A Peripatetic Economist

Up to the End of College Education

In retrospect, I might say I became an academic economist when I received a Ph.D. degree in economics at Harvard in 1940 at the age of twenty-eight. However, the road to this mid-point in my life was by no means straight or smooth, having been studded by numerous fortuitous. For one thing, I was the first boy-child born in the tradition-oriented Tsuru family composed of five brothers, the eldest of whom had no children and needed a heir from among his nephews; and thus at birth I was registered as a son of my uncle and was to be reared, without my awareness, to grow, as a “country gentleman” in the distant rural district of Usa in Oita Prefecture. The first fortuity which intervened was my infirmity as an infant, which circumstance apparently convinced my “legal” parents that it would be better for me to live under the care of my real mother until I would become strong enough to stand the rough living-style of rural environment. My infirmity, however, lingered on until finally my “legal” father had to concede the parenthood to his brother, whom I was then permitted to call “father”.

My father was an engineer born in 1879 and was twenty-six years old when the Russo-Japanese War ended. Japan won this war, but is said to have “lost” in the post-war diplomacy. This contingency left deep impression on his mind that Japan had good soldiers but lacked competent diplomats and led him to resolve that his son should work towards a diplomatic career. Thus I was encouraged to follow an élite course in education leading to the Law Department of Tokyo Imperial University. I did quite well in the first year (1929-30) in the gymnasium and nothing appeared to be in the way of my pursuing the road which my father mapped out for his son.

But the times were not kind to the old man’s dream. From his standpoint it was quite fortuitous that the panic of 1929 burst out and

* Contribution to a series of recollections and reflections on professional experiences of distinguished economists. This series opened with the September 1979 issue of this Review.
the Japanese military started open intervention in China just about the same time. Many sensitive youths in Japan interpreted these events as evidences vindicating the Marxian-Leninist thesis of capitalism's crisis and imperialist aggression. In this intellectual climate, I, too, became active in the then fashionable student movement opposing the military training in schools and organizing study groups on Marxism. The foreseeable consequence of such extra-curricular activities was a wave of suppression which swept over many campuses in 1930; and I was duly arrested for detention and expelled from the gymnasion. When I was released after three months with a stay of prosecution on account of my minor-age status, I found myself stripped of qualifications for entering any of the institutions of higher learning in Japan.

It must have been a source of tremendous disappointment for my father; but it was his suggestion that I go abroad for study. Those were the days when in the minds of most Japanese the academic mecca, above all, was thought to be Germany, while there was a general impression that only the play-boy type of elitist youths would go to America. Thus I preferred to go to Germany, especially because my first foreign language was German. It happened, however, that the Marxist-oriented Social Democratic Party was quite strong then in Germany; and my father's decision was that he would finance my travel abroad only on the condition that I go to the United States for study. I agreed to this and chose for matriculation a small college in the northern part of Wisconsin where somehow I knew that there resided a fairly large number of immigrants from Germany who had escaped from the persecution of Bismarck. Thus I arrived on 18 September, 1931 — the day the Manchurian Incident broke out — at Lawrence College in Appleton, Wisconsin, with a clandestine intention of transferring myself to Germany in due course. I spoke better German than English then.

Another fortuitous event gave a twist to my premeditated plan: the Reichstag fire of February 1933 and the rise of Hitler to power in Germany, which, it was clear enough to me, precluded the possibility of free scientific pursuit. The choice thrust upon me then was either to remain at Lawrence College or to move on to the big-time at a place like Harvard. In fact, I was having well-filled years at Lawrence, with even an amateurish attempt at experimental psychology embodied in the first publication of my life in an academic journal on the subject of "The Meaning of Meaning". There were two distinguished economists on the campus at the time: Harry Dexter White and M. M. Bober; but unfortunately, I missed their inspirational teaching and was engrossed more deeply in the field of physiology, writing on such subject as "Some Neurological Considerations of the Vitalism vs. Mechanism Controversy".

