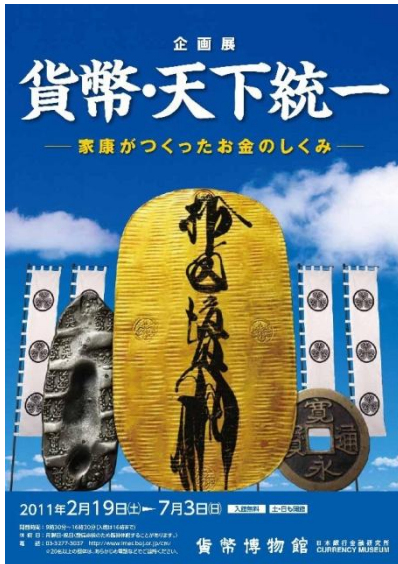


## Currency Museum

11<sup>th</sup> Special Exhibition:

# National Unification of Money: The Monetary System Initiated by Tokugawa Ieyasu

February 19, 2011(Sat.)-July 3, 2011(Sun.)



In the early 17<sup>th</sup> century, Tokugawa Ieyasu (1542-1616) conquered the whole nation after civil wars in the 15-16<sup>th</sup> century and established his Shogunate government in Edo (now Tokyo), which lasted until the late 19<sup>th</sup> century. Then, the Shogunate government established the “tri-metallic monetary system,” comprised of gold, silver, and copper coins, as a part of its socioeconomic system.

In the medieval Japan, the government did not mint and issue its own coins. Instead, imported Chinese copper coins circulated widely among the people.

During the Sengoku period (15<sup>th</sup> to 16<sup>th</sup> century), a time when feudal lords were fighting civil wars, the circulation of imported copper coins was disrupted. People started to classify coins by type or quality (a practice known as *erizeni* (selection of coins)). At the same time, feudal lords developed mines and started minting gold and silver coins in various locations around the country.

Against such a background, the Tokugawa Shogunate government began to issue gold coins (Oban, Koban, etc.) and copper coins (Kan’ei Tsuho) with fixed fineness and weight, and silver coins (Chogin, etc.) with fixed fineness.

Based on the latest academic findings, we will present the origins of the “tri-metallic monetary system” practiced by the Tokugawa Shogunate government in the early 17th century. We will explore the government’s policies which succeeded from feudal lords, and the process of constructing systematic minting. We will also explore the reality of the massive outflow of Japanese gold, silver, and copper to foreign countries in the 17th century, as well as the trade and diplomatic countermeasures taken by the government.

We also exhibit gold and silver coins minted by feudal lords and “Fundokin” (gold ingots included in the legacy of Ieyasu), as well as pictures related to the largest Sado gold mine.

Through the exhibits from the museum’s collection, we hope you will see the significant step forward taken by Ieyasu to a new era in Japanese monetary history.

Currency Museum  
Institute for Monetary and Economic Studies  
The Bank of Japan

## ■The monetary system created by the Tokugawa Shogunate government

The Tokugawa Shogunate established a system of domestic standard currencies as a unified government. The monetary system comprising gold, silver, and copper coins of the Tokugawa Shogunate government was called the “tri-metallic monetary system.” A particular feature of the “tri-metallic monetary system” was twofold: a) the government held control of the mintage and issuing of all coins, including securing materials, production monopoly, and a ban on counterfeiting; and b) each of the three coins circulated with its own standard value, and thus were tradable with each other at the official/market rate.

- **Standard gold coins:** Issue started in 1601.  
Minted as currency with face value; size, fineness, and weight are fixed



### ●Keicho Oban

- Fineness 68%, Weight 165g
- Large size gold coin unique in the world at the time
- Stamp of the Gold Mint's master
- “Sumigaki” (brush-written Chinese characters in ink) of the weight, the name of the master of the Gold Mint, and his signature



### ●Keicho Koban

- Fineness 87%
- Stamp of the Gold Mint's master

- **Standard silver coins:** Issue started in 1601.  
Minted as currency by weight (measured by weight when exchanged).

### ●Keicho Chogin / Mameitagin

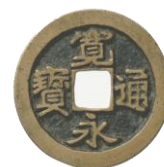
- Fineness 80%
- Stamp of the Gold Mint's master



- **Standard copper coins:** Issue started in 1636.  
Minted as currency with face value; size and weight are fixed.

