

The outflow of coins from Song China and the embargo on Japanese maritime vessels

by *GO Eun-mi*

An embargo on Japanese ships was imposed by the Southern Song Dynasty (1127-1279) through the establishment of entry restrictions and the interception of any Japanese vessel that disobeyed them, all for the purpose of preventing the outflow of coins minted in ancient China. Taking into consideration the exact time during which the argument that banning Japanese vessels was necessary to stop the outflow of currency was posed, it can be inferred that the entry restrictions were actually implemented between 1251 and 1258. It seems that it was the massive smuggling of Chinese coins by Japanese merchants during the 1250s that first led to a de facto embargo of Japanese ships and then to restrictions established by law. One incident that occurred during the 1240s shows that Japanese merchants were smuggling out at least 10 percent of China's annual coin output at the time. In light of such facts, there was an obvious need to enact entry restriction exclusively targeting Japanese vessels. This massive depletion of Chinese coins was attributable to the fact that the Dynasty adopted a monetary policy promoting the use of coins and paper currency concurrently.

Although the entry of Japanese ships was restricted by law, the foreign customs officials at Ningpo did not strictly comply with it. This is because at the same time, the Dynasty was strongly dependent on national revenue earned from overseas trade, and thus encouraged its custom officials to expand trade with foreign countries. Under such conflicting circumstances, customs officials chose to concentrate more on increasing trade revenue than supervising the illegal trafficking in coins. Moreover, the authorities were in no position to restrict the entry of Japanese carriers of sulfur, the essential raw material in the manufacture of gun-powder, so important to China's military security. In addition to sulfur, timber was considered as one of crucial military imports from

Japan in the building of warships. These are the reasons why the Southern Song Dynasty was forced to tolerate the outflow of its coins to some extent and thus become reticent in enforcing the sanctions imposed on the entry of Japanese ships.