



# Theoretical Foundation and Disciplinary Construction of Chinese Historical Financial Geography: A Case Study of Financial Geography in Sichuan-Chongqing Region During the Late Qing and the Republic of China Era

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Received 23 November 2013; accepted 12 February 2014

## Abstract

As a branch of economic geography, the theoretical origins of financial geography are multiple, which increasingly shows the vitality and advantages of interdiscipline. As an important component of economic geography, the research contents and measures of China's historical economic geography have been continuously expanding in recent years with the development of times, which is a major feature of rising discipline. During its development process, China's economic geography has been subject to many influences including the former Soviet Union and other Western economic geographical ideas, it is possible and also necessary to critically use the still growing Western economic geographical ideas for reference in China's economic geographical research, scope of such research should include regional finance of historical periods, in this sense, the research of financial geography in Sichuan-Chongqing region in modern times, which has relatively strong regional change characteristics and practical reference value, is undoubtedly a valuable research content.

**Key words:** Financial geography; Theoretical referencing; Sichuan-Chongqing region

LUAN Chengbin (2014). Theoretical Foundation and Disciplinary Construction of Chinese Historical Financial Geography: A Case Study of Financial Geography in Sichuan-Chongqing Region During the Late Qing and the Republic of China Era. *Cross-Cultural Communication*, 10(1), 102-109. Available from: <http://www.cscanada.net/index.php/ccc/article/view/j.ccc.1923670020141001.4296>  
DOI: <http://dx.doi.org/10.3968/j.ccc.1923670020141001.4296>

## 1. THEORETICAL ORIGINS OF FINANCIAL GEOGRAPHY

Financial geography is an interdisciplinary which has arisen in Western academia in recent years. "In a relatively short period of time, research on finance and localities has begun to flourish. In its early development, the main emphasis was largely exploratory in its determination to examine the ways in which finance may actually have geography and the ways in which that geography may affect economic development. While the economic and technological transformations wrought in Western countries during the closing decades of the twentieth century change undoubtedly altered the geography of finance they did not undo it. Real economics are not the frictionless planes of neo-classical theory; they are produced and reproduced in complex ways in particular spaces. In other words, despite the intangibility of money, finance has an economic geography. As a growing recognition of the force of this geography emerged, the ways in which this played out politically over space became more explicit" (Clark, Feldman, & Gertler, 2005, p.245). Swedish scholar Risto Laulajainen focused on introducing the characteristics and development prospects of this emerging discipline in his monograph "Financial Geography". Western economic geographical academia gives rather much attention to the developments of the discipline. "Financial flows and geographies are socially embedded, culturally inflected, discursively mediated, and symbolically inscribed. Financial geographies are also geographies of power and are critical in moulding the quality of people's lives" (Clark, Feldman, & Gertler, 2005, p.246).

However, tracing to the source, the one who has made pioneering contributions to the construction of financial geography theory is Raymond W. Goldsmith, the founder of financial structure and development theory, who stressed that "financial development manifests itself as

the changes in financial structures” (Raymond, p.32). He defined financial structure as the constituent state of various financial instruments and institutions, believing that “the existence, nature and relative scale of different types of financial instruments and institutions reflect a country’s financial structure”, their relative scales are not entirely the same in each country (or region) over time. These differences are reflected in the aspects such as the order of emergence of different financial instruments and institutions, their growth rates, degree of penetration into different economic sectors, as well as speed and characteristics of adaptation to a country (or a region’s) economic structural changes. From the changes in quantitative scale and qualitative characteristics of financial superstructure, financial transactions, as well as national wealth, national product infrastructure, we can see the differences in financial development of each country (or region. Raymond, 1994, p.3). The main role of government in the changes of financial structure is to provide the appropriate institutional supply (or institutional design). Meanwhile, changes in political ideology (which was at that time mainly affected by domestic and international political and military environments) and other institutional structures are also an important cause contributing to corresponding changes in financial structure (Peng, 1994, p.4).