I was fortunate in having as my mentor Gordon Clapp — later to become Board Director of the Tennessee Valley Authority — who was then the Dean of Students at Lawrence; and he advised me to transfer myself to Harvard College for my junior year. Having given up the idea of going to Germany, I followed his advice and went to Harvard in September 1933. There at first I did not know what to major in; and although I registered myself in the Division of History, Government and Economics, I managed to minimize my commitments to economics and took advantage of the access to great minds which shined on the campus of Cambridge, Massachusetts, notably Alfred North Whitehead in philosophy and Crane Brinton in History. As a term-paper for the former I wrote a rather lengthy essay: "On construction and criticism of a rational system of beliefs"; and for the latter I took advantage of my knowledge of Marx to write "Dialogue between Denis Diderot and Karl Marx"; both of which, fortunately enough, received high commendations from the teachers.

At the same time, I kept on, with unexpectedly strong encouragement from Gordon Allport, Professor of social psychology, the experiment which I had conducted in relation to my 1932 article: "The Meaning of Meaning". The initial experiment consisted in selecting about 25 pairs of contrasting sensorial adjectives (such as bitter-sweet, hard-soft, etc.) in Japanese and having each pair pronounced twice in different order for the subjects who were asked to identify which of the pair sounded more like which. The experiment was considered meaningful because the Japanese language had been spoken for centuries before it acquired any means of ideographic or alphabetical rendition, which could mean that contrasting sensorial adjectives, in particular, might have evolved certain Gestalt with semi-universality. The initial experiment conducted at Lawrence College produced a remarkable result of 80 to 90 percent correct answers for a number of pairs of words, such as "nigai-amai" for "bitter-sweet" and "katai-yawai" for "hard-soft". Professor Allport at Harvard found this most intriguing and insisted that I develop further the experiment by (1) trying with a larger number of pairs of words and (2) asking the subjects to report

on their introspection. One new pair, which was added on Professor Allport’s suggestion, was that of “bird-worm”. This pair was not that of sensorial adjectives; but he thought that the contrast of something flying in the sky and something crawling on the ground should have been reflected in the contrasting Gestalt. His cunning suspicion was vindicated perfectly; for almost no one among the subjects went wrong in choosing “torr” for “bird” and “mushi” for “worm”. I wrote a lengthy report on the entire experiment, but never felt bold enough to have it published anywhere; and I suspect that the report is still somewhere in the laboratory of social psychology at Harvard University.

Though with detours of this kind, I still maintained my basic interest in economics and somewhat hastily decided to write an Honor’s Thesis in that field for obtaining a bachelor’s degree. My tutor was O.H. Taylor, nicknamed “Nat” because of his persistent devotion to “Natural Right”. Weekly sessions with him, discussing the philosophical basis of classical economists, were stimulating enough for me; but I apparently disappointed him by choosing to write, for my thesis, on the subject of “An Aspect of Marx’s Methodology in Economics: ‘the Fetishism of Commodities’” — a subject matter which after almost half a century still occupies a niche in the corner of my mind.

The courses in economics I took in my college years were rather unsystematic. For one thing, I persuaded the department chairman to excuse me from going through the standard comprehensive course in economics on the pretext that my education in Japan had included it — which was not quite true and I repeated in later years the missing of basic training in the discipline. Memorable, however, was a half-year course on “Value and Distribution” given by Frank W. Taussig. I was fortunate in having the experience of being exposed to the famed Socratic method of this indefatigable old gentleman-economist in his last year of teaching at Harvard. It was probably he, more than any other person, who inspired me to decide to go into the graduate school to major in economics.

