

Japan Academy Prize to:

Masaru IWAHASHI
 Professor Emeritus, Matsuyama University
 Part-time Researcher, Institute of Economic and Political
 Studies, Kansai University

for *Early Modern Currency and Economic Development*

***Outline of the work:***

A stereotypical image of Tokugawa Japan's monetary system was the national economy consisting of two separate money regions, i.e. a silver zone in the west and a gold zone in the east, while copper coins (called *zeni*) functioned as subsidiary money, i.e. a denomination smaller than the standard monetary unit, across the regions and provinces of the country. Historians thus tended to focus on silver and gold when discussing market situations in Osaka and Edo, two financial centres of the day, and the Tokugawa government (*bakufu*)'s policies on the financial markets. Since the 1980s, however, two broad trends have been identified by specialist historians: a shift away from the silver–gold binary system to the one with the *de facto* gold standard and a long-term decline of the silver currency in actual circulation.

In order to take another reappraisal along this line of recent research in late-Tokugawa monetary history, Dr. Masaru Iwahashi's *Early Modern Currency and Economic Development* [The University of Nagoya Press, Nagoya, 2019] provides us with both fresh evidence and an innovative perspective. He has shifted our focus from gold and silver to *zeni* currencies and also from the national centres of the Edo and Osaka markets to local economies and their currencies in circulation, presenting ample evidence concerning in what form those *zeni* currencies were supplied locally and how the use of those small-denomination currencies enabled local merchants and entrepreneurs to get access to the metropolitan markets, especially to Osaka, the centre of the silver-using economy.

His major fact-findings include, first, that many of the newly-appeared *zeni* were issued in response to a nationwide shortage of small-denomination currencies (including *bakufu*-minted copper coins). Second, those *zeni* were in many cases supplied not as coins but in note form. Third, while many local governments tried to issue paper notes in their domains, a substantial proportion of such attempts resulted in a failure. Fourth, however, the governmental failure often prompted private attempts to issue commercial notes by local financiers and traders. All these findings are substantiated by detailed case studies as well as by the meticulous compilation of tables listing note-issuances—one list containing all known *zeni* notes (totalling more than 200 cases) and another showing all known cases about privately issued notes (this list covers cases issued in any form).

Moreover, regional studies in this book reveal that there were a surprisingly large number of cases in which paper money was circulated on a *zeni* basis despite the official stance that they were issued as silver notes. A large majority of these *zeni*-silver notes are found in domains of the silver-using west, but there are a few cases where domains of the eastern zone issued a *zeni*-silver note. One of such exceptional cases is Tsugaru Domain in the Tōhoku (north-east). Since Tsugaru's trade ties with the Osaka metropolitan economy were—despite the physical distance between the two—historically close, it is not unlikely that the use of the *zeni*-silver note proved instrumental in promoting commercial transactions with the Osaka market. This factor

may well have been at work in remote provinces of the silver-using western zone as well, such as Tosa and Kyūshū's peripheral regions. For the regional economy, Dr. Iwahashi concludes, the introduction of *zeni* notes having an apparent link with the currency used at inter-regional level acted as a means of promoting monetarisation in relatively backward economies of the Tokugawa period.

This conclusion about paper money is what we would expect from another fact-finding in the book, i.e. an observation derived from a revised table of the total coin stocks at different benchmark years. The thesis that the demand for small-denomination currencies increased in the regional economy where both handicraft and commerce grew over the second half of the Tokugawa period, is in turn consistent with a thesis of rural-centred economic development, which the recent historiography of late-Tokugawa economic history has put forward. Undoubtedly Dr. Iwahashi's book sets new standards in the research on Tokugawa monetary history.