Many Western scholars divide economic geography into old economic geography and new economic geography, and believe that the academic origin of financial geography should lie in the new economic geography. “New economic geography” gives more consideration to the individuality of regions, namely the culture, society, history, institution and other factors. As a discipline, the paradigm of theoretical construction of economic geography has been in the midst of dramatic change since its emergence. Baptized by postmodernism and post-structuralism that have swept social sciences, the validity of the construction of economic geographical knowledge and theory, as well as the ways in which effective knowledge is produced are all subject to challenges from “skepticism”. Some economic geographers pointed out that “diversification of methodologies and concepts is not a bad thing, the sustained and constructive dialogue among different theoretical perspectives is clearly more desirable than the continuous pursuit of a single, all-encompassing theoretical paradigm. Although the adoption of uncritical theoretical eclecticism is dangerous, the pursuit of a certain all-encompassing theoretical paradigm is doomed to failure, because there is no theoretical system that is able to make a complete, satisfactory answer to the real socio-economic lives, nor can they become the panacea for curing all diseases of socio-economic lives.” Therefore, to understand the theoretical construction of current economic geography, there is the need to adopt diverse and inclusive perspectives and to be based on

the core concepts and epistemological orientation of theoretical construction of economic geography so as to grasp the characteristics of different theoretical schools as well as their connection with various theoretical schools within and outside of the discipline of economic geography, and on this basis, to carry out debates, critiques and reintegration among different schools of theory. Meanwhile, as a discipline, although economic geography has an open boundary, and seeks ways to become the core of social sciences during the “close dialogue” with other social sciences, its intrinsic core and main frame of theoretical construction should be adhered to, highlighting its unique “spatial” perspective (Miao, Wei, & Lü, 2011, p.16).

Having gone through the “quantitative revolution” of the 1960s and the political economic wave of the 1970-1980s, economic geography continues to be strengthened with the economic globalization and the differences in economic performance among regions of the world, a growing number of economic geographers in the Western society tends to explain the real-world regional economic development using institutional and socio-cultural factors, i.e., the so-called “institutional turn” and “cultural turn”. Concepts such as “institutional environment” (including a variety of formal and informal social, economic, cultural and political system characteristics) and “institutional arrangement” (referring to the organizational forms, markets, company names, trade unions, councils, governmental agencies, national welfare systems, etc.) are introduced, and the geographical phenomena of economy are explored using new perspectives of various social sciences. Scholars have linked the economic phenomena of a region to that region’s institutional and cultural factors, stressing that the regional and local economic activities are embedded in and inseparable with the local social, political and cultural systems. This is essentially different from the economists’ analysis of economic phenomena using only economic factors.

The conceived (i.e., assumed) nature during the preparation of model by economists is too obvious. Geographers, on the other hand, seek to elaborate the real-world economic regions, where many ideal factors cannot be quantified. Since the heterogeneous factors of the regions are abstracted due to the assumption of homogeneous surface, perfect competition and zero freight, “regions” are naturally described as “spaces”. Over the years, in geography, the layout of regional economic and social elements has always been elaborated in connection with the “time dimension” in addition to the two-dimensional planes. Therefore, the concept of “space structure” has been extensively applied. Economists and geographers have different perspectives and views as to how to describe, model and predict the economic space and its evolution. Nevertheless, they have a lot of common language and intersection points in elaborating a series of regional economic factors and their roles, major issues

facing contemporary economic geography and other specific discussions (Clark, Feldman, & Gertler, 2005). It is exactly the substantial presence of such intersections and their cultural turns in a modern sense which have promoted the rise and prosperity of the discipline of financial geography.

