations of Smith, too. Like Marx himself having a teleological view of history, the Chinese Marxists regard Marx' s and Engel' s critiques of capitalism as the end of the political economy, in which Smith is considered a transitional figure. Chinese Marxist representation of Smith' s 'economics' is simple and straightforward. It is, to the Marxists, a theory repudiating ferociously against the state interference in economic life of the 'bourgeoisie' . According to them concerned focally on the idea of capitalism, modern economy is built on the dialectic, predetermined, irrevocable and irreversible process of (1) the decline of the landed interest, (2) the rise of capitalists, and (3) the prevail of socialist regime. Great economists and writers alike are speakers for different stages of the

development. According to the whiggish interpretation of the development of economy and economics, Mercantilism is propagated for the first accumulation of capitals by the force of the state. While the accumulation mounts to a certain level, it creates a new class, unprecedented in history, of bourgeois. As a class, the bourgeois increasingly aware of its own interest starts to initiate laws curtailing the power and interests of the landed class and the state-oriented policy. Diametrically opposed to mercantilism, Smith's economics comes up to serve the best possible interest of the middle-classes. The free-trade policy, or laissez-faire, is promoted by Smith to demolish the state regulated policy of monopoly. The Chinese modernists acknowledge the *jinbuxin* (the advancement or progress) of Smith's economic thought as it helps eradicate feudalism and mercantilism. On the other hand, they are ready to criticize it as it neglects the exploitation of the capitalists on the workers.

The open policy, of privatization and market-oriented economy, China has been adopting since the last decade or so of last century, apparently contradicts the ideology the Chinese government, i. e. CCP, has had upheld since the establishment of PRC in 1949. Along with the soaring development of production and commercialization, Adam Smith's economics is rescued from the limbo of history. The rationale of studies of Smithian economics was that it composed a chapter in the painful and winding progress of socialism. A translator of the modern WN recapitulates the rationale in a nutshell: "At present, our country is at the preliminary stage of socialism, Adam Smith's work will, unquestionably, lend us many lessons and insights for how to enhance economic development of the country by market economy."<sup>1</sup>

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<sup>1</sup> Xie Zujun, Introduction to *Guofulun* (Beijing, New World Press, 2007), vol. 1, p. 4.