

Tanzan Ishibashi—Portrait of a Journalist, Economist and Statesman

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Abstract

Tanzan Ishibashi has long been known as a journalist, economist, and statesman of Japan's Meiji, Taisho, and Showa periods, but in recent years he has become appreciated anew as a liberal journalist and thinker. Prior to the war, Tanzan touted "Little Japanese-ism" and was highly critical of the "Large Japanese-ism" being advanced by the government and military. In other words, he denounced the policy of imperialism intent on territorial expansion and renounced colonization of places such as Manchuria, Korea, and Taiwan. Amid growing militarism, Tanzan and his magazine "Toyo Keizai Shinpo," *The Oriental Economist*, were subjected to strong censorship starting in the 1930s, but he held fast to his isolated position on liberalism.

When Tanzan moved from journalism to politics following World War II, he assumed the post of finance minister in the first Yoshida Cabinet. He promoted the "Ishibashi expansionary fiscal policy" based on Keynesian theory, but it came under fire from GHQ and Tanzan fell victim to a political purge. After returning to politics, he worked to expand Sino-Japanese trade relations as the minister of international trade and Industry (MITI) in the Hatoyama Cabinet. He later won the Liberal Democratic Party presidential elections and became prime minister, but stepped down shortly thereafter due to illness. If the Ishibashi Cabinet had been in power for a long period, or if Tanzan had not been purged as finance minister, post-war Japan might have followed an entirely different course.

Tanzan Ishibashi played an active role as a journalist and economist based at Toyo Keizai Shinposha (Toyo Keizai Inc.), *the Oriental Economist*, in the late

Meiji, Taisho, and early Showa periods. However, he shifted to politics immediately following the end of World War II, and went on to serve as finance minister, minister of international trade and industry, and prime minister. Particularly as a journalist, he advocated the unique “Little Japanese-ism”

As an economist, his reputation soared during the debate over lifting the gold embargo. As a politician on the other hand, while a mere 10 years after switching careers he assumed the office of prime minister, the pinnacle of the political world, it is widely known that within two months he had no choice but to give up the office due to illness. Not surprisingly, today Tanzan is garnering attention as a rare and uncompromising liberalist who outlined a clear continuity of thought during a period of upheaval spanning pre-to-post war, a man who went beyond the professions of journalist, economist, politician, and the era itself.

What were Tanzan’s ideas and philosophies, and what makes them distinctive? This paper sketches a picture of Tanzan from his pre-war career as a journalist and economist to the post-war period when he became a politician, and examines his historical significance.

1. Tanzan’s background and the shaping of his ideas

Tanzan (childhood name, Seizo) was born on September 25, 1884 in Shiba Nihonenoki, Azabu Ward, Tokyo (present-day Nihonenoki, Minato Ward, Tokyo). The world was in the glory days of Europeanism, and around this time the Meiji government was focusing all of its endeavors on revising unfair treaties through actions such as hosting balls at the Rokumeikan. His father, Tansei Sugita was a Buddhist priest who later changed his name to Nippu. He became a high-ranking priest, serving as the 81st head priest of Minobusan Kuon-ji Temple. When Tanzan was born, he worked as a teaching assistant at Tokyo Daikyoin (the predecessor to present-day Risho University), which was located within Jokyo-ji Temple. His mother (Kin Ishibashi), was the second daughter of Tozaemon Ishibashi, owner of a large tatami shop that provided tatami matting for Edo Castle. The Ishibashi family had a close relationship with Tansei as an influential parishioner of Jokyo-ji Temple. That relationship brought the couple together, and Tanzan was their first child. According to the religious conventions of that time, he was given his mother’s family name of Ishibashi.

The year after Tanzan’s birth, his father, Tansei, became the chief priest of

Shofuku-ji Temple in his hometown, the village of Masuho in Minamikoma District, Yamanashi prefecture (today, the town of Masuho), and Tanzan moved with his mother to Inakado (today, the town of Ise) in the city of Kofu. Thereafter, Yamanashi became Tanzan's hometown in the practical sense. Young Tanzan was parented by a mother who was used to living in a large city and raised him as a child of Tokyo. Climbing trees and swimming were strictly forbidden. When he was 7, he began living together with his father for the first time and transferred to a higher elementary school in secluded Masuho. Every day after returning home from school, he was summoned by his very stern father and made to read aloud Chinese classical literature. Thus began life at a temple at odds with secular society. Meanwhile, a younger brother and sister came along in succession (later, two other sisters and a brother were born), and Tanzan was able to experience an ordinary life within a family circle for the first time.

