

Bank's Distribution of Sichuan Province in the Republic of China (1912-1949)

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Received 12 March 2014; accepted 8 July 2014

Published online 31 August 2014

Abstract

During the Republic of China, Sichuan Province was a critical period for banks to develop, not only in terms of quantity, but also in the regional distribution, fundamental change had occurred than before. This paper firstly generalized the bank's distribution pattern, then analyzed the bank's evolution causes and at last did a brief summary.

Key words: Republic of China; Distribution pattern; Bank's evolution in Sichuan Province

Yang, S. (2014). Bank's Distribution of Sichuan Province in the Republic of China (1912-1949). *Canadian Social Science*, 10(6), 34-37. Available from: <http://www.cscanada.net/index.php/css/article/view/5197> DOI: <http://dx.doi.org/10.3968/5197>

INTRODUCTION

After its opening to the world in Chongqing in 1891, modern financial industry of Sichuan Province began to emerge, the first foreign insurance company established in Chongqing, offering insurance business. During 1915-1934, Bank of China, Bank of Communications, Zhibian Bank, Jincheng Bank, Jianghai Bank and other large domestic banks had set up institutions in Sichuan Province, the modern financial industry rose initially in this area. During the Anti-Japanese War, part of the money shops was reshuffled banks. Because of soaring prices and commercial speculation in the wartime, greater opportunities for money to invest in the financial industry. Therefore, the underdeveloped

financial industry of the pre-war in the southwest region developed quite well when the Anti-Japanese War broke out, especially in the major cities in Sichuan Province. After the war, the nationalist government moved back to Nanjing, with various inland factories, enterprises and financial institutions. On the eve of liberation, Only 11 national banks and bureaus, 97 commercial banks, 29 insurance companies in all the province, the number of which reduced by two thirds than before (Huang, 1996, pp.1-5).

During the Republic of China, from disordered to ordered, from weak to strong and then from strong to weak, Sichuan Provincial financial industry experienced a profound transformation that reflects the social characteristics of that era, it is also a social microcosm of that era in the region. According to a lot of data and documents, this paper researched the distribution and its changing reasons of banks in Sichuan province; the purpose is to summarize the experience and to make better advice for today's development in this region.

1. BANKS' DISTRIBUTION OF SICHUAN PROVINCE IN THE REPUBLIC OF CHINA

1.1 National Bank

1.1.1 Central Bank

Central Bank of the Republic of China formally established in 1928 in Shanghai. The central bank head office moved to Chongqing in 1939. By the end of 1942, the central bank has branches throughout Sichuan, they were Zigong, Yibin, Ya'an, new urban Chongqing, Leshan, Mianyang, Jiangjin, Neijiang, Nanbu, Luxian County, Beibei, South Springs, Guan County, Guangyuan, Zhongba Town, Fuling, Yunyang, Dongxi Town in Qijiang, Baisha Town in Jiangjin, Xinkai Town in Chongqing, Liangshan, Guanghan, Nanchong, Qianjiang, and Meishan, etc. (Zhang, 1990, pp.371-372).

1.1.2 Bank of China

Branches of Bank of China officially opened in Chongqing in 1915, the Bank of China in Sichuan had a total of 30 branches in 1947. They were Chongqing district, including Shangqingsi, Xiaolongkan, Linsen Road, Hechuan, Nanchong, Suining, Jiangjin, Luxian county, Xuyong, Hejiang, and Yibin; Wanxian district, including Changshou, Fuling; Neijiang district, including Rongchang, Longchang, Ziyang, and Jianyang; Zigong district, including Leshan Wutongqiao, Leshan Niu Hua Town, Leshan; Chengdu district, including Southern Temple, the East Gate of Chengdu Chunxi Road, Guangyuan, and Ya'an.

1.1.3 Bank of Communications

Branches of Bank of Communications established in Chongqing in 1915. In 1939, the Bank of Communications have 20 institutions in Sichuan, they were Yibin, Luzhou, Chongqing Huangjueya, Chongqing Xiaolongkan, Chongqing Xinziba, Zigong, Wanxian County, Mianyang, Wutongqiao Neijiang, Ya'an, Leshan, Qianjiang, Shehong Taihe Town, Ziyang, Xinjin, Qijiang, Guan County, Xiushan. By the end of March in 1947, Sichuan province still had 16 bank branches in total.

1.1.4 Farmers Bank of China

Farmers Bank of China established in 1935, the headquarters was in Hankou. In 1938 moved to Chongqing with the national government. In 1947, Farmers Bank of China in Sichuan institutions had 2 branches (Chongqing, Chengdu), 24 sub-branches, 19 branch offices.