Graduate Years at Harvard

I moved onto the graduate school at Harvard, in the fall of 1935, to major in economics. Surprisingly, I was the only Harvard alumnus in the group of about twenty who started graduate education there in that year. But this group, in a number of respects, was a fortunate one. Firstly, the group itself happened to be composed of some brilliant aspirants in the profession, such as Paul Samuelson, Robert Triffin (Belgium), Robert Bryce (Canada), etc., who, along with those who had come there earlier, such as J.K. Galbraith, Richard Musgrave, Abe Bergson, Paul Sweezy, Wolfgang Stolper, etc., created an unusually stimulating atmosphere of mutual education. Soon to follow us in the graduate school were Evsey Domar, Sidney Alexander, James Tobin, Joe Bain, Robert Solow and others; and the graduate student body at Harvard during the years 1935 to 1938 was of such calibre as to have prompted Robert Triffin to write: “I learned as much or more, as an economist, from student colleagues of mine in the most brilliant class that Harvard probably ever had... than from the professors whose classes I attended.” Paul Samuelson, too, wrote at one time: “Harvard did much for us. But, as I have had occasion to say in the past, we did much for Harvard too.”

It is true, however, that the economics faculty at Harvard was then in the very transitional stage from the patriarchal dominance of F.W. Taussig to a new golden decade with “imported foreigners” like Schumpeter, Haberler and Leontief and slightly later with Alvin Hansen from Minnesota. There is no denying that we benefited greatly from their instructions in their primes. This is the second reason for my saying that we were a fortunate group.

Related to this is the third reason; that is: the presence of Schumpeter and others attracted visiting scholars from abroad on their Rockefeller fellowships to Harvard. And among them were Oscar Lange, Abba Lerner, Paul Baran, Eric Roll, N. Kaldor, F. Machlup, N. Georgescu-Roegen, Oscar Morgenstern, Jacob Marschak and others. Almost every day, either at lunch or cocktail hours or late at night, was an occasion for heated discussions on the state of economic science among us all.

The fourth reason is quite fortuitous. The publication of Keynes’ General Theory was foretold by our student colleague, Robert Bryce, and the first shipment of thirty copies arrived from England to Cambridge, Mass., U.S.A. on 7 March 1936 — the occasion which marked the beginning of what Samuelson characterized as the period of its impact affecting “most economists under the age of 35 with the
unexpected virulence of a disease first attacking and decimating an isolated tribe of south sea islanders." Seymour Harris, the most enterprising member of the faculty at that time, immediately organized an informal study group on Keynes, where most of us flocked together to test our understanding of the new vista opened by that genius of our age. I must say that the academic year 1935-36 was the most fruitful one for me during my apprenticeship stage in economics. Within one year I managed to pass what was known as "the general examination" towards a Ph.D. degree; and by June 1936 I was ready to start writing a dissertation for that final degree. But at that point my peripatetic propensity sidetracked me again; and while I held an assistantship in the department to sustain my living, I wandered into activities little related to my field of concentration in economics which I chose to be "Theoretical and Empirical Studies of Economic Fluctuations in Capitalist Countries".

The times were such in those years of 1936 and 1937 that many residents of the ivory tower could not be aloof to the evolving development outside. Victory of the popular front group in the Spanish parliamentary election took place in February 1936, followed in May by the formation of a similar popular front in Argentina; and then in June the first Front Populaire cabinet by Blum came into existence in France. July 1936 was the month when the Spanish civil war began — the war which, it may be recalled, drew many a literary and intellectual person onto the battlefield from outside Spain. In the Asian theater, on the other hand, Japan's invasion into China, which began with the Manchurian Incident of September 1931, was gradually escalating itself finally to take a blatantly undisguised form in July 1937.

It was against such background on the world scene that a group of young Marxist scholars in Cambridge, Massachusetts, began thinking of publishing a quarterly academic journal with Marxist orientation intended to be broad enough to meet the needs of the popular front strategy. The planning stage for this was in the first half of 1936 with almost weekly meetings in Cambridge where I was an active member. The journal, which came to be called Science and Society — A Marxist Quarterly, had its first number published in October 1936 and immediately aroused a controversy as to its compromising editorial attitude towards non-Marxist scholarship. I spent a great deal of energy on attempting to straighten out the editorial policy of the magazine, somewhat in vain, I am afraid.