However, that was not to last long. In 1894 when he was ten years old, the First Sino-Japanese War broke out, and his father was transferred to Hongaku-ji Temple in Ikeda, Shizuoka prefecture, becoming its chief priest. Tanzan was placed in the care of his father's friend, Nichiken Mochizuki. Nichiken was also a great priest who later would become the 83rd head priest at Kuon-ji Temple. Compared to the sternness of his father, Nichiken was tolerant and is known for having nurtured many persons of talent, including Taro Takemi, the former chairman of the Japan Medical Association. Hence, Tansei entrusted the education of his child to Nichiken, in whom he had confidence. From then on, the practical father-son relationship ended. In later years when Tanzan asked his father the reason, he quoted the Chinese philosopher, Mencius. "Isn't it true that 'It is difficult to teach one's own child, so we teach others' children as our own?'" Tanzan reminisces in his book, *Tanzan Kaiso* ("*Tanzan memoirs*") that "Being under the tutelage of Mochizuki was lifelong good fortune. I am deeply grateful to my father for it." From his birth Tanzan's father and adoptive father so ingrained in him the Buddhist doctrines of the Nichiren sect that they became like the air he breathed (this is called *kunju* in Buddhist terminology). Without a doubt, it would later serve as spiritual support during his career as a journalist and statesman.

The next individual who greatly impacted the formation of Tanzan's thinking was Masatake Oshima, the principal of Yamanashi Junior High School (present-day Kofu First High School). Oshima had been one of the 13

boys in the first class to graduate from Sapporo Agricultural College (the predecessor to present-day Hokkaido University), where he was under the firsthand tutelage of Dr. William Clark, the man who famously said, “Boys, be ambitious!” Kanzo Uchimura and Inazo Nitobe graduated from the same school in the following class. After having failed junior high school twice, Tanzan met Principal Oshima and was impacted in a way that would last his entire life. Oshima, who was a devout Christian, was a high-spirited heroic figure who eliminated elaborate school rules and dealt with students using an American-like education policy of democracy and individualism that valued independence. Tanzan, who was at the height of adolescence, was extremely impressed with Oshima’s permissive manner, which completely differed from the unconditional educational policy of traditional, feudal constriction. Through Oshima, he heard about Clark and was inspired, thinking that “Indeed, this is a true teacher” (from *Tanzan Kaiso* (“*Tanzan memoirs*”).

By and large, in Japanese society there was a tendency to swiftly judge and reject individualism as egoism, but Tanzan understood that individualism, which had been simplified in modern times, instead possesses an essence that requires awareness of standards in any and all action. The extent to which Tanzan was influenced by Clark and Oshima’s educational policies is apparent in his oft-repeated advancement of individualism in education even after becoming a journalist.

As indicated already, Tanzan learned humanism during his ten-plus years of childhood spent living in a temple, was quite naturally conscious of self-sacrificing service for the purpose of establishing a peaceful society, and aimed to live a life of practical action while loosely being a man of religion and an educator. This would foreshadow his shift to politics in the post-war period.

After Tanzan twice failed the entrance exam to First High School (present-day University of Tokyo College of Arts and Sciences), he transferred to Waseda University Preparatory Course and moved from Yamanashi to Tokyo. In 1904 when the Russo-Japanese War broke out, he completed the preparatory course and advanced to the philosophy department in Waseda University School of Literature (today, the School of Humanities and Social Sciences). Here, too, Tanzan met a teacher who influenced his life. That teacher was Odo Tanaka (real name, Kiichi) who had studied under Professor John Dewey at the University of Chicago. In addition to introducing the philosophy of pragmatism to Japan in the late Meiji period, he developed bold criticism

based on individualism and liberalism. Tanzan studied Odo's moral philosophy and seminars, and stated that, "My eyes were opened to perspectives on life for the first time" (from *Tanzan Kaiso* ("*Tanzan memoirs*"). The leading philosophy in Japan at the time was German idealism, represented by Immanuel Kant and Georg W. F. Hegel, but Tanzan showed no interest in it. He was devoted to the new pragmatism developed in American society, which arose from British empiricism, and adopted utilitarianism. His instruction in conventional liberalism and individualism through Odo shaped his later position as a liberal journalist.

