
NOTES

*Adam Smith and Yen Fu: Western Economics in Chinese Perspective**

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1. Introduction

The purpose of this paper is two-fold. First, we shall examine how *The Wealth of Nations* (hereafter WN) was introduced into China at the turn of this century (1902). The translation was not easy because the Chinese language at that time had insufficient vocabulary to introduce this unknown discipline from a completely different cultural system.¹ Second, Yen Fu (1853-1921), the translator of WN, saw the text as a prescription for China's "Wealth and Power". The central question is: was WN, a book which advocates laissez-faire and free trade, helpful for China's peripheral economic situation?

The paper is organized as follows. The background and career of Yen Fu is briefly described in Section 2. Section 3 compares the contents of WN in its Chinese and English versions; explains why and how Yen Fu translated WN with 310 translators' notes and how these notes can be classified and interpreted. A question is posed in Section 4: were Chinese readers and policy makers influenced by Smith's doctrines through Yen Fu? Apparently not. The concluding remarks are contained in Section 5.

* The research grant from National Tsing Hua University (Nov. 1986 - Aug. 1989) is gratefully acknowledged. The usual disclaimer applies. An earlier version of this paper has been presented at the 15th conference of the History of Economics Society, June 19-21 1988, University of Toronto, Canada. This English text is condensed from a much longer Chinese language version which will appear in *Chinese Studies*, vol. 7 (2), December 1989, published by the National Central Library, Taiwan. Reprints are available upon request.

¹ The first western economics book translated into Chinese was HENRY FAWCETT (1863): *Manual of Political Economy*. It was orally explained by a professor of the Institute of Foreign Languages (Tongwenguan), W.A.P. Martin, written in Chinese by Wang Fengjiao, and published in 1880 as *Policy of National Wealth* in three volumes.

2. Life and times of Yen Fu

Yen Fu (1853-1921) was born in the Province of Fukien, in South-eastern China, in a modest family. His father died when he was fourteen, and consequently his family could not afford his study in a traditional private school. By that time the Chinese government was suffering so much from the invasion of Western countries that they realized that a direct and efficient way to "Wealth and Power" was to import Western technology immediately.² One of the measures taken was the founding of a Navy School in 1886 in Fukien. Yen Fu passed the exams as the first top student. He was awarded full tuition and a scholarship.

As a result he moved from a traditional local education to Western polytechnic training. After some unexpected political disorders, he was finally sent by the government to study in England, from March 1877 to August 1879. During his study in Portsmouth and then in the Royal Naval College, his attention was also focused on social, economic and political aspects of England. In short, he was an alert foreign student in many respects.

After returning to China in 1879, he served as a professor in the Navy School in Fukien, from which he had graduated three years previously. The next year he was promoted to be Dean of the Naval School near Peking / Beijing, the capital. In 1890 he became the president of that School until 1900 when the school was dissolved as a result of the Boxer Rebellion. So ended his period as a teacher.

During this period, he tried to pass the State Functionary Exams four times, but failed each time (1885, 1888, 1889, 1893). In a depressed state he started to translate Western works in the hope that he could thereby awaken his ignorant compatriots. His period as a translator had begun, but to avoid unnecessary complication for Western readers, we shall omit his entanglement in politics and go directly to his translation of Western works in general, and then to Adam Smith's *WN* in particular.

Yen Fu translated ten works between 1894 and 1914.³ Among the ten translations, there is no doubt that T.H. Huxley's *Evolution and Ethics* was the most influential. The reason is straightforward: the Chinese public was deeply depressed by the foreign invasions since the Opium wars of the 1840s. The ideas of social Darwinism which were revealed in Huxley's book (such as "Survival of the fittest", and "Natural selection") had a strong impact on Chinese people, who were eager to take any necessary counter-action against foreign dominance. The influence of this book and the reputation of Yen Fu was thereafter established.

² See Chapter 18 of Hsu (1983) "Late Ch'ing Intellectual, Social, and Economic Changes, with Special Reference to 1895-1911" for an interesting and concise review.

³ See *Yen Fu and His Translations*, edited and published by the Commercial Press, Peking, 1982. Eight papers of different authors are collected with many photos of the books that Yen Fu translated. Much useful information is provided including the works by and on Yen Fu.