The China problem, too, occupied a substantial portion of my time in those years. I worked closely with some of the people associated with the Institute of Pacific Relations in New York in the journalistic campaign against the Japanese aggression. I often wrote in a magazine called Amerasia which came into existence at the time; and I also drafted for the Chinese Council for Economic Research a lengthy pamphlet, Japan's Economy under War Stain, trying to show deteriorating economic conditions in Japan with no prospect of military settlement in sight. My statistical analysis may not have been off the mark; but I was grossly mistaken in drawing inference from it: a large part of what I interpreted to be the war consumption in Japan's conduct of war against China was actually, as it turned out, nothing but stockpiling for the preparation of a much bigger war to come.

Along with the endeavors towards completion of my doctoral dissertation, I engaged in debate with Maurice Dobb on Marx's theory of value and also with Kei Shibata on the theory of the falling tendency of the rate of profit. My article for the former appeared over the nom de plume of Alfred Lowe in the pre-war English review The Modern Quarterly, Volume I, No. 3, July 1938 under the title of "Mr. Dobb and Marx's Theory of Value." My contention was essentially to point out the importance of the qualitative aspect of the value theory in Marx, criticizing Dobb for having concentrated, in the chapter on "The Requirement of a Theory of Value" of his Political Economy and Capitalism, too much upon the quantitative aspect and for positing the question in terms of a "general concept of value" and its desiderata. Dobb appended a brief reply to my article at the time, defending his position unfilled. Many years later, however, he recalled this "encounter" and conceded that "Tsuru was quick to point out the inadequacy of my statement of the problem, and should be accorded recognition and credit for saying so and at the same time emphasizing what he envisaged as being the crux of the matter." 15

The debate with Kei Shibata was first conducted in Japanese in 1937 on the pages of Keizai Ronso — the journal published by the economics department of Kyoto University. But I also wrote out in

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6 Ad Maltes Amori, op. cit., p. 7.
English in a less technical manner in the same year, although it was only in 1951 that I was able to publish it in Keizai Kenkyu — the journal published by the Institute of Economic Research, Hitotsubashi University. Shibata argued that changes in the coefficients of production, in so far as such changes bring about reduction in the expenses of production, give rise necessarily to the rise in the rate of profit, even when accompanied by the rise in the organic composition of capital, and more generally that in so far as the determination of economic phenomena is concerned it is irrelevant whether we take value-terms into consideration or not. I tried to refute both of these points.

I completed my doctoral dissertation in May 1940 under the title of "Business Cycle Theories and their Application to Japan." I never had an occasion to publish this, although a summary of the empirical part of it was written out in an article form and was published in The Review of Economic Statistics, Vol. 23, No. 4, November 1941.

The War Years

I married Masako Wada in Tokyo in June 1939 and brought her to Cambridge to spend my final year before completing my dissertation. After receiving the degree, I had a choice of either going back to Japan for an academic post somewhere or seeking a position in one of the universities in the United States. The former choice was not so easy at the time when a guild-like elan prevailed in academic professions and each of the university faculties was generally staffed by an in-breeding hierarchy usually headed by a commanding "master of the guild". This was especially true in prestigious government universities. Besides, academic training in the United States had not been considered yet as good enough qualification in Japan for a teaching post. Thus, I decided to remain in the United States at least for a while and depended on Oscar Lange and others for a possible opening on the American continent. Meanwhile, the Harvard Economics Department was lenient enough to support me with assistant positions for a number of professors, such as Haberler, Leonidé, Harris and Paul Sweezy.