In 1907, at 22 years of age, Tanzan graduated from the School of Literature at the top of his class. The former student who failed school became the best student in the university. He was immediately chosen as a scholarship student and moved on to a post-graduate course in religion, which is akin to graduate school today. This system existed to nurture future university teachers, and for Tanzan, there was nothing better. However, that career path did not open up for him. One account attributes this to Shoyo Tsubouchi, said to be one of the three most important and influential men at Waseda, who did not favor Tanzan. Consequently, Tanzan left Waseda University behind.

2. The journalist Tanzan and the "Little Japanese-ism"

Later, Tanzan became an editor and reporter for the Tokyo Mainichi Shimbun (not the same as present-day Mainichi Shimbun) through an introduction by Prof. Hogetsu Shimamura, but left after six months due to internal conflict. Then, after finishing compulsory military service in the 3rd Azabu Infantry Regiment, in January 1911 he joined Toyo Keizai Shinposha. The company had been looking for an editor for Toyo Jiron, a monthly magazine it had started publishing a half year earlier, and Tanzan was chosen for the position. He was 26 years old. From then on, Shinposha became the base for his 35-years of journalistic activities, until the time he transitioned to politics, just after the war in 1946. Truly, he would become the "Tanzan of Shinposha" and the company would become the "Shinposha of Tanzan."

Shinposha was established shortly after the end of the Sino-Japanese War by Chuji Machida (who later served as minister of agriculture and forestry, minister of commerce and industry, and president of the Constitutional Democratic Party). It was a pioneering Japanese magazine specializing in

economics. Initially, it was published every 10 days, or three times a month (later becoming a weekly publication). It covered a wide range of fields such as politics, diplomacy, society, education, and literary art, while focusing on economic issues. The magazine targeted readers in the educated class, including economists, bureaucrats, working adults, and university students. When Tanzan joined the company, Hisaaki Uematsu was chief editor. Uematsu was the third man to fill the position after Machida and Tameyuki Amano (who would go on to become a professor and, later, president of Waseda University and become known for his studies of John S. Mill). Uematsu studied under Amano while a student at Tokyo College (present-day Waseda University), and that connection led to his joining Toyo Keizai Shinposha. Under Uematsu, the magazine titled Toyo Keizai Shinpo went beyond the scope of an economic journal and expanded into the fields of politics and society. It especially strengthened criticism of the Meiji oligarchy and military clique through actions such as urging the implementation of universal elections from a democratic (called populist at the time) perspective. Uematsu was aided by Tetsutaro Miura, the assistant editor (later the 4th chief editor) and a classmate from Tokyo College. Miura became a benefactor to Tanzan both in public and private life.

Back then, Shinposha was located in Tenjincho, Ushigome Ward, Tokyo (present-day Tenjincho, Shinjuku Ward, Tokyo) and had 17 employees, including the editing and sales staff. Notably, the socialist Sen Katayama was also a member of the editing staff along with Tanzan. Uematsu had hired Katayama, who was being harassed by the authorities and had nowhere else to go. In regard to Katayama, Tanzan recalled that, “His ideas were very moderate and sound, and there was not the least bit to regard as dangerous. . . . On the contrary, I was the one with radical ideas” (*Tanzan Kaiso* (“*Tanzan memoirs*”). The presence of Katayama speaks to the character of Shinposha and is quite interesting.

Tanzan’s discourse as a journalist gradually grew. He showed a dramatic broadening from his original thought—in philosophy and the literary arts—to fields including politics and diplomacy, economics and finance, and society and education. While this was grounded in the academic mood distinctive of Shinposha, Tanzan’s knowledge was a product of self-education gained through efforts such as widely reading the European classics and new publications in their original language.

