Notes on Cash Loans in Ancient Japan

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Once the Ritsuryo state began to mint coins, they circulated mainly in the castle towns of the Heijo (Nara) and Heian (Kyoto) capitals. At the same time, cash loans called suiko that were interest-bearing loans became a widespread practice. Research undertaken to date using loan documents that remain among the records of the Shosoin have revealed details of the daily lives of low-ranking officials and the management of loans issued by public offices during the ancient period. However, such studies have stopped short of addressing the question of what kind of role these cash loans played in ancient urban life. This paper presents an overview of the role of cash loans in the lives of urban dwellers on the basis of a re-examination of various written materials.

Documents from the Shosoin reveal various types of cash loans, including non-interest loans in cases of short-term lending, cash loans for commercial purposes, and special cases in which debtors were exempted from repaying loans. We may surmise from information provided by mokkan (inscribed wooden tablets) as well, that cash loans were widespread in the Heijo and Heian capitals. These mokkan also provide a useful guide to understanding the changes that occurred in the forms of loan documents.

Loan documents that were drawn up when a loan was made were referred to by terms such as "shujitsu" and "ken" through the Nara and Heian periods, for which non-standard letters were used. Although there are no extant loan documents from the Heian period, we may conclude that the form they took followed that of loan documents from the Nara period.

Even when the issuing of money was suspended during the latter half of the 10th century, these kinds of monetary and financial practices continued with some frequency. From the time when the Ritsuryo state began issuing coins, cash loans were a constant and widespread practice in the capital, and prohibiting this practice would have impeded the way of life in the Heian capital. That is to say, cash loans have strong links to the large-scale consumption that took place in Heian urban life.