3. Interpretation through translation

We shall first compare Smith's WN with Yen Fu's translation, to see how Yen Fu condensed and added materials to the Chinese version.⁴ Table 1 compares Adam Smith's WN and Yen Fu's translation. In my pocket-sized edition, a page in Chinese contains approximately 60% of the contents of the page in the English version. In addition, the 310 translator's notes account for about 14% of the total space in the Chinese version. This means that Yen Fu translated about 46% of WN. If one says that Yen Fu's elegant classical style used less words than modern Chinese, it is still fair to say that he translated only about 50-60% of the whole material.

He declared explicitly in his translator's preface that he had translated every chapter of the whole book, except two passages.⁵ He says that these two subjects are irrelevant to Chinese concerns. He did translate every chapter and every section, but very often rewrote the text in a condensed form. The version on which he based his translation was the third version of WN (1784) commented and annotated by Professor Thorold Rogers (1823-1900). He frequently mentioned Roger's opinion in his translator's notes (see Table 2).

With this background in mind, we can then examine the following questions. 1. Why did Yen Fu choose an old economics book (1776) to translate? 2. What kinds of error did Yen Fu commit in his translation? 3. How can his 310 translator's notes be classified and explained?

3.1 *Why Yen Fu translated The Wealth of Nations?*

If Yen Fu's primary concern was the wealth and power of China, why did he translate a book of 1776 rather than a more recent one? In his translator's preface, Yen Fu answered this question in four points. First, one can learn something new from the old master's book. Second, Adam Smith's criticism of British economic policies seemed relevant for China. Third, past European systems could serve as a reference for reform in China. Four, Smith's book is

⁴ There are three translations of WN in Chinese, fourteen in Japanese and one (to the best of our knowledge) in Korean. The first Chinese version was translated by Yen Fu during 1897-1900 and published in 1902 (now republished in Taiwan and China in different editions). The second and third versions were by Kuo and Wang (1931), and by Chou and Chang (1964). Both were full versions. The story of the Japanese translations is quite complicated. There is a full account by Professor Naichiro Ohgawa, as an appendix to the most recent three-volume Japanese translation (see Ohgawa 1976). According to him, the first Japanese version was published in 1870, in a condensed form.

⁵ One is immediately after Part III, Chapter XI of Book I: Digression concerning the variations in the value of silver during the course of the last four centuries; and Digression concerning banks of deposit, particularly concerning that of Amsterdam (Chapter III of Book IV).

Table 1
A COMPARISON OF THE WEALTH OF NATIONS
AND YEN FU'S TRANSLATION

	Contents	Original pages	Yen Fu's pages	No. of translator's notes
Book I	Factor productivities and factor income distribution	258	276	116
Chapter	1-3 Division of labour	21	18	4
	4 Origin and use of money	8	5	3
	5-7 Prices of commodities, etc.	34	41	17
	8 Wages of labour	23	40	16
	9 Profit of stock	12	18	8
	10 Wages of profits in labour and stock	45	54	24
	11 Rent of land	115	110	44
Book II	The nature, accumulation, employment of stock	98	98	39
Chapter	1 Division of stock	8	9	3
	2 Money as instrument of circulation	46	42	12
	3 Accumulation of capital	20	22	11
	4 Stock lent at interest	9	9	3
	5 Different employment of capitals	15	16	10
Book III	Different progress of opulence in different nations	42	34	12
Chapter	1 Nature and progress of opulence	6	5	1
	2 Discouragement of agriculture in Europe	12	14	5
	3 Rise and progress of cities and towns	11	10	2
	4 Contributions of towns commerce to the country	13	16	4
Book IV	System of political economy	256	267	64
Chapter	1 Mercantile system	23	27	6
	2-6 Free trade	103	100	31
	7 Colonies	84	95	20
	8 Conclusions of the mercantile system	20	20	3
	9 Physiocratic system	26	25	3
Book V	Revenue of the nation	248	293	79
Chapter	1 National expenditure	116	149	42
	2 National revenue	90	97	30
	3 Public debts	42	47	7

Source: The Cannan edition of *The Wealth of Nations* (1902), Modern Library version; and from Yen Fu's 1902 translation, Taipei: The Commercial Press, 3 volumes.

Note: One page of Yen Fu's translation corresponds approximately to the half page of Smith's original version.

clearly written and supported with historical facts. The four reasons are rather superficial. The question can be restated as follows. How could Yen Fu expect a book like WN, which advocates "minimum government" and "laissez-faire" to be useful to a country like China in which the public sector was inefficient and the private sector in disorder at the turn of this century?

