

## In This Issue

DAVID HOWELL uses proto-industrialism to explain the Japanese transition from the feudalism of the Tokugawa period to capitalism in the Meiji and later eras. Proto-industrialism, a concept borrowed from European economic history, refers to rural manufacturing for long-distance trade. Howell shows the Hokkaido herring fertilizer trade represents a good example of proto-industrialization in nineteenth-century Japan, where commercial production by a dispersed network of small contract-fishery operators employing some wage labor was transformed into a new capitalist mode in which large entrepreneurs came to dominate through the wage-labor systems and floating factory ships. Howell concludes that proto-industrialism in mid-nineteenth-century Japan suggests that Japan's economic success from the late nineteenth century onward is not simply the result of Meiji government policies, but reflects long-term economic changes underway in the Japanese economy during the eighteenth and nineteenth centuries.

GERMAINE HOSTON examines in pre-1937 Japan the inevitable conflict in any modernizing society between the integrative goals of the nation-state and the quest for personal, individual freedom. Her aim is to define more sharply the nature of liberalism in the period from the Meiji to the outbreak of the Pacific War in 1937. As categories against which she measures Japanese liberalism, she defines two different trends within Western liberalism: the classical, associated with J. S. Mill and Jeremy Bentham, and the progressive, associated with T. H. Green and J. A. Hobson. She believes the latter, which leads ultimately to endorsements of an activist state as a means to provide social welfare or bring social betterment to individuals, was more compatible to the Japanese. Hoston argues that there were never many classical liberals in Japan, and that most Japanese liberals rejected those elements of classical liberalism that do not valorize the state as a legitimate instrument for social change. Thus, liberalism prior to 1937 remained distinctively Japanese in character in that it was premised on a vision of individual freedom in the context of community and was repeatedly resolved, she concludes, "in favor of a commitment to the collectivity understood to be represented by an activist state."

ROBERT GARDELLA re-examines the bookkeeping and accounting methods common among large Chinese commercial firms during the late Qing and Republican periods. He finds evidence contradicting the assertions of Max Weber that in China "There was no genuine, technically valuable system of commercial correspondence, accounting, or bookkeeping." Instead, Gardella shows that, although the Chinese merchant lacked a full functional equivalent of double-entry bookkeeping, nonetheless in large Chinese retail businesses, such as the Ruifuxiang drygoods store in Beijing, a complex system of ledgers recording different categories of transactions was carefully maintained. Gardella believes that, even though these native Chinese practices in bookkeeping and accounting were displaced slowly during the twentieth century by Western accounting methods, the Chinese nonetheless already had in existence sound systems of bookkeeping and accounting that provided all of the information needed to successfully manage a large and complex capitalist enterprise.

SANJAY SUBRAHMANYAM takes up an idea advanced by Philip D. Curtin in *Cross-cultural Trade in World History* (1984) that foreign trading communities in the

early modern period remained autonomous commercial settlements, self-contained populations largely isolated from the politics of their host societies. Basing his study on the Iranian (Persian) traders scattered through South Asia and the Indian Ocean region from the fifteenth to the seventeenth centuries, Subrahmanyam concludes the commercial, administrative, and military skills possessed by the Iranians meant that they were drawn into key roles in state formation in India. Subrahmanyam cites cases where Iranians left behind trading to become administrators and state builders in the Deccan region of India, as well as similar evidence from the Mughal court and Southeast Asia. So he concludes that the worlds of trade and politics may be more permeable than Curtin would have us believe.