

things were always thieves. This is not so in the civilized world; those who gain riches and fame always benefit others by doing so . . .

Everyone in the country individually aims at increasing his own private wealth. . . . Desiring more and still more, they utilize all their secret skills in the competition for new things, and in this way new methods are evolved, land is reclaimed and developed, machines are invented, transportation and communications are improved, and the investment of capital is effected . . . Private zeal is the source of national wealth.

#### A JAPANESE BUSINESSMAN'S VIEWS: SHIBUZAWA EIICHI

The following selections were written by a leading businessman of the Japanese reform (Meiji) era, as industrialization was getting under way. Shibuzawa Eiichi (1840–1931) ultimately presided over a hundred companies, after a period of service in government. He was from a prosperous peasant family. As an industrialist he concentrated particularly on factory textile production. He also participated actively in the growing debate over Western values as they applied to economic life.

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#### FROM THE AUTOBIOGRAPHY

The business world around 1873, the year when I resigned my post at the Ministry of Finance, was one filled with inertia. That condition is hard to imagine from the standards we hold for the business world today [1927, when Shibuzawa dictated this autobiography]. There was a tradition of respecting officials and despising common people. All talented men looked to government services as the ultimate goal in their lives, and ordinary students followed the examples set by them. There was practically no one who was interested in business. When people met, they discussed only matters relating to the affairs of state and of the world. There was no such thing as practical business education.

It was said that the Meiji Restoration was to bring about equality among the four classes of people. In practice, however, those who engaged in commerce and industry were regarded as plain townspeople as before, and were despised and had to remain subservient to government officials. I knew conditions such as this should not be allowed to persist. A rigid class structure should not be tolerated. We should be able to treat each other with respect and make no differentiation between government officials and townspeople. This was essential to our national welfare, as we looked forward to strengthening the country which required wealth to back it up.

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We needed commerce and industry to attain the goal of becoming a rich nation. Unworthy as I was, I thought of engaging in commerce and industry to help promote the prosperity of our nation. I might not have talent to become a good politician, but I was confident that I could make a difference in the fields of commerce and industry. . . .

As to the question of development of commerce and industry, I felt that to engage in an individually managed shop would be going against the tide of the times, and it was necessary for small business firms to join their forces together. In other words, they have to incorporate, and I decided to devote my energy to this endeavor. As to the laws governing incorporation, I thought about them while studying in France. After my return from France and before my entering into government service, I organized a chamber of commerce in Shizuoka to serve as a model for incorporation in this country. Since that time, I have consistently advocated the advantages of incorporation.

In organizing a company, the most important factor one ought to consider is to obtain the services of the right person to oversee its operation. In the early years of Meiji, the government also encouraged incorporation of companies and organized commercial firms and development companies. The government actively participated in these companies' affairs and saw to it that their various needs were met fully. However, most of these companies failed because their management was poor. To state it simply, the government failed to have the right men as their managers. I had no experience in commerce and industry, but I also prided myself on the fact that I had greater potential for success in these fields than most of the nongovernmental people at that time.

I also felt that it was necessary to raise the social standing of those who engaged in commerce and industry. By way of setting an example, I began studying and practicing the teachings of the *Analects of Confucius*. It contains teachings first enunciated more than twenty-four hundred years ago. Yet it supplies the ultimate in practical ethics for all of us to follow in our daily living. It has many golden rules for businessmen. For example, there is a saying: "Wealth and respect are what men desire, but unless a right way is followed, they cannot be obtained; poverty and lowly position are what men despise, but unless a right way is found, one cannot leave that status once reaching it." It shows very clearly how a businessman must act in this world. Thus, when I entered the business world, I engaged in commerce and industry in a way consistent with the teachings of the *Analects* and practiced the doctrine of unity of knowledge and action.

FROM "MY VIEW OF LIFE"

There are in the final analysis only two types: i.e., those who consider the existence of self objectively and those who consider it subjectively. The objective view regards society first and the self second. The ego is disregarded to the point where one

sacrifices the self for the sake of society without hesitation. The subjective view, on the other hand, is selfishly aware of the existence of the ego in all situations and recognizes the existence of society only secondarily. To this extent it is willing even to sacrifice society for the sake of the self. . . .

We would end in a situation in which the appetites could only be satisfied by men looting from one another. If the human heart comes to that, then the ultimate result would be such indecent behavior as forgetting our benefactors, turning our backs on our friends, and abandoning our loved ones. . . .

FROM "INDEPENDENCE AND SELF-RELIANCE"

One must beware of the tendency of some to argue that it is through individualism or egoism [*jiko hon'i*] that the State and society can progress most rapidly. They claim that under individualism, each individual competes with the others, and progress results from this competition. But this is to see merely the advantages and ignore the disadvantages, and I cannot support such a theory. Society exists, and a State has been founded. Although people desire to rise to positions of wealth and honor, the social order and the tranquillity of the State will be disrupted if this is done egoistically. Men should not do battle in competition with their fellow men. Therefore, I believe that in order to get along together in society and serve the State, we must by all means abandon this idea of independence and self-reliance and reject egoism completely.

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