### ●Kan'ei Tsuho

- 1 coin = 1 mon
- The shape of a round coin with a square hole similar to traditional Chinese copper coins
- The name of the coin is unique to Japan.
- Better quality than the copper coins circulating in East Asia at the time



**Official rates in the early Edo Era: 1 Gold ryo = 50 Silver monme = 4,000 Copper mon**

## 1. Gold coins: Towards the creation of Oban and Koban

Since the 12<sup>th</sup> century, copper coins imported from China were widely circulated in Japan. However, since the late 16<sup>th</sup> century, the inflow of Chinese copper coins became scarce and this led to a shortage of coins in the country. Around the same time, a number of feudal lords devoted themselves to the development of mines. In the western part of Japan, people came to use mainly silver coins as a means of payment, as silver was widely used in trade with other East Asian countries. In the eastern part of Japan, feudal lords started minting gold coins and people began to use them. People in the upper class of the society, such as samurai families and court nobles, exchanged gold and silver coins as gifts on ceremonial occasions, spreading the usage of gold and silver coins in the society. Through these processes, gold and silver coins gained the status of official currencies.

### (1) The creation of Keicho Oban

Since the 16<sup>th</sup> century, a number of feudal lords developed mines, following the Iwami Ginzan silver mine (now a UNESCO World Heritage site), and minted gold and silver coins as regional currencies. They used these coins to pay for the management of their territories and for conducting civil wars. They made gold coins in the shape of a thin ellipse which later led to the shapes of the Oban and Koban.

At the end of the 16<sup>th</sup> century, Toyotomi Hideyoshi, who preceded Ieyasu and contributed significantly to the unification of the nation, took over most gold and silver mines all over the country and ordered goldsmith Goto Tokujo to make the gold coin “Tensho Oban.”

In 1601, Tokugawa Ieyasu, who took the reins of government after Hideyoshi, also ordered Goto Tokujo to make the “Keicho Oban” which followed the shape of the “Tensho Oban.”

Oban bore the brush-written signature of the master of the Gold Mint “Goto” in ink on the obverse in order to ensure its value.

### (2) The creation of Keicho Koban

Tokugawa Ieyasu issued the “Keicho Koban” in 1601 to circulate smaller standard gold coins than the Oban. Ieyasu ordered Goto Shozaburo, who was Goto Tokujo’s apprentice, to mint the “Keicho Koban.” Ieyasu enabled the mass-production of gold coins by introducing imprinted stamps to indicate the face value and signature on the obverse instead of the brush-written characters in ink. Ieyasu also gathered goldsmiths from various parts of the country to Edo and Kyoto in order to produce the Koban, establishing the “Kobanza (later called “Kinza”)” Gold Mint, and monopolized the mintage of gold coins.

## 2. Silver coins: The creation of Chogin

Since silver coins were widely circulated in western Japan as currency by weight, Tokugawa Ieyasu included silver coins in his monetary system. He issued the Keicho Chogin (silver coin) in 1601 by ordering Daikoku Joze, a merchant of Sakai (south of Osaka city) who was engaged in minting silver coins stamped with “Daikoku” to mint the silver coin. Ieyasu also established the “Ginza” Silver Mint to monopolize the mintage of silver coins.

## 3. The key to the success of the unification of gold and silver coins

Tokugawa Ieyasu succeeded in unifying the monetary system of gold and silver coins by incorporating the legacy of Hideyoshi and other feudal lords, including the experience of minting regional currencies. The keys to his success were: a) taking over direct control of all gold and silver mines in the country, following Hideyoshi; b) including silver coins, which were already in wide circulation in western Japan, into the monetary system; c) securing a team of leading technical experts such as the Goto family to build a mint system; and d) adopting the currency units Ryo/Bu/Shu (1 ryo= 4 bu= 16 shu) of “Koshu Kin,” the regional currency circulating within the territory of warlord Takeda, as the unit of gold coins.