It was inevitable that my post-doctoral professional work had to be somewhat wide-ranging. For Haberler, I worked on the quantitative trade control; for Leonidé, on the treatment of the government sector in his input-output analysis; for Harris, assisting his course on "Economics of War" which had its first year from September 1941; and for Sweezy, working together in his course on "Marxian Economics". During this interlude I wrote two publishable papers: one "On Reproduction Schemes" which appeared as an appendix to Paul Sweezy's The Theory of Capitalist Development, 1942; and another "Business Cycle and Capitalism — Schumpeter vs Marx" which had to wait for public appearance until 1956 when I compiled a volume of essays on Marxian economics.6

The first of the two, which related the steady and expanded reproduction schemes of Marx to Keynes's tableau économique and to the neoclassical aggregates, attracted some attention among non-Marxist economists and evoked controversy as well. Schumpeter, in his History of Economic Analysis, discussed the relationship between Marx and Keynes and wrote that on this subject "the interested reader finds all he needs in ... [the Appendix to Sweezy's volume] by Shigeto Tsuru."7 — the only reference to a Japanese economist throughout the entire, somewhat encyclopedic volume of Schumpeter's. The controversy evoked began with Charles Bettelheim's critique8 on one of the points I made in that paper to the effect that in the expanded reproduction scheme the physical component corresponding to additional variable capital (which takes the form of wage-goods) is replaced by the value component, i.e., first as a part of surplus value accruing to capitalists and secondly as income for incremental wage earners. Bettelheim contended that my "mistake" was twofold: one, definitional and the other, methodological. On both counts, I remained unpersuaded; and the controversy went on, involving a number of Japanese economists as well. To this day, after forty years since the particular issue was raised, no one has yet given us a final word.

I recall vividly a day — it was Friday 5 December 1941 when Robert Bryce, then a treasury official in Canada, paid a home-coming visit to Harvard and we had a special seminar with Schumpeter and many others who used to be student colleagues with Bryce. The European War was going on then; and a major topic for our discussion was the...

8 CHARLES BETTELEHIM, "Recees national, épargne et investissements chez Marx et chez Keynes," Revue d'Économie Politique, 1946, pp. 198-211.
post-war economic problem where the issue was thought to be free trade versus "appropriate discrimination". Bryce's favored the latter, and naturally a heated discussion ensued, whereupon Schumpeter abruptly intervened and asked Bryce's: "When do you think the next world war will come?" "Around 1972" was Bryce's answer, to which Schumpeter commented immediately: "You are too optimistic". At that time, of course, the U.S.-Japan relations were close to a breaking point; and the discussion went on naturally to a possible war between the U.S. and Japan. I took a strong position, saying that it would be suicidal for Japan to start a war against the United States. I was proved wrong within mere two days; and I found myself classified as an "enemy alien" subject to various restrictions on my conduct, including the temporary freezing of my bank account.

Nothing changed, however, so far as my relations with Harvard University were concerned. I kept on drawing salary from the University for assisting Seymour Harris in his course on "Economics of War" and for a few other sundry research jobs. As may be recalled, the initial phase of the Pacific War was somewhat one-sided in favor of Japan. But I was convinced that eventually Japan would be defeated and began harboring an idea, as early as the spring of 1942, of returning to my home country in order to be on the scene of defeat so that I could be of some service during the period of post-war reconstruction. The first chance of repatriation came in early June 1942 when I was in the middle of grading term papers for Harris, some of which forcefully reminded me of my status in the United States by devoting the opening page of the blue-book for the slogan in capital letters: "Remember Pearl Harbor!"

The repatriation was on an exchange basis mainly for diplomatic corps and the people classified as "international merchants", both of whom had been kept in informal confinement at luxury hotels after the outbreak of the war. Those of us, who had been entirely unmolested and drawing salaries from American institutions, were allocated berths only on sufferance on the exchange ship and were discriminated against in a number of ways, such for example as limitation of luggage to 32 cubic feet per person with no paper material allowed. Thus my wife had to surrender all the music scores as well as her cherished amulets before going abroad.

This was the second time I lost my library by one stroke (the first was when I was arrested in 1910; there was a third one to come when my room in Tokyo was burnt to ashes by an air raid in May 1945). To leave the country of intellectual apprenticeship extending over eleven years, stripped of all the accumulated assets in the form of books, documents and my own writings, was painful enough for me. But apparently my sense of emergency at the time overcame all the anxieties of this kind.