The “Little Japanese-ism” represents Tanzan’s discussions on politics and

diplomacy. It was the antithesis of the “Large Japanese-ism” of territorial expansion based on imperialism that was being advanced by the government and military at the time. The “Little Japanese-ism” limited Japan’s sovereign territories to the long-established four main islands and was a peaceful theory of development founded on economic rationalism. Specifically, it opposed the 1910s immigration issue against the United States, completely renounced colonization of places such as Manchuria, Korea, and Taiwan, and protested fighting in World War I, and opposed the 21 articles of demand presented to China, and dispatching troops to Siberia. That is, the Japanese government’s annexing of Manchuria as it did Korea was a matter of grave significance. There was nothing that would make international relations more unstable and bring conflict. Envisioning that, before long, Japan would be isolated from the world, battered, and millions in operations forfeited, the Little Japanese-ism argued that, “All rights to Qingdao, Manchuria, Port Arthur and others should be returned.” The policy showed the importance of peaceful cooperative diplomacy between countries. “Neighbors must be on friendly terms. The declaration of the observance of decorum is not reserved for individuals alone. Unless this same attitude is taken even in relationships among countries, the peoples in each country will never live happy lives.”

Meanwhile, Tanzan put forth extreme arguments, for instance advocating the overthrow of the privileged Satsuma and Choshu clans and other military cliques and immediately implementing universal elections. He was a journalist who embodied the most radical ideas and actions among the newly trending movements in the Taisho democracy, including taking part in the first and second Constitution Protection Movement. His editorials asserted it was unreasonable that the right to vote is given to a mere 3% of the total population, or 1.54 million people, while the remaining 50 million-some people were taxed and burdened with compulsory military service, yet unable to participate in government. He contended, “Japan must have universal elections.” Tanzan believed that democracy/liberalism was “humankind’s most recently contrived way of life” and anticipated this idea would intensify amid increasing popularization. In addition, he cast doubt on the Imperial Constitution (Meiji Constitution) and advocated for the achievement of popular sovereignty in place of state sovereignty, and for a democratic politics based on a parliamentary system in place of the domain-dominated politics of the day. “In any case, the greatest authority lies with all citizens, and representative government is a way to expedite the manifestation of that. Currently,

there is no method that should take its place.” In that sense, although Tanzan was born in the Meiji period, his thinking was ahead of its time.

In April 1913, as he participated in the Constitution Protection Movement, Tanzan “thought about the direction that should be taken in the future, and ultimately settled on the idea that entering politics and working to establish a new philosophy as preparation was the best approach,” (*Ishibashi Tanzan Nenpu* (“*A Chronological Record of Tanzan Ishibashi*”). Though it may have been vague, this implies that, from this point, he resolved to aim to become a politician.

His argument to abolish all colonies was systematized in the following way. Why should Japan abandon its colonies? First, the Chinese people’s anti-Japanese sentiment would continue as long as Japan possessed various special rights in places such as Manchuria, and that would hinder politics, diplomacy, economics, and trade between the countries. Second, Manchuria and other colonies generally did not have as much value as imagined as outlets for overpopulation and in natural resources. Moreover, Japan was not blessed with enough domestic capital to possess overseas territories. Third, possessing colonies would increase military spending, put pressure on national finance, in the end worsen the lives of the people, and cause futile wars. Fourth, the possession of colonies would cause friction with superpowers, especially the United States, and lead to the international isolation of Japan. Fifth, heightened nationalism would mean the independence of colonies would be unavoidable in the future. Therefore, Tanzan preached, there was no choice but to relinquish all colonies such as Manchuria.

The 1921 editorial entitled, “The Illusion of the Large Japanese-ism,” was his compilation of the Little Japanese-ism. It can be thought of as a discourse that indicated the highest level of knowledge in the period of Taisho democracy that surpassed the ideas at the time of the democrat, Sakuzo Yoshino. In this editorial, he also promoted the argument to abolish military arms along with the previously mentioned case for putting an end to all colonies. At the basis of that was an argument by Norman Angell that war is foolish and fruitless. In other words, he believed that war-induced destruction of interdependent systems that are closely knit in international society, such as trade and finances, similarly damages not only the defeated country but also the victors. The argument raised by Tanzan to abolish military arms was rooted in the idea of rejecting war that is based on humanism, economic rationalism, and a distinctive view of the history of civilization.