Schwartz (1964:114-117) tried to explain this in different ways, at both philosophical and practical levels. Philosophically, he explained that Smith's individual freedom does not necessarily conflict with the interests of the state. At a practical level, Schwartz provided a good reason: WN was written in an epoch in which Great Britain dominated the world, so the "Wealth and Power" of Britain was a living example for China to imitate.

Our explanations are as follows. When Yen Fu was translating WN (1897), western economics was entering the neoclassical phase. In his translator's preface, Yen Fu mentioned the names of Stanley Jevons, Alfred Marshall, etc., and he was also informed that their method of analysis was to use calculus as a new tool with induction and deduction as methods of reasoning. In other words, western economics at the end of the last century was concerned with what is now termed microeconomics: "consumer's surplus", "marginal utility analysis", "theory of the firm". All these were not directly useful for China's wealth and power. What was useful for China was the political economy analysed by the Classical economists such as Adam Smith and Thomas Malthus, in other words: macroeconomic policy analysis. How can one expect the mathematical analysis contained in Walras' general equilibrium system, which represents neoclassical economics, to help China? With China's situation in mind, Yen Fu had absolutely no reason to translate any economic work of the neoclassical school. What was more important, we suppose, was the title of Adam Smith's book, which attracted Yen Fu passionately: *The Wealth of Nations!*

Yen Fu faced another problem: The dominant mentality that prevailed among Chinese intellectuals was pro-agricultural and anti-commercial. How could he convince the readers that Smith's ideas were useful for China? The traditional mentality looked down on affairs related to commerce: the long-run immobility of the agricultural economy made them deep-rooted physiocrats. One of Smith's main concerns in WN was "Anti-mercantilism", so if the Chinese readers looked only at his term, without knowing the motives of Smith's doctrines, then Smith's anti-mercantilism corresponded perfectly with the traditional Chinese mentality. However, since one of Yen Fu's purposes was to attack this mentality, how could he solve this paradox?

In a preface to the Chinese version of WN, Yen Fu's teacher Wu Julun strongly criticized Chinese intellectuals, saying that they "always avoid talking about profits and interests, they are also used to being physiocrats and despising commerce". He then painfully explained the social reason why the study of economics was not developed in China, and blamed the mandarins for doing nothing when economic crises occurred: "When the dangerous si-

tuation appeared, they could not find useful solutions, but faced the problem helplessly". Then he entered the defence of Smith's book by saying: "The book of Adam Smith is a book on interests and profits. He criticized the commercial activities of the epoch, but this does not imply that the translation of this book is to support our anti-commerce tradition. The readers should have this point in mind".

Naturally, this kind of argument could not convince the traditional intellectuals. Yen Fu's defence of WN is much clearer and more convincing in the following ways. He explained that the reason for Smith's anti-mercantilism was that the international commercial activities of England were corrupted.⁶ Like his teacher, he hoped that Chinese readers would not use Smith's anti-mercantilism as a support for the traditional Chinese anti-commerce mentality. In short, Yen Fu and his teacher Wu Julun tried to explain that Smith's anti-mercantilism should not prevent China from learning the method of "Wealth and Power" from that book. We doubt if the readers were convinced. On the contrary, as will be seen in Section 4, some important intellectuals disagreed with Yen Fu.

Yen Fu provided another argument to convince people to accept Smith's book: at the turn of this century, the whole of China was impressed by Western technology and opened its arms to welcome everything that was "scientific"; Yen Fu took advantage of this attitude by presenting Smith's book as a "scientific analysis". We have no information to determine if these arguments convinced people.

3.2 *Misunderstanding and Distortion*

In his translator's preface to J.S. Mill's *On Liberty* in 1903, Yen Fu claimed that: "Readers find my translations hard to follow. They do not realize that the original versions are much more difficult than my translations. The difficulty lies in the logic and argument, and has nothing to do with the language that I used". This claim reveals at least two things. First, readers generally found his translations difficult to understand. Second, Yen Fu did not (necessarily) grasp the spirit and the inner logic of WN which contained so many diversified subjects. Also, since Yen Fu's formal education was in a polytechnic, one would doubt his qualification for translating works such as WN.

We examine first the terminology which appeared in Yen Fu's version of WN. The three-volume version has 978 pages, and following the last page there are 80 more pages of "Terminology of WN" (about 8% of the total pages) to help the readers understand the text. The 80 pages were added by the publisher afterwards, but they are only of limited help to modern readers. The most important oversight of Yen Fu was that he never put the original

⁶ It is quite unlikely that Yen Fu understood European economic history enough to explain to his readers why Smith advocated "laissez-faire" and anti-mercantilism.

names and terminology (in English) in parentheses so that the readers can trace the real meaning or explore more from other references like encyclopaedias and dictionaries. Perhaps he was right in thinking at the turn of the century that most Chinese readers were unable to use Western references.