We came back to Japan towards the end of August 1942; and for almost a year I was "loaing", as it were, with no sense of urgency in finding a stable job. It was during this time that Professor Yasaka Takagi brought me back to the academic world by suggesting to me to give a series of lectures at Tokyo Imperial University on the subject of "Politics and Economic Policies of the United States." I welcomed this opportunity and worked hard entirely on the basis of borrowed books and my memory. The lectures were published in a book form subsequently and attracted some attention as an "unusually objective book on our enemy country." Soon after this I was employed on a temporary basis by the Research Institute which later came to be known as the Institute of Economic Research, Hitotsubashi University. It was at that time that I wrote an article on "Reflections on the National Income Concept", which subject remained as my major concern in the subsequent years.

As was expected, I was called to the colors in June 1944 and underwent physically strenuous training as a private in one of the infantry regiments in Kyūshū. By that time, the Japanese Navy had been dealt with a major defeat in the Mariana encounter, and the American forces had landed on Guam and Tinian Islands. Our regiment in Kyūshū was preparing itself for repulsing a possible landing operation on the Shibuski Bay in Kagoshima prefecture. There was little chance of getting released from the army under such circumstances. To my and my wife's surprise, however, some people in the Foreign Office apparently knew of me and worked for an exceptional discharge of me from the military duty in order that my professional qualifications could be better utilized in the foreign service.

Thus I was discharged and came back to Tokyo, soon after to be appointed as a diplomatic officer. It was in this capacity that I went to the Soviet Union in the spring of 1945, myself escaping the experience of severest air raids on Tokyo but finding my library burnt to ashes on my return. Again in that capacity, and also because marquis Koichi Kiddo, my wife's uncle and the Lord Keeper of the Privy Seal, was living with us at the time, I was privy to the tortuous processes Japan went through during the days before and immediately after the acceptance of the terms of unconditional surrender. But this phase of my personal experiences does not belong to the present biographical sketch of mine as an economist.
Post-war Years – An Interlude

It took exactly three years after the end of the war for me to return to my professional career as an economist. But during those three years many things happened with me.

When General Douglas MacArthur landed on Japan as the Supreme Commander of Allied Powers (SCAP), he found the Japanese economy in shambles: forty percent of industrial plant and equipment destroyed, a vicious circle of inflation threatening with food shortage and black market, further weakening of the economy in sight through reparations-related extortions, six million repatriates from the Asian regions bound to crowd into the employment market, and so on. The occupation would continue until the Peace Treaty was to be signed and come into force, which was several years away; and until then it was the responsibility of the SCAP to maintain law and order in Japan, for which the minimum requirements were reasonable stability in the economic sphere. The Economic and Scientific Section (ESS) was in charge for this; but it was headed by MacArthur’s henchman in the war theatre, General Marquet of the artillery division. In this circumstance, the SCAP requested the Japanese government to send in “a competent economist with good facility in the English language”. Whereupon, Mr. Shigeru Yoshida, then the Minister of Foreign Affairs, picked me from within the Foreign Office; and I became an economic adviser to the ESS from April 1946.

A year later, the first post-war general election took place, in which the Socialist Party obtained the plurality; and as a consequence, a coalition cabinet was formed with Mr. Tetsu Katayama, a socialist, as the Prime Minister. At this juncture, the SCAP ordered a radical reform in the organisation of the Economic Stabilization Board (ESB) in the Japanese government, creating four vice-ministers and transferring some of the major administrative powers from other ministries. Now it was the turn of General Marquet of the ESS to suggest to me that I go into this newly strengthened ESB as one of the vice-ministers. I did so, and remained in that post until the Katayama Cabinet fell in February 1948.

My experiences, first in the ESS and then in the ESB, during that hectic period of Japan’s post-war reconstruction, were naturally laden with battles and skirmishes often won but oftener lost. But here again I desire, from recounting them since I can hardly do justice to the complexity of the practical problems then dealt with in a brief space available here. One thing only I may point out: that is the drafting of the first Economic White Paper for the ESB in July 1947, which was done under my leadership and which initiated the tradition of annual publication in subsequent years.