3. The economist Tanzan and the argument to lift the gold embargo

Within the conventional atmosphere of Shinposha, Tanzan steadily acquired knowledge of economics. Starting with Amano's Keizaigaku Koyo ("Outline of Economics"), he moved forward with self-study and read works in their original languages, including writings by E. R. A. Seligman, Arnold Toynbee, Adam Smith, and John S. Mill. In addition, Tanzan was heavily involved in lecture meetings on freethinking, extensively interacted with intellectuals and up-and-coming politicians such as Odo Tanaka, Daikichiro Tagawa, and Etsujiro Uehara, and was impacted by ideas similar to Britain's Fabian Socialism. During that process, Tanzan began advocating neo-liberalism in the mid-1910s. He asserted that in the conventional laissez-faire capitalist system, the poor are neglected and education disregarded. Just as Mill and Marx criticized, the laissez-faire capitalism touted by Smith was no longer permissible in this age, and capitalism could not continue unless equitable division of wealth and social welfare measures such as education and public welfare are practiced.

In short, it can be said that Tanzan pressed for neo-liberalism to elevate classic liberalism to a new level. In those days, the socialist state was born through the Russian Revolution, and a tempestuous warring of ideologies occurred between communism and capitalism that would impact the entire 20th century. Amid this conflict, Tanzan ruminated over a variety of issues, such as whether capitalism would have legitimacy going forward, or a new socialism would have compelling value, and concluded that, "capitalism can be modified through the implementation of neo-liberalism." He championed the case for capitalism. Similarly, John M. Keynes uncovered the shortcomings of capitalism and took the same position as Tanzan in terms of desiring revision to the principle of laissez-faire. This is how both men came to have points in common.

As a result of his scheme to revise capitalism according to neo-liberalism, Tanzan promoted the argument for human industrial revolution. The keynote was built on Mill's equitable division of wealth. To prepare for the post-war industrial revolution, it preached reducing the disparity in wealth through equal division, furthering social policies and social welfare, and improving human work environments. However, against the backdrop of the post-World War I depression and the Great Kanto Earthquake, economic ideas focusing

on the theory of distribution gradually changed to the theory of production from the 1920s. Capitalism in Japan swung from an upturn in democracy to a period of crisis. Another cause was the breakdown in autonomous adjustment. Without goods, distribution is not possible. Therefore, Tanzan's economic ideas shifted from the theory of wealth distribution to production (Freethought, discussion No. 80; Jiang Keshi, Tadashi Yamaguchi).

During this period, Tanzan built his first home in the town of Kamakura (today, the city of Kamakura) and spent a term as a Kamakura town council member. He also worked as a teacher in the economics department of the Yokohama Higher School of Technology (the predecessor to present-day Yokohama National University). In January 1925, he became representative executive director of Shinposha (the system of president began from 1941). At this point, Tanzan had made it to the top of the company. He was 40 years old.

Around this time, Tanzan and others at Shinpo began advancing the argument to lift the gold embargo at a new parity instead of the old one. The main point was that, "Lifting the gold embargo at the old parity will cause prices to plummet approximately 25%. Causing this drop in prices will deliver a lethal blow to the economy just when we are beginning to recover after the earthquake. Instead, it should be based on the current exchange rate. That is, the gold embargo should be lifted at a new parity" (*Shogai gen'eki—Ekonomisuto Takahashi Kamekichi* ("The Lifetime Economist: Kamekichi Takahashi") by Kinichiro Toba). Kamekichi Takahashi at Shinposha judged that, in keeping with the purchasing power parity developed by Gustav Kassel, there was no alternative but to lower the parity. Tanzan agreed. From then on, Tanzan and Takahashi worked with Toshie Obama and Seijun Yamazaki to energetically spread the argument for lifting the gold embargo at a new parity.

However, Finance Minister Junnosuke Inoue of the Hamaguchi Cabinet, which was formed in July 1929, decided in November to lift the gold embargo at the old parity and implemented it starting in January the following year. Regarding this decision, Tanzan speculated that, "He overlooked one important thing. That is, if the government were to indicate the decision to lift the gold embargo at the old parity, the fallen exchange rate would immediately rise to that exchange rate. He could have been surprised at the unexpected sudden recovery of the exchange rate. However, if the government had hesitated, the exchange rate would have been in danger of plummeting again. Therefore, Finance Minister Inoue necessarily decided on lifting the gold

embargo in January 1930, and that notice was given in November 1929” (from *Tanzan Kaiso* (“*Tanzan memoirs*”). Because Inoue was assassinated, the truth remains unknown.