## 2. INTRODUCTION OF FINANCIAL GEOGRAPHY IN CHINA AND DISCIPLINARY DEVELOPMENT

China's economic geography is at a critical historical period of second major transition since the reform and opening up, the first transition in the 1980s and 1990s with a "catch-up" nature has turned China's economic geography from the "Soviet paradigm" and "regional geographical paradigm" to the "space science paradigm" and initial "political economic paradigm", and thus has made gratifying theoretical achievements, while the second transition which originated in the late 20th century expects China's economic geographers to participate directly in the theoretical construction and academic debate of "new economic geography" which is now "vigorously" proceeded by international peers using China's development experience and theoretical construction (Miao, Wei, & Lü, 2011, p.18).

Research of regional finance applying the thinking of economic geography has always been relatively weak in domestic China. Zhang (1995) mentioned the concept of "regional finance" in his article "Analysis of Regional Finance in China". This concept refers to the distribution of financial structure and operation in space; extensionally, it is manifested as different financial regions with different forms, levels and relatively concentrated financial activities. Similar to regional economy, the operation and development of regional finance show relatively strong regional characteristics. Since finance and economy both have the most extensive contacts with social life, the region's previous financial economic background, historical culture, total population, production relations and financial awareness of residents will all have an impact on the changes of financial systems. Financial structure has the most direct connection with the geographical location, transportation and communication facilities, economic base and market scale of the region, these factors jointly influence the region's capital accumulation, financial markets and efficiency, and constitute the characteristics of financial operation and economic development of the region from the perspective of productivity (Zhang, 1995).

There is currently a lack of quantitative comparison of financial growth among regions, even though some quantitative measures are proposed, they lack operability. Relatively mature research results include the "urban value chain" model proposed by the Beijing

International Institute for Development and Ni Pengfei's "bowstring arrow" model and "flywheel" model of urban competitiveness. Although Ni Pengfei et al. did some quantitative work on financial development in 2004, they were mainly focused on exploring the positioning of financial centers, the urban financial center positioning indicator system chosen by them was dedicated to the contributions of various elements to urban competitiveness, furthermore, many of the indicators are difficult to quantify, such as the competitive advantage of systems, soundness of legal system, social cohesion, innovative atmosphere and communicational morality, and an extensive range of high quality survey data is difficult to be obtained by research. The research of urban competitiveness at present does not specifically discuss the differences in comprehensive competitiveness of regional finance, but their ideas and methods can be used for reference in many ways. Dr. Tian Lin of Zhejiang University made a comparative study of experience nature on the development of financial industry in China's different regions in his doctoral thesis "The Differences of Regional Financial Development—From the Perspective of Financial Geography". The book uses fuzzy curve analysis to design a complete system of regional financial econometric indicators covering natural geographic, social, economic and financial factors to make up for the current lack of research on regional financial quantification, propose new explanations on many issues, and show a new path for further research in the theoretical circle as well.

In brief, although the nature of finance is "open", there exists strong regional severance in the flow of capital element of finance, in addition, financing options, financial organizational structure and financial innovation situation vary among regions. For example, vigorous development trend of private finance emerged in the eastern coastal areas while the mid-west areas have little soil for such emergence; residents of different regions of China have great distinction in terms of financial awareness. These issues all require the consideration of financial regionalization. Consequently, the research of China's financial problems must have regional concepts, emphasize on financial geography theory applied with spatial differentiation, thereby explaining a variety of economic realities.

## 3. NECESSITY AND FEASIBILITY OF USING FINANCIAL GEOGRAPHY IN CHINESE HISTORICAL ECONOMIC GEOGRAPHY

Summing up the concept (Hua, 2009) of *Historical economic geography* in the historical geography since the 1950s, we can see that:

Author	Works	Contents of <i>Historical economic geography</i>	Published journals or publishers
Hou Renzhi	Historical geography	1. Urban historical geography; 2. Study of historical geography in water conservancy construction; 3. Monographic study of historical geography related to traffic and regional development; 4. Comprehensive study of historical geography related to regional development.	<i>A decade of Chinese science (geography)</i> . Science Press, 1959 edition
Huang Shengzhang Niu Zhongxun	Advances in the study of historical geography in China in recent years	Four areas, namely the urban, water conservancy, transportation, and mining and metallurgy	<i>Trends of recent researches on the History of China</i> , 1979, No. 3
Ma Zhenglin	Three decades of Chinese historical geography	Four areas, namely the regional economic geography and irrigation and water conservancy, urban historical geography, development of land and water transportation, and evolution of the Great Wall	<i>Journal of Chinese Historical Geography</i> , Vol. 1
Zou Yilin	Review of the development of China's historical geography since the founding of new China	Historical urban geography, historical changes in land and water transportation, historical population geography, environmental changes	<i>Fudan Journal</i> , 1984, No. 5
Du Yu	Overview of research on historical geography in China in 1983	Changes in geographic distribution of crops and handicrafts in ancient times, ancient postal delivery system and traffic routes, China-Western transportation, historical population geography	<i>Trends of recent researches on the History of China</i> , 1984, No. 11
Du Yu	Overview of research on historical geography in China in 1985	Paddy, historical transportation geography, population geography	<i>Trends of recent researches on the history of China</i> , 1986, No. 12
Du Yu, Zhu Lingling	Index of works on Chinese historical geography	Five areas, namely comprehensive discussion, big agriculture, industry and mining, commercial cities and ports, and domestic transportation	Bibliography and Document Publishing House, 1986 edition
Ren Ze	Overview of Research on Historical Geography in China in 1986	Agriculture and animal husbandry, transportation geography, historical population geography	<i>Trends of recent researches on the history of China</i> , 1987, No. 11
Shi Weile	Overview of Research on Chinese historical geography (1949-1984)	Development of various regions, rise and fall of irrigation and water conservancy, population distribution and change, as well as urban historical geography, and transportation historical geography	<i>Overview of research on Chinese history</i> , Jiangsu Ancient Books Publishing House, 1987 edition
Ren Ze	Overview of research on historical geography in China in 1987	The study of historical economic geography still puts relatively much emphasis on transportation geography and urban geography. The remaining is mainly the studies on the aspects of regional development and distribution of agriculture and animal husbandry	<i>Trends of recent researches on the history of China</i> , 1988, No. 11
Ren Ze	Overview of research on historical geography in China in 1988	Economic regionalization changes, regional economic development, historical transportation geography, population geography	<i>Trends of recent researches on the history of China</i> , 1989, No. 8
Hua Linfu	Overview of research on historical geography in China in 1990	Farming geography, transportation and population geography	<i>Trends of recent researches on the history of China</i> , 1991, No. 11

The concept of historical economic geography covers a wide range, and is still in the development and rising stage in terms of long-term trends. Such development and rising stage is reflected, on one hand, in the continuous breakthrough of research depths, and on the other hand, in the theoretical referencing and interaction of interdisciplines. "It should be noted that modern historical geography has absorbed the natural scientific way of thinking in the mode of thinking, stresses the thorough measuring and reasoning of all qualitative characters, and objective and comprehensive presentation of true features of all geographical points; not only focuses on the static distribution of all geographical points, but also pays

attention to the dynamic evolution on all geographical points, emphasizes on the establishment of continuous geographic profile analysis, and strives to explore the variables of man-land space-time function. This not only overcomes the shortcomings of fanning out from a point to an area and noting only the details but not the overall picture such as "broadly speaking" and "for example" in the past historical studies, but is also conducive to overcoming the shortcomings of "cumulative method" and other subjective entry in the previous studies, thus prompting historical research into full-directional investigation (Lan, 2010, p.22).