1.2 Provincial Bank

Junchuan Bank opened in Chongqing in 1905; Sichuan Bank established in 1912, Sichuan Railway Bank was founded in Chengdu in 1914. Sichuan Local Bank was founded 1933 and which set up branches in Sichuan Province, they were Chengdu, Wanxian County, Zigong, Neijiang, Luding County, Fuling, Suining, Leshan, Daxian County, Yibin, Nanchong, Mianyang, Emei, Fushun and so on, these branches or exchange offices played an important roles for the local economy. By the end of 1947, the total branches of Sichuan local bank had 109 (Liu, 2013, pp.71-82).

1.3 Municipal Banks

1.3.1 Agricultural and Industrial Bank

Western agricultural and industrial bank was the Beibei Rural Bank, founded in 1928. Since then, counties in Sichuan Province had established agricultural and industrial banks in 14 counties. They were Jiangjing, Qijiang, Rongchang, Liangshan, Naxi, Jintang, Dianjiang, Pengxian County, Qijiang, Tongliang, Dazu, and Yongchuan, in which 6 were government-running, 7 private and 1 cooperated.

1.3.2 County Bank

In 1940, the Sichuan government executed the new county system, planning to establish counties banking system in

four steps. By the end of 1946, the number of Sichuan county bank was 133, which was about 95% of the county that should set up the county bank in Sichuan Province. And the total branches and offices of county bank were more than 200; the proportion of county bank was the highest in the country (Wang, 2011, pp.23-25).

1.4 Commercial Banks

1.4.1 The Provincial Commercial Banks

The branch of Sichuan Commercial Bank was founded in Chongqing in 1899; in 1909, a salt merchant in Xinjin opened the first private bank. Early Republic of China, Sichuan banking was preliminary prosperity, Juxingcheng, zhibian, Meifeng, Dazhong, Zhonghe and other commercial banks opened one after another. After 1935, there were Chuankang, Chongqing civilian, Yushang, Jianghai, Sichuan Business, Sichuan Construction, Sichuan Agricultural and Industrial, Chongqing Commercial Banks to establish. From then, Sichuan commercial banks began to develop. On the eve of the war, the total commercial banking institutions in Sichuan had 17. After Anti-Japanese War, there were 81 commercial banks, of which 62 belonged to Sichuan and their branches were up to 379 across the whole province.

1.4.2 Domestic Commercial Banks

Before the Anti-Japanese War, only a handful of domestic commercial banks such as Dalu, Jincheng, Jianghai, Shanghai, these banks came to Chongqing to set up branches (Liu & Yang, 2010, pp.181-187). According to the statistics in 1936 and 1937, there were 9 provinces founded branches and offices in Sichuan, they were Hubei, Anhui, Henan, Jiangsu, Shanxi, Xikang, Guangdong, Hunan, Shanxi provinces. From then on, Guizhou, Fujian, Gansu, Jiangxi, Zhejiang, Guangxi, Hubei, and Shandong provinces also established their local banking institutions in Sichuan province.

1.4.3 Foreign Commercial Banks

In 1891, the British established customs in Chongqing, symbolizing Sichuan opened to the world. Britain, the United States, Germany, Japan and other western companies set up institutions in Chongqing at that time, and their main business included wholesale kerosene, candles, pharmaceuticals, machinery and daily industrial, at the same time, these companies entrusted a number of local companies to purchase native product such as casings, tung oil, sundries and other native goods. Up to 1943, only two foreign banks (the British HSBC and Macquarie) approved by the national government, set up its bank branches in Chongqing (Lu, 2004, pp.83-86).

By the end of 1945, there were 868 banks in Sichuan province, in which 114 belonged to the national banks and the provincial banks, 132 belonged to municipal and county banks, 115 were cooperative banks, 391 were commercial banks, 2 foreign banks. The geographical distribution of these banks was as follows: 157 in Chongqing, 76 in Chengdu, 36 in Zigong City and

609 banks distributed in different counties in Sichuan Province. Some counties had more than 30 banks such as Luding County, but some counties were only one. At the same time, there were counties in border regions that had no banks because of its economic was

underdevelopment, these counties included Leibo, Muai, Wulong, Chenkou, Qingchuan, Wangcang, Mao Gong, Jinghua and so on (Chen, 2005, p.117). The bank's specific distribution pattern in Sichuan Province of the Republic of China is shown in Table 1 and Table 2.