From the point of view of readers (past and present) his translation of WN is difficult to understand for at least the following reasons. First, it used terminology and names that were unfamiliar to the Chinese readers. For instance, in terms of new terminology, how can the Western concepts of "bank deposit", "free trade", "point of maximum return" be translated into classical Chinese? Yen Fu did it by using several Chinese characters which sound like "bank" in English as the approximate "translation" of "bank", without further explanation. Readers have to guess the meaning from the text. Perhaps some advanced readers can understand this kind of "translation". But how can one understand who F. Quesnay (1694-1774) is, when Yen Fu pronounced this French economist's name in an English way and used three Chinese characters to show this pronunciation, without explaining who he was. There are countless examples like this. Serious readers are obliged to put down the book after every paragraph to think carefully what it means. Usually, modern readers get lost.

One might argue that despite the inexact translation, Adam Smith's main ideas were still successfully conveyed to the Chinese readers. We doubt this. Yen Fu had no formal training in economics and he stayed less than three years in England, so one can doubt his ability to understand the complicated mercantilism debates during the XVII-XVIII centuries. This partly explains why he translated only about 50% of WN.

3.3 The 310 Translator's Notes

In translating WN Yen Fu added 310 translator's notes, which we have classified into seven categories in Table 2. In terms of the five books of WN, Books I, IV and V take up a very large part of his notes (116, 64 and 79 respectively). Taken by categories, most of the notes fall into Categories 2 and 3 (95 and 89 respectively). Yen Fu was very probably not conscious of the distribution of his 310 notes.

Some of his notes can be singled out as independent economic propositions. For instance, on pages 339-340 of his translation, irrelevant to Smith's text, he raises the question of whether China should at that time advocate saving (in order to accumulate investible capital) or advocate consumption (Keynesian type of increasing effective demand), as some of Yen Fu's contemporaries did. Yen Fu used nearly two pages to attack the "consumption school". This debate, though independent of Smith's text, provides an interesting view of different schools of economic thought in China at the turn of the century.

Some of his notes are not classifiable in the seven categories of Table 2.

Table 2
YEN FU'S 310 TRANSLATOR'S NOTES BY CATEGORIES

	Book I	Book II	Book III	Book IV	Book V	Total
1. Explain that the situation has changed since WN was published (1776)	22	5	1	4	1	33
2. Add new information to supplement the text	34	12	5	25	19	95
3. Comment on Smith's text	33	17	2	24	13	89
4. Compare Chinese ways of thinking with Smith's text	7	0	3	1	5	16
5. Compare Chinese economy with European economy	2	2	1	2	1	8
6. Use European examples to show the weakness of China	14	1	0	6	17	38
7. Present Thorold Rogers' comments on Smith's text	4	2	0	2	23	31
Total	116	39	12	64	79	310

Note: 1. The contents of the five books of WN can be found in Table 1.

2. Some notes are hard to classify, some belonging to two or more categories. In these cases (which were not few), I have chosen one category in which to classify it.

Example: his conception of religion (p. 827). Smith mentioned religion in Chapter 1 of Book V, then in his notes Yen Fu started to compare the religions of China and the West. This is completely irrelevant to the main text. Yen Fu was sometimes arbitrary in writing his notes in order to express his own special ideas. Another example is as follows: "When I read the text, in some places it is so moving that I cannot keep from crying. Alas! how touching Smith's sentences are!" What we can say is that in the notes he expressed on many occasions his personal feelings, sentiments, unsystematic and impromptu ideas.

Looking over his 310 notes, one obtains an impression that the methods he used to write translator's notes are the following. First, his knowledge of economic theory was limited to the basic "supply and demand" paradigm. Second, with this tool in hand he made some supplements to Smith's text

(Categories 2 and 3). He possessed a great deal of general knowledge about China and Europe, hence Categories 4 and 5. Third, his main concern was the unfavourable situation of China facing penetration by Western countries and Japan. So he used European examples to show the weakness of China (Category 6). In the notes of this Category 6, he frequently added his opinions about state affairs (such as Chinese military training).

