GUIDING HORSES WITH ROTTEN REINS:
ECONOMIC THOUGHT IN THE EIGHTEENTH-CENTURY
KINGDOM OF RYUKYU

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Thin smoke floats up into the blue skies from a grass hut
Amidst the mountain peaks the smoke looks no different from wisps of white clouds
The power to extract salt from sea water derives from the wondrous mechanism of the cosmic creative process (
乾坤造化)

– Sai On, “Salt Hut at Gabu” 我部塩居

Sai On 蔡溫 (1682–1761) most likely composed “Salt Hut at Gabu” in 1710 while touring the northern areas of Okinawa to survey economic conditions in and around the heavily forested Kunigami 国頭 region. Throughout his long government career he returned several times to this area surveying forests, asking local peasants about agricultural conditions, and implementing what would become a sophisticated and effective resource management system.2 Although the poem attends to stock aesthetic requirements in the form of mountain peaks and clouds, what really seems to strike Sai On’s sensibilities is the process of humans beneficially harnessing the creative forces of nature. Throughout his adult life, Sai On strove to improve the material basis of Ryukyuan society, in large part by devising ways to harness natural processes more effectively.

Sai On was a Confucian scholar who became the Ryukyu kingdom’s most powerful politician and most prominent intellectual. In addition to the typical genres of his day—poetry, technical instructions, and history—he wrote extensively about the principles and methods of

* I would like to acknowledge the helpful comments on this essay by discussant David Howell and the other members of the Economic Thought in Early Modern Japan conference, June 26–27, 2009.
1 Yonekura 1993.
2 For a biography of Sai On, including his various titles and offices, see Smits 1999, pp. 71–80.
government. In so doing, he frequently addressed economic matters both in terms of theory and practice.

This paper focuses on the economic thought of Sai On, with particular attention to his essay Essentials of Governance 図治要伝 (Ch. Tuzhi yaoquan, Jp. Toji yōden, approximately 1750). I describe the main features of Sai On’s economic thought and situate it in the context of the conditions in Ryukyu, Sai On’s economic policies and projects, and debates at the time in China. Major themes include the extent and nature of state intervention in the economy, supply and demand, and the profit motive. My general argument is that economic prosperity was an essential and integral component of Sai On’s vision of an ideal Confucian society. Moreover, although Sai On might have been distinctive in the degree to which he emphasized the material health of society as the basis for its moral health, he was hardly unique. Indeed, Sai On seems to have been part of a broad trend toward pragmatic Confucian statecraft that was also evident in China and Japan.

A. Overview and Background

During the fourteenth century, three principalities emerged on the Island of Okinawa, and early in the fifteenth century, Shō Hashi 尚巴志 (r. 1422–1439) unified all of Okinawa under his rule. For the next century and a half, the Chūzan 中山 kingdom of Okinawa fought a series of wars, gradually expanding to become a small-scale empire consisting of most of the Ryukyu Islands.3 The economic basis of this expansion was far-reaching maritime trade. Ryukyuan traders dealt with parts of South and Southeast Asia, China, Korea, and Japan. Under pressure from European traders from the middle of the sixteenth century, the kingdom entered a period of economic and military decline. The low point occurred early in the seventeenth century, for several decades immediately following Ryukyu’s defeat in 1609 by an army from Satsuma.

The status of Ryukyu after 1609 has long been a contentious issue in both academic and popular writing because of its modern and contemporary significance for national identity. It is common for advocates of various positions to force modern categories onto seventeenth- or

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3 For details on Ryukyuan military affairs during this time, see Smits 2010.