## 4. The development of a unified copper coin

### (1) Unification of copper coins by Kyosen

In the early Edo Era, the Tokugawa Shogunate government tried to unify the copper coins by deploying Kyosen. Kyosen was the collective term for various imported Chinese coins minted

mainly during the Song Dynasty, and copies of them minted in Japan. Kyosen were circulated primarily in Kyoto and Osaka as 1 mon per coin. The government set the official exchange rate as 1 Koban equaling 1 ryo, worth 50 silver monme, or 4,000 Kyosen mon, in its efforts to secure a stable circulation. In 1608 to 1609, the government abandoned usage of the copper coin “Eiraku Tsuho,” which was dominant in circulation in eastern Japan. As the growing shortage of copper coins on main roads and their rise in value vis-à-vis gold or silver coins became more serious, the Shogunate government issued “Erizeni-rei” (ordinances of coin-selecting). The government issued the ordinances in order to stabilize the circulation of copper coins by eliminating low-quality coins as well as enforcing the usage of Kyosen with official rates. The ordinances were often introduced on occasions of increased traffic such as the Shogun’s visits to Kyoto.

Since copper coins were essential for travelers and traders on main roads as a means of payment, the policy on copper coins was a key element in the transportation policy of the Shogunate government. The Shogunate government aimed to improve and develop main roads as well as post stations for travelers. Furthermore, it was committed to unifying copper coins into a single category that could be used nationwide based on a single official rate, and to ensure the supply of the coins with a sufficient amount and quality.

## (2) The Issuance of Kan’ei Tsuho

The Shogunate government began minting Kan’ei Tsuho in 1636 in order to circulate a homogeneous copper coin throughout the nation. It ordered the establishment of “Zeniza” Copper Mints at 12 locations across the nation during the following year, in order to ensure the supply of the coin with a stable amount and quality. It distributed the specimens of Kan’ei Tsuho to various locations, and ordered that the new coin be used at the same value as the old coin Kyosen. It also conducted measures to stabilize the value of the copper coin vis-à-vis gold and silver coins and to adjust the supply of the coin. Moreover, it restricted the export of copper coins in order to maintain stable domestic circulation.

The significances of issuing Kan’ei Tsuho were: a) to introduce a coin authorized by the unified national government and independent from imported Chinese copper coins which had been in circulation since the Middle Ages; and b) to ensure a stable supply of the copper coins both in quantity and quality in the form of unified Kan’ei Tsuho.

## 5. The significance of the establishment of the “tri-metallic monetary system”

The significance of the development of the “tri-metallic monetary system” was that the unified government instituted domestic base currencies and took charge of their mintage and issuance. With the issuance of Kan’ei Tsuho, all of the three base currencies, gold, silver, and copper coins became issued by the Shogunate government. As the government minted its own currencies, the legal system was developed, and counterfeiting of any of the coins became subject to severe punishment.

The establishment of Japan’s unique monetary system led to a departure from the East Asian monetary order based on silver coins of high fineness by weight and Chinese copper coins.

The “tri-metallic monetary system” was a relaxed system which allowed the circulation of currencies other than the three coins, such as clan notes within feudal lords’ territories and rice as a commodity money.

## 6. The early trading policy of the Shogunate government and currency; the export of money and money-making materials

From the end of the 16<sup>th</sup> century to the early 17<sup>th</sup> century, merchants from Japan, Europe, and other parts of the world sailed across South East Asia, leading to the development of the global trade network. During this period, a large amount of Japanese silver was exported to meet the growing demand for silver in China and to pay for imported goods such as raw silk.

The basic foreign policy of the Shogunate government of exerting tighter control on foreign trade and anti-Christian measures was established by around 1640. The government restricted the usage of silver coins, both in domestic and foreign trade, to only Keicho Chogin issued by the government. This policy measure effectively deterred the feudal lords and merchants from engaging in foreign trade. This was because the feudal lords and merchants lost their leading export goods, “Haifuki” silver, which had higher silver content than Chogin. From this time, the main exporters of silver changed from Japanese traders licensed by the Shogunate government and

Portuguese merchants to Dutch and Chinese merchants, who were more secular (and hence more acceptable) than the Portuguese.

In the middle of the 17<sup>th</sup> century, the Shogunate government tried to restrict the export of money and materials of money, but with little success. The ban on the export of silver in 1668 only resulted in a change in the export products from silver to gold coins (Koban) and copper. Since Japan at the time did not have any other export commodities to replace gold coins and copper, it was not able to stop their outflow.