Not surprisingly, the government’s lifting of the gold embargo was a complete failure. Worse, the global depression started when the Japanese economy began stagnating, so the world market contracted and Japan’s exports decreased. Contrarily, gold flowed out all at once due to a worsening current account balance. As a result, finances were tight and the deflationary effect grew even greater; and prices dropped and exports sharply decreased. Companies went bankrupt one after another, and there was a deluge of unemployment. Farming villages were the ones plunged into the most dismal situation. Northeastern Japan suffered extremely poor harvests and took a devastating hit. In addition to this economic chaos, Japan was thrown into a tumult as a result of a dispute over interference of the supreme command, which involved the London Naval Treaty. Shortly thereafter, Prime Minister Hamaguchi was shot, and then Inoue and Takuma Dan were assassinated. Terrorist acts such as the May 15 Incident became common, and Japan was thrust into a dark period when extreme right-wing thinking dominated.

Tanzan was acutely aware: “Undoubtedly what threw Japan into hardship was the lifting of the gold embargo in 1930.” That pushed Tanzan to the limit as a journalist. His bitter experience with the argument over lifting the gold embargo led to the heating up of the inflation debate and Tanzan’s sudden decision to enter politics just after Japan lost the war.

4. Transitioning from journalism to politics

During the long period of war from the 1930s to the first half of the 1940s, Shinposha and Tanzan, who touted liberalism, intensified their uphill battle with the government and military. Unlike many newspapers and magazines, Tanzan did not abide by the official bulletins announced by the government and army. For instance, when the Mukden Incident occurred, the fundamental resolution to the Manchuria-Mongolia problem caused by military force was difficult, and the actions of the army were blamed on the fact that the country was in an extremely dangerous situation. In addition, the East Asia League Movement by Kanji Ishiwara and others who used the slogan “Five Races Under One Union” was cut down as a “fantasy.” In regard to the Marco Polo

Bridge Incident, the majority of mass media viewed it as a necessary clash that arose from China's hostile attitude and called it an argument for dealing a blow to China. However, Tanzan pointed out the coercive behavior by Japan behind the incident and contended that it should not become a full-scale issue between Japan and China. Later, when the Second Sino-Japanese War dragged on, Tanzan likened China to a worm and preached that monocellular creatures can at times be strong, and not to underestimate the Chiang Kai-shek government. While indirectly expressing that "Japan is not winning this war," he predicted Japan's defeat. In addition, when the Tripartite Pact was signed, he lectured on the dangers and criticized the concept of the Greater East Asia Co-Prosperty Sphere as lacking feasibility. While it is undeniable that his Little Japanese-ism was rolled back, as before, those principles and position persisted.

Of course, Shinpo was strongly censored by the government. In particular, from 1938 the government and army adopted a system of materials allocation, citing as the reason a lack of various materials such as paper and ink, which are essential materials for newspapers and magazines. This was an effective means of censorship. Allocations were relentlessly reduced to entities like Shinpo that did not play along, and those that went along were favored. A reduction in paper cut down advertising revenue, and the company steeled itself to deteriorating business conditions. Thus, all mass media were unable to escape from the government's control. Moreover, the editors were regularly summoned by the Cabinet Intelligence Bureau and subject to blatant meddling and threats, including prohibiting communication of information and demanding that content be edited.

Tanzan later said in retrospect, "Our paper was often subject to prohibition of sale. We also endured harsh rationing of paper... In the end, we didn't suffer the bitter experience of having to discontinue the publication during the war because, as a specialized economic magazine, our circulation was low. Also, rather than always directly protest, we sometimes purposely used roundabout means of expression and strove to have our readers read between the lines" (from *Toyo Keizai Shinpo Genron Rokujunen* ("Sixty Years of Toyo Keizai Shinpo Genron")). Incidentally, within Shinposha there was a move to drive out President Tanzan, since he would not abandon liberalism. There is even a story that Prime Minister Hideki Tojo told Kingo Machimura of the Home Ministry Police Affairs Bureau in the Ministry of Home Affairs to shut down Shinposha. Somehow, the company was able to ride out the storm.

