

Agrarian Taxes and Commercial Profits in *Noshoben*:
 A Study of *An Exact Explanation of an Agrarian Nation and a Merchant Nation*
 by Takahira Kanda in 1861

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Takahira Kanda, with his lifelong interest in economic problems, was a pioneering scholar, teacher, and translator of Western economics in Japan. His *Keizai shogaku* [Elementary Economics] (1867), for which he translated Western-language sources, is particularly well-known. But it is an earlier work, *Noshoben* [An Exact Explanation of an Agrarian Nation and a Merchant Nation], published in 1861 that is the focus of this paper. In this book, Kanda's economic thinking appears radical by the standards of the time. It has drawn the attention of economic historians for what they see as a liberal side, and its arguments have often been compared with Western economics. What scholars have tended to overlook, however, is the side of *Noshoben* that clearly reflects the economic thought prevailing in Japan at the time.

Contrary to the current image of *Noshoben*, this paper attempts to demonstrate that Kanda's thought was largely based on the economic thought of the Edo era. In that book, he argued that taxes on farmers were the cause of the budget

deficit and the poverty of farmers, and that those conditions invited aggression by foreign countries, which meant, he said, the necessity of reforming the existing tax system. He proposed tax reform by treating revenue from farm products as commercial profits, and he argued that promoting foreign trade would be effective to increase commercial profits. Those ideas were not new. We can find them in the work of Toshiaki Honda, for example, who wrote most of his treatises in the late 18th century. Nonetheless, *Noshoben* had considerable originality. For instance, while many Edo era economists regarded merchants as wily and untrustworthy, encouraging the shogunate or feudal rulers to maintain strict control over trade with foreign countries, Kanda recognized the important role merchants could play in external trade, and, consequently, in strengthening the domestic economy. His idea of imposing a tax on the profits of merchants was radical at that time.

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