Table 1
The Classification and Number of Banks in Sichuan Province

Bank name	In June 1937	By the end of 1945				
		Total	Head office	Branch	Sub branch	Agency
Total	105	868	321	122	32	393
National bank						
Subtotal	32	114	4	15	11	84
Central bank	6	21	1	11	—	9
Bank of China	11	46	1	1	3	41
Bank of communications	2	18	1	1	5	11
Farmers bank of China	13	29	1	2	2	23
Provincial bank	18	114	2	8	7	97
Cities and counties bank in Sichuan province	—	132	132	—	—	—
Cooperative bank	—	115	115	—	—	—
Commercial bank	55	391	68	97	14	212
Foreign banks	—	2	—	2	—	—

Note. Source: Chen, 2005.

Table 2
The Distribution of the Banks in Sichuan Province (December, 1945)

District	Bank's number	District	Bank's number	District	Bank's number
Chongqing city	157	The fifth district	46	The twelfth district	46
Chengdu city	76	The sixth district	43	The thirteenth district	31
Zigong city	26	The seventh district	56	The fourteenth district	34
The first district	43	The eighth district	30	The fifteenth district	24
The second district	51	The ninth district	34	The sixteenth district	7
The thirteenth district	72	The tenth district	27		
The fourth district	28	The eleventh district	37	Total	868

Note. Source: Chen, 2005.

2. BANKS' EVOLUTION REASONS OF SICHUAN PROVINCE IN THE REPUBLIC OF CHINA

Sichuan province is located in southwest of China, which is combined with convenient water conservancy and contacts with southeastern provinces of the Yangtze River waterway, therefore it had always been a hub for transport of goods across the southwest, at the same time it has a variety of conditions to develop financial industry. After Chongqing opened to the world in 1891, the modern financial industry began to emerge in Sichuan province. In 1899, A branch of Commercial Bank of China opened in Chongqing, which was the first modern financial institution founded by the Chinese people in Sichuan province. However, financial industry in Sichuan Province was very confusing before 1935. Political situation was unity after 1935 and gradually on the right track in 1937 in Sichuan province, according to the survey before the Anti-Japanese War in 1937; there were 16 banks and 105 branches and offices in Sichuan province, of which 32 belonged to the national bank, 18

belonged to Sichuan province, and 55 belonged to the private commercial banks. On July in 1937, the Anti-Japanese War broke out and the national government moved to the new capital of Chongqing in November at the same year, factories, businesses, financial institutions in coastal cities had to move to inland, brought a lot of money into Sichuan province. The Central Bank, Bank of China, Farmers Bank, Bank of Communications, etc., moved to Chongqing and set up branches in major cities of Sichuan province. Some commercial banks, provincial banks, municipal banks and local banks came to Sichuan province to set up its branches, Sichuan provincial banks also set up its branches in cities and counties rapidly (Cooperation Commission of Southwest Economic Inquiry, 1939, pp.6-8). According to the central bank survey in Chongqing by the end of the Anti-Japanese War, there were 1,163 various types of financial institutions in Sichuan and Xikang provinces, in which the head offices were 380, about a quarter of the total number of full financial institutions in the whole country, formed a financial network over large, medium and small cities in Sichuan Province and the center of finance was in

Chongqing (Zhou, 1946, pp.87-88). The main reasons for the bank to increase were as follows:

- a) Banks migration from other provinces with the national government to Chongqing;
- b) Banks from other provinces used funds to set up branches and offices in major commercial cities in Sichuan province;
- c) The price increased and the number of new banks were increasing;
- d) Many old money shop turned into banks and expanded its business areas;
- e) Cities and counties had set up banks after the national government announced County Banking Law;
- f) Provincial banks set up branches in order to adjust the province's financial industry.

In summary, during the Republic of China, banks were experiencing unprecedented opportunities and challenges with the improvement of the political and economic environment in Sichuan province, whether local banks or foreign banks were trying to enter this region, the scope of banking business continued to expand, its performance not only reflected in the overall size of the banks, but also in the category, there were national banks and provincial banks, several foreign banks were included, the distribution pattern became a major feature of the bank's in Sichuan province. After the outbreak of anti-Japanese war, the migration of the banks were located in Chongqing, Chengdu, Wanxian County, Neijiang, Zigong, and Nanchong, etc., these places were economically more developed regions with better convenient transportation, abundant produce and the commercial basis, it was another characteristic pattern. Analyse the bank's distribution and evolution in Sichuan province to research

economic development in the region, can provide a new way to think of economic development of this region in the future.

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