### (1) The export of silver by Dutch merchants

Dutch merchants exported mainly Japanese silver in exchange for Asian raw silk and other products. In particular, from 1635 to 1641, they exported a large amount of silver. The Shogunate government, which was concerned about the domestic shortage of silver coins, took measures to curb the export of silver, while loosening the control on gold and copper exports. In 1668, the government banned the export of silver.

### (2) The export of copper by Dutch merchants

Japan exported a large amount of copied Chinese copper coins minted in Japan to South East Asia during the early Edo Era. The Shogunate government banned the export of copper in 1637, the year after the issuance of Kan'ei Tsuho, in order to secure the supply of materials for the coin.

In 1646, the government resumed the export of copper, seeing increased domestic production of copper and few obstacles to the mintage of Kan'ei Tsuho. After the ban on the export of silver in 1668, copper became the most important export product in trading with the Dutch.

### (3) The export of gold coins (Koban) by Dutch merchants

At the beginning of the 17th century, Japan was an importer of gold, but by the late 17<sup>th</sup> century, the country had become an exporter of gold coins (Koban). Even after the Shogunate government raised the export price of gold in the 1670s, the export of Koban continued while the amount of its export dropped.

## 7. The ceremonial use of coins as gifts

Gold, silver, and copper coins had been used in ceremonies as rewards or gifts since the Middle Ages. Within the process of establishing the “tri-metallic monetary system,” the ceremonial use of gold and silver (such as offering gold and silver to Ieyasu) played a pivotal role. In ceremonies, people exchanged gold and silver coins wrapped in traditional Japanese paper (Tsutsumi-kin and Tsutsumi-gin) and set them on wooden trays called “Oshiki.” When using coins as a gift, people wrote the type and amount of the coins on the wrapper.



### ●Kawara-ban (tileblock printed newspaper)

*A scene where a merchant receives 5,000,000 monme of silver coins from the Shogun.*

### ●Yakusha-e (woodblock print of kabuki actor) Onoe Matsusuke

*A scene where a lord gives a wrap of 100 ryo of gold Koban coins on Oshiki as a farewell gift to a warrior who was about to conduct an act of vengeance.*



## 8. The issuing of regional currencies by feudal lords (Ryogoku Kahei)

During the 16<sup>th</sup> century, following the development of the Iwami Ginzan silver mine, a number of feudal lords developed mines and minted gold and silver coins. They used those coins to pay for the management of their territories and conducting wars. People sliced off these coins at times to obtain the necessary amount. (Kirizukai)

From the early 17<sup>th</sup> century, feudal lords lost the ability to mint regional currencies on their own. This is because of the direct control over the mines by the Tokugawa Shogunate government and a decline in production at the gold and silver mines of the feudal lords. By around the Kanbun period (the 1660s), the Shogunate government had withdrawn most of these regional coins from circulation.

- Silver coins sliced off for a necessary amount



## 9. Production of gold: Mine development

From the late 16<sup>th</sup> century, Ieyasu placed the gold and silver mines developed by feudal lords across the nation under his direct control, and capitalized on them as the financial base of the Tokugawa Shogunate government. In this section, we will show scenes from the Aikawa gold and silver mines in Sado which were officially developed by the Tokugawa government, and illustrate the lives of those who worked there with Nishiki-e (colored woodblock prints) owned by the museum.



• Shokoku Kinzan no Zu (Gold mines around the country)  
1860, Utagawa Yoshitoyo



• Shokoku Meisho Hyakkei: Sado Kinzan Okuana no Zu  
(100 beautiful sceneries around the country: Deep in the gold mine of Sado)  
1859, Utagawa Hiroshige II



• Dainippon Bussan Kokue: Sadokoku Kinzan no Zu/Sado kanahori no Zu  
(Sceneries of production sites in Japan: the gold mine in Sado)  
1875, Utagawa Hiroshige III



• Rokujuyoshu Meishozue Sadokinzan  
(Selected beautiful sights around the country: Sado gold mine)  
1853, Utagawa Hiroshige



• Kinginzan Taisei Saireizu  
(Big festival in the gold and silver mine) Edo to Meiji Era Anonymous