Towards the end of the war in the Pacific in July 1944, the Tojo government collapsed and was replaced by the Koiso government. Tanzan worked to promote Sotaro Ishiwata as minister of finance, and the Wartime Economics Investigative Committee was established within the Ministry of Finance. In fact, this was a strictly confidential committee for the purpose of researching post-war reconstruction measures for Japan. The committee convened more than 20 times, starting in October of that year until just before the end of the war in April the following year. Eight individuals, including Tanzan, Ichiro Nakayama, Kazuo Okochi, Mitsutaro Araki, Toshio Inoue, and Shoshiro Kudo, and the Chief of the General Affairs Bureau, Masamichi Yamagiwa, participated in those meetings. Tanzan scrutinized the path of the post-war international political and economic system, and in that sense focused on the United Nations proposal at the Dumbarton Oaks Conference and simultaneously showed an interest in a new free and diversified economic system in place of trade protectionism.

Also, at these gatherings Tanzan and Nakayama argued over the Cairo Declaration. Nakayama asserted that, “Post-war Japan cannot survive without Manchuria and Korea,” while Tanzan countered that, “Maintaining control over colonies is a surprisingly heavy burden. This burden would further increase as a result of losing the war, meaning that without them Japan would be free of this weight and have a promising future.” That was Tanzan’s long-standing favored view. Later, Nakayama expressed respect for Tanzan’s keen insight.

Tanzan welcomed the end of the war from Yokote, Akita prefecture, to where he had evacuated. Marking the occasion, on August 18th he wrote in his diary, “In some sense, I was fighting, in rebellion against our masters within Japan, alongside America and Britain for the true development of Japan, which is why I feel no sadness over the defeat” (*Tanzan Nikki* (“*Tanzan’s Diary*”). In fact, after the August 25 editorial titled, “Embarking on the Re-establishment of Japan—A Truly Promising Future,” Tanzan published successive articles on Japan’s reconstruction. In short, they were asserting the possibility of the restoration and development of Japan as a trade-oriented country. In contrast to the distress blanketing the entire nation stemming from shock over losing the war, Tanzan presented a bold, optimistic view. Naturally, this was based on the confidence that, because of Japan’s defeat, at last the time had come to implement the Little Japanese-ism that he had for so long touted.

At this time, Raymond C. Kramer, Chief of the Economic and Scientific Section (ESS) of MacArthur's General Headquarters (GHQ) pushed for Tanzan to come to Tokyo. During the war, Kramer had read *The Oriental Economist*, the English version of *Shinpo* during the war period, and sought Tanzan's cooperation. Tanzan hoped his own approach could be reflected in the occupation policy and agreed, periodically submitting reports. Meanwhile, when the Japanese Liberal Party was established, Tanzan took the position of economic advisor to the party at the request of the president, Ichiro Hatoyama. This would become a chance for Tanzan to enter the world of politics.

Since being defeated in the war, a theory of inevitable inflation grew stronger in Japan based on the real-world example of post-World War I Germany. Professor Hyoe Ouchi from the University of Tokyo and others advocated an austere fiscal policy based on this viewpoint, which was becoming the prevailing thought. In contrast, Tanzan concluded that, "What is alarming is not inflation, but deflation." The reason was that "Post-war Japan is filled with the unemployed, and many factories are not operating due to under-employment. Rising prices and currency inflation in this kind of situation cannot be helped through deflationary policy." He emphasized that to survive this crisis "requires setting goals to achieve full employment, giving citizens jobs, and expansionary fiscal policy that revives industry." In other words, he promoted stirring effective demand according to Keynesian theory. Doubtless, Tanzan was highly cognizant that if Japan were to make the wrong choice at this time, it would repeat the unfortunate history that occurred after the failed policy for lifting of the gold embargo.

At this juncture, the Occupation Forces suddenly issued the Purge Directive, a prohibition of designated Japanese people from engaging in public service. It was January 1946. As a result, all 381 Diet members (approx. 80% of the total) who were elected by recommendation from the Imperial Rule Assistance Association during the war could no longer run for office. Since the first post-war general election was around the corner in April, the political world fell into chaos. Each party had to madly scramble to find representatives.

At this point, Tanzan hastily made up his mind to become a candidate. Initially he tried to run from his home prefecture of Yamanashi, but was unable to pull the candidacy together and ended up running from the Second Ward in Tokyo, which was a closely contested constituency. He ran for the Liberal Party rather than the Social Democratic Party, to which many of his

friends belonged, because he thought the party members would adopt his own economic policies, but he was insufficiently prepared and lost, coming in 20th place.