At present, relatively mature examples in the academia of the research of regional economy include the regions around and south of Yangtze River. Lan Yong made a pioneering discussion in “Economic Development and Ecological Changes in Southwestern Regions over Historical Periods” (Yunnan Education Press, 1992 edition) on regional economic development in Yunnan, Guizhou, Sichuan provinces over historical periods and the resulting eco-environmental changes such as the transition of forest distribution, decline and extinction of wildlife, southward migration of tropical crops and climate change, shrinking of river channels and increase in natural disasters from the ecological point of view, highlighting the man-land relationship, and providing a reference and a lot of new ideas for the development of southwestern regions. In “Immigration and Economic Development in Three Gorges Region over Historical Periods” (published in *Journal of Chinese Historical Studies*, 1993, Issue 2), Lan Yong believed that immigrants in the Three Gorges region before the Yuan and Ming dynasties mostly migrated in an east-west line along both shores of Yangtze River, immigrants and original inhabitants’ main economic activity areas were riverside dams, bench terraces and nearby mountain plateaus, immigrants’ economic development was based on a pattern laying equal stress on land cultivation, fishing and hunting, and commerce; in the Qing dynasty, this development pattern had already been broken, the original riverside east-west immigration trends turned to east-west-south-north hinterland immigration trends, forming an economic development pattern led by cultivation, especially the cultivation of mountainous drylands (Hua, 2009, p.320).

However, studies of southwestern regional economic history further applying the new achievements and theories of modern social sciences, especially the studies of financial history are still rare from the perspective of theoretical approaches, which mostly chose the anti-Japanese war period in terms of time periods and smaller-scale case studies in terms of research scope. This lacks strong support for macroscopic grasp of the law of development of financial history in southwestern region, especially for subsequent in-depth study of various modernization changes in southwestern region in terms of basic preparation.

From the perspective of static geographical distribution, the economic center of Sichuan in the history was in today’s Chengdu Plain, yet impacted by China’s political, economic and cultural migration, its geographical center of economic and cultural development progressed from west to east, north to south in the history, which is a space evolutionary series with a time section, and a dynamic evolution process with various geographical points. Reviewing the existing studies, many have not grasped the differences in static geographical distribution of economic and cultural development in Sichuan in the aspect of time section, and few have been aware of the space evolutionary series for Sichuan’s economic and cultural development,

consequently, it is difficult to grasp the overall economic and cultural development situation of Sichuan, and very hard to make an objective and accurate assessment of the level of economic and cultural development of each small region in each era. (Lan, 2002, p.21).

In this sense, the regional systems theory initiated by G. William Skinner is of great theoretical guidance value for the study of economic history in Sichuan-Chongqing region. His book “The City in Late Imperial China” is applied to the study of Chinese regional history with the “central place theory” as the guidance, which divides China’s main economic area into nine macro regions. He believed that every region has one or two core cities, which are surrounded by satellite cities, and the towns are surrounded by vast rural areas; the core cities, satellite towns and rural areas interact with each other. Cities rely on rural support, while controlling the rural areas with strong financial power, and subordinating the rural areas to them. On the case of China, metropolises, as the top cities of large regional economy, lie in the top level of central place hierarchy. The more extensive and complex the socio-economic system constituted by different levels, the more obvious the role of central place as a connection point therein. Through complex mutually overlapping networks, the socio-economic system of each level is connected to a higher level, forming continuous regions with a common center from the center to the edge. The key idea of regional systems theory is that: regions at all levels show a hierarchical state, not only macro regions have a core-periphery structure, their regional systems on each level all show internal differences similar to the core-periphery structure of macro regions (William Skinner, 2000, pp.2-3).