Back to Hitotsubashi

After my resignation from a government post there were a number of offers from the academic world; but I decided to return in September 1948 to Hitotsubashi University, which had been reorganized in the post-war period into a multi-faculty social science university. This time my association with Hitotsubashi lasted for twenty-seven years until March 1975 when I retired from the presidency of that university.

One of the first things I did upon returning to an academic post was to write letters to my old teachers and colleagues at Harvard, reporting on my professional rambling till then and requesting them to send to us the books and journals in the field of economics which they could spare. Warm responses I received from some of them quickly brought us up to date on the post-war publications in the United States. Schumpeter, in particular, wrote back to me a very nice letter, from which I may quote a passage: “It is with particular pleasure that I welcome you back to academic activities which, as in the 5th century in Rome, are perhaps the least distasteful ones to indulge in, in the world as it is. Studies in mathematics and statistics will complement most usefully your theoretical achievements and I greatly look forward to the results. Of course, distance always beautifies but I who am near enough to Harvard cannot say that I experience very much stimulus from my surroundings. Scientifically, Leontief is the only man who is really alive ... Fundamental ideas, methods and approaches you know, and original achievement can be built upon this in Tokyo as well as in Boston.”

It was Wassily Leontief, I believe, who was wont to quote to us from François Quevauy’s Étude physiique sur l’économie animale (1736) a sentence which reads: “Ceux deux parties, je veux dire la Théorie et l’expérience, qui se concilient parfaitement bien, lorsqu’elle se trouvent réunies dans une même personne, se sont de tout temps mais en vain, livré une guerre continue, lorsqu’elle se trouvent séparées.” (Spelling
as in original), And this admonition was also echoed by Schumpeter with a deep impression upon me and guided me through my professional endeavors in the subsequent years.

As I recall my Hitotsubashi days, where I was attached to the Institute of Economic Research with no regular lecture courses to give, the fields of my research shifted back and forth rather widely, but still with a fair degree of concentration around the following topics: (The related pieces of work which were made public in English are cited under each of them.)

(1) Statistical and theoretical studies on national income and related concepts


(2) Theoretical and empirical analyses in the field of economic development


(3) Theoretical and historical studies of capitalist societies, especially of Japan


d. “Marx and the Analysis of Capitalism: A New Stage on the Basic Contradiction?”, originally presented at the symposium on the Role of Karl Marx in the Development of Contemporary Scientific Thought, organized by UNESCO in May 1968.

(4) Empirical analyses of the contemporary Japanese economy


(5) Political economy of environmental pollutions

a. “Environmental Pollution Control in Japan,” originally presented at the Symposium on Environmental Disrup-
tion organized by the International Social Science Council in Tokyo in March 1970.


(6) The present-day significance of Marxian economics


Most of my articles cited above are included in the volume 13 of my Collected Works, Kodansha, Tokyo, 1976, of which the volume 1 to 12 are in Japanese and contain relevant writings of mine on the above topics, in much greater number, for those readers who are able to decipher my native language.

Some Detours Again

Even while I held a chair in Hitotsubashi University, my peripatetic propensity persisted both physically and intellectually. I went abroad quite often as visiting professor to the Delhi School of Economics (1952-53), Harvard (1956-57), University of British Columbia (1958-59), Yale (1960), the Johns Hopkins (1960-61), Rochester (1961), and Harvard again (1970); twice did I serve as economic officer in ECAFE in Bangkok (1954 and 1955); a memorable trip I made as a Dyason Lecturer to Australia in 1964; SEANZA* Central Banking Course lecturership took me to Pakistan (1964) and to New Zealand (1965); and numerous brief visits to Europe and elsewhere in my capacities as vice-president of the International Social Science Council (ISSC) and as president of the International Economic Association, in addition to frequent attendances at symposia on specific subjects. In this connection, I cannot fail to mention one symposium I organized in Tokyo in 1970 for the ISSC on "Economics of Environmental Disruption." This was the occasion when the famed "Tokyo Resolution" was adopted, where it was urged "the adoption in law of the principle that every person is entitled by right to the environment free of elements which infringe human health and well-being and the nature's endowment, including its beauty, which shall be the heritage of the present to the future generations."