However, the Liberal Party became the leading party, and just when the Hatoyama government was established, the GHQ abruptly intervened and Hatoyama was purged. Thus, Foreign Minister Shigeru Yoshida became the hasty replacement, and in May the first Yoshida Cabinet was formed. Tanzan joined the Cabinet as the minister of finance, a position that had been unofficially offered. Losing the election and then gaining a ministerial position was unprecedented. In this way, Tanzan pivoted from the realm of journalism to the realm of politics. He was 61 years old.

5. The politician Tanzan and his historical significance

Having been a journalist and economist, Tanzan was unfamiliar with politics, and taking the vital post of minister of finance in the post-war restoration was a highly unusual occurrence in post-war history. Nevertheless, from Tanzan's perspective, it was the arrival of a good opportunity to achieve the Little Japanese-ism that had been on the back burner for 30-some years, as well as a necessary occupational change based on a strong sense of mission that Japan must not make another mistake like the way the gold embargo had been lifted. If the national crisis of Japan's defeat had not occurred, perhaps this occupational change would not have happened. That is a point shared with Yoshida, who transitioned to politics while retiring from civil service. Unlike Yoshida, however, Tanzan did not rely on the United States or superficial obedience. He was highly motivated to achieve economic recovery for Japan without relying on the United States and realize true independence even if it were to take time. From Yoshida's perspective, Tanzan's unpolished, rigid approach was concerning. Sure enough, Tanzan's Keynesian expansionary fiscal policy clashed with the GHQ.

First, ESS ordered immediate discontinuance of war compensation to the munitions industry for the sake of punitive significance, but Tanzan did not abide by that, based on the standpoint of economic recovery. Also, Tanzan considered a 30-million ton increase in the production of coal—Japan's only energy source—to be a critical issue and repeatedly provided new yen from the Reconstruction Finance Cash Office as an emergency measure.

Furthermore, Tanzan asked the GHQ to reduce the post-war management costs, meaning overhead expenses for the Occupation Forces. From his perspective, because post-war management costs accounted for one-third of the national budget, they were enormous and contributed to swelling inflation.

However, to GHQ this series of hardline measures by Tanzan were erroneous policies that intentionally fanned inflation and clearly showed that Finance Minister Ishibashi was a right-wing nationalist opposed to the occupation policy. In the end, Deputy Chief Charles Kades from the Government Section (GS) who was in charge of the Purge and others secretly pushed forward Tanzan's ousting, using his writings during his time at Toyo Keizai Shinposha as a reason. Despite the fact that the Japanese public office review committee twice ruled that Tanzan did not fall under the purview of the Purge, the GHQ pressured Prime Minister Yoshida to forcibly make Tanzan applicable to provision G of the Purge Directive. Perhaps Yoshida also thought Tanzan's rise in popularity among the citizens was a threat, but he did not oppose the scheme and ultimately Tanzan was ousted as finance minister. It was May 1947. From that time until the Purge Directive was lifted in June 1951, he was locked in a prison without bars for a full four years.

Later, Tanzan won a political fight with Yoshida supporters and played a part in establishing the Hatoyama government. He became the minister of international trade and industry and worked to improve Japan-China economic and trade relations. In the Liberal Democratic Party presidential elections after Hatoyama left office, he pulled off a miraculous come-from-behind victory over Nobusuke Kishi who was viewed as the probable winner. In December 1956, he finally took office as prime minister. However, as is widely known, in just two months he resigned. "If only Prime Minister Ishibashi had continued for two years, the direction of post-war Japan would have likely been something entirely different," is a comment often heard. Though that is likely a correct speculation to a certain extent, instead it should be wondered whether post-war Japan would have been much different if only Tanzan had not been purged during his tenure as finance minister and that four-year blank did not exist.

Would he not have cut a path for a new Japan different from the road taken by Yoshida and that taken by Hatoyama to create economic prosperity ahead of the high economic growth brought about by the Ikeda Cabinet? The loss of his sharp insight into the future and his rationality unshackled by common practice, his philosophies of democracy, liberalism, and individualism—the

loss of the man who was an uncommon philosopher as well as politician shaped by the pacifism and internationalism of a daring, untoured monk—was a great blow to Japan’s post-war history.

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