Objectively speaking, political economy was not his main concern; WN was only one of ten books he translated. He did not possess a sufficient foundation in the science of economics. He used general knowledge of XIXth century neoclassical economics to comment on or to criticize Smith's text. His notes revealed his unsystematic knowledge in this field. If one reads them retrospectively, with the knowledge of post-Keynesian economics in mind, then Yen Fu's notes appeared somewhat elementary. Naturally, it is neither fair nor necessary to blame his translation of WN.

4. An inappropriate prescription for wealth and power

If a main motivation for Yen Fu in translating WN was to find a means by which China could attain wealth and power, then this section tries to deal with three directly related questions. 1. Were Smith's ideas as revealed in WN, an appropriate prescription to cure China's unfavourable economic situation? 2. Why did the intellectual and political milieu react passively to Smith's ideas? 3. What were the opinions held by other intellectuals concerning Chinese political economy?

After the Opium war of 1840, the Chinese economy was invaded by Western industrial products and her international payments were in serious deficit. The situation was somewhat similar to that of Germany and Japan in the early XIXth century. What China should have learned from these two living examples was to adopt the (tariff) protection policy in order to develop light industry (termed as "import substitution" in modern development economics). The policy advocated by the German national economy School (such as Friedrich List, 1789-1846) should be a good economic doctrine.

What Yen Fu introduced to the Chinese public was an economic policy of "laissez-faire" and "free trade". It is logically inappropriate to introduce such an economic doctrine from a "core" economy (England) to a peripheral economy (China). It is quite possible that he was not informed about the doctrine of the German national economy School. In addition, England at that time was in the mainstream of intellectual activity, and Yen Fu was familiar with the English language and general situation. It is possible that he simply translated a famous book without investigating the inner operational meaning of WN.

In response to the second question, it seems that the intellectuals and political milieu did not react warmly to his translation of WN. Socially speaking, for those "new" intellectuals, Yen Fu's text was too hard to under-

stand, and the contents of WN were just too remote for them; those traditional and conservative intellectuals simply disliked and rejected books concerning "interests and profits", such as WN. Politically speaking, the mandarins of the Imperial Court were more realistic than Yen Fu. They had already taken some important measures such as establishing steel factories, shipping companies, industrial manufactories etc. in order to compete with foreign firms and imported products.⁷ Restricted by an old inert imperial administrative system and the inability of mandarins to be effective entrepreneurs, the actions unfortunately failed. The ideas from WN were not directly useful for them.

The third question is: what other opinions were held by intellectuals regarding Chinese economic policy? It is sufficient to cite the case of an important intellectual, Liang Ch'i-ch'ao (1873-1929), who wrote: "The ideas of Adam Smith were a good prescription for Europe at that time, but are by no means good for modern China, ...mercantilism hindered the economic growth of Europe after the XVIth century, but if we transplant it into China today, then it is the only way to save the Chinese economy. A big country like China has all necessary industrial materials and abundant labour. Foreign products invaded China simply because they had the advantage of advanced machinery. If we can have Western technology and tariff protection, then we can compete with foreign products. ...A man requires at least ten years of protection so that he can be brought up as an adult. Similarly, the industry and commerce of a nation also need protection and subsidies".⁸ Clearly, Liang is pro-mercantilism, and disagreed with Adam Smith's "free trade" and "laissez-faire". In short, the prescription that Yen Fu introduced from Smith was not well received by the intellectuals and policy makers. Moreover, readers did not obtain a clearer and more systematic knowledge of western economics through Yen Fu's translation.

5. Concluding Remarks

"Adam Smith and Yen Fu" is a multi-dimensional subject. It belongs to the fields of intellectual history, economic history and history of economic thought. In dealing with this complex issue, this paper has presented only two points. 1. That Yen Fu translated WN, with his 310 notes in a particular style. 2. The economic doctrines contained in WN seem inappropriate for China's peripheral situation.

There are many important related elements that have not been presented, and they require further investigation. For instance, it is not easy for non-Chinese readers to conceive clearly how Yen Fu translated WN in elegant

⁷ Chapters of 1 and 18 of *The Cambridge History of China* vol. 11 (Part. 2), 1800-1911 provide good information in this regard.

⁸ Cited briefly from Hou Chia-chu (1982: 406).

classical Chinese and how he distorted it in doing so. This distortion is almost impossible to present in a short paper in European languages. Also, this paper has not treated (1) an overview of the Chinese economy of Yen Fu's time, nor shown (2) how the mandarins and intellectuals thought about economic policies. A book-length work would be required to treat the whole subject.

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