Besides my professional activities as an economist, I participated actively in the journalistic campaign for "all-inclusive peace treaty" organized in 1948 by "The Forum on Peace Problems" which originally came into existence through an impulse from the UNESCO Statement on Peace by Eight Social Scientists (13 July 1948). The campaign was interpreted by the U.S. authorities as "anti-American" ostensibly because the U.S. government was trying at the time to expedite the peace settlement with Japan to the exclusion of the Soviet Union and Mainland China. My association with "The Forum on Peace Problems" thus became one of the grounds, I suspect, for the later denunciation I suffered from the U.S. Congressional Committee in the McCarthy period and beyond.

I also wrote for publication on sundry subjects other than economics, though only a few in English. One of them was "Japanese Images of America" contained as the last chapter in Paths of American Thought (1963) edited by Arthur M. Schlesinger, Jr. and Morton White. It was satisfying to read in a book review in The Economist (2 May 1964) a comment by the reviewer: "The editors of this fascinating volume wind up their domestic mind-crawling with three sets of home thoughts from abroad: American and Europe, each viewing each - the two-way mirror; and, most original and questioning of all, a Japanese scholar's depiction of the images of America by his countrymen. It makes a fitting climax to a continuously lively and quickening collection."

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* South-East Asia, New Zealand and Australia.

10 Proceedings of this symposium were published by Audi Evening News under the title, A Challenge to Social Scientists.
It is probably fitting and appropriate to bring this biographical sketch of mine to a close by giving a reference to an article (available in *Japan Quarterly*, Oct.-Dec. 1980) where under the title of "Whither Japan? — A Positive Program of Nation-Building in the Age of Uncertainty" I tried to bring together my current thoughts, though with roots in the past, on how Japan should, and actually can, guide its national policies in the present context of international situation. Two underlying themes run through the concrete proposals I make there: one to the effect that "we are entering a new age of 'restoration of man' in which man, the sun and green shall prevail and not the large cities or industries"; the other that the Japanese Peace Constitution, unique in the world, should be made the mainstay of the nation's foreign policy.

Tokyo

SHIGETO TSUJI

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The European Monetary System and the Dollar in the Framework of the World Monetary System

I. The World Monetary "System" (?)

The world monetary "system" — or rather non-system — obviously functions today in a way totally opposite to the objectives it should serve.

1. It has led to an inflation of world monetary reserves unprecedented in history. Measured in SDRs, these have quadrupled over the years 1970-80. Measured in dollars, they have increased eleven times as much as in eleven years as in all previous years and centuries since Adam and Eve. The difference between these two estimates reflects the wide fluctuations in the dollar exchange rate, and mostly in market gold prices. Such fluctuations were, until they occurred, repeatedly proclaimed unacceptable by our highest monetary and political authorities, firmly resolved to preserve the stability of both exchange rates and gold prices (at $35 an ounce!) as the "two unshakable pillars" of an international monetary system to which they declared themselves ready to negotiate and implement any other reforms deemed desirable.

2. These reserve increases have been absorbed:

a) in part by huge bookkeeping profits of central banks, fortunately largely sterilized by them up to now, but bound — if absurd traditional precedents are followed — to be credited sooner or later to the national Treasuries, thus facilitating the inflationary financing of enormous and persistent budgetary deficits in many countries;

b) and in part by their investment nearly exclusively in the richest and most capitalized countries, mostly in so-called "dollar balances" on the U.S. Treasury and banks.

The estimates — alas extremely imperfect — of the International Monetary Fund make evident the crucial role of the use of a few national