To fill the gaps in the comprehensive study of financial history in southwestern regions in theory, financial geography theory is explored and applied to study the path of regional financial history. The study of financial geography in Sichuan-Chongqing region can be attempted as a breakthrough point, especially a range of social, cultural, public financial awareness and other changes brought about by transition of financial center in Sichuan-Chongqing region after port opening in Chongqing, to sum up historical experience for today’s market-oriented financial reform under the national plan. If various financial services are arranged by the government and monopolized by the state-owned institutions, the drive for competition will be lacking internally, which will inevitably lead to financial repression and lack of services. To meet the massive demands for finance of private economy and people’s livelihood and sufferings that occur daily and hourly, market access must be liberalized to cultivate a large number of private financial institutions, thus achieving self-service and self-liberation of society using the endogenous power of private sectors. Only the birth, improvement and growth of private financial markets and institutions can bring China the market-based

financial system and institutions in the true sense, and can free the government from microeconomic and finance, promoting real transformation of China's economy, in fact, this is also the recent direction of China's financial reform. Furthermore, creation of Chengdu-Chongqing economic circle has been an established national plan, while Ba-Shu area has been emerged with different local cultures in different geographical regions since ancient times, the big culture in the macro sense impacts the locals' commercial consumer behavior and consumer awareness, thereby causing differences in geographic distribution of the financial industry. Especially under today's macro background of Chengdu-Chongqing economic circle, how to conduct financial division of labor and cooperation according to the different endogenous cultural characteristics and geographical factors of the two places, rather than repetitive construction of financial centers and review of establishment and interaction of financial circles over historical periods with these two places as the center, undoubtedly have their historical reference significance. Finally, after the unification of Sichuan administration, the Sichuan-Chongqing region eventually built up a rural financial network system, and the interactive experience between this system and urban financial resources should be of certain reference significance to the coordinative urban-rural financial development in today's coordinative urban-rural development.

#### **4. INVESTIGATION ON FINANCIAL GEOGRAPHY IN SICHUAN-CHONGQING REGION DURING THE LATE QING AND THE REPUBLIC OF CHINA ERA**

In the modern era, a series of comprehensive, multi-level changes took place in Sichuan-Chongqing region marked by the port opening in Chongqing. Among them, the rise of Chongqing's financial position which gradually replaced Chengdu to become the financial center in Sichuan-Chongqing region is an event having a far-reaching influence at that time and later. The impact of foreign capitalism after port opening forced the Sichuan-Chongqing region to participate in the world capitalist system, Chongqing was well positioned to seize the first opportunity with its excellent transportation, geographical and other innate advantages, under the premise that there was no major change in domestic and world patterns, its rise and replacement of Chengdu to become a financial center is inevitable in long term, but the rise does not happen overnight, rather it is a long-term game of adaptation through interaction and division of labor through competition in Chengdu and Chongqing regions. This process continued before the "Two Liu War", the final battle between Sichuan and Chongqing warlords, where Chongqing was still rising while Chengdu was relatively declined, but objectively, there were still two

major financial circles inside the Sichuan and Chongqing regions, the radiation range of financial industry centered by Chongqing is limited by its own financial strength, combined with the financial blocking under garrison area system, coverage of financial circle centered by Chengdu was still difficult. "Two Liu War" ended with the triumph of Liu Xiang military-political group, which determined the attribution of internal center in Sichuan-Chongqing region, Chongqing naturally became Liu Xiang Group's hub for controlling Sichuan-Chongqing region due to years of their operation in Chongqing, after Liu Xiang's entrance to Chengdu, the massive expansion of Chongqing financial groups in Chengdu further laid the final foundation for the transition of financial center in Sichuan-Chongqing region. However, in order to achieve the dual purpose of "suppressing Communism and controlling Sichuan", the Nanjing Guomintang Government represented by Chiang Kai-shek maintained its financial power with staff committee, commandos and other military-political force, i.e., the entrance of Central Bank into Chongqing, this was not only due to Chongqing's traffic and geographical advantages, but also contained a political conspiracy to expel Liu Xiang Group and take them over, this historical coincidence strengthened the financial position of Chongqing due to the need for resistance against Japan and founding of New China, and this process was ultimately completed with the baptism of anti-Japanese war.

Using G. William Skinner's paradigm for analysis of regional systems theory for reference, combined with the particularity of southwestern regions during the anti-Japanese war, the economic form within the region is analyzed by being placed inside the most closely linked financial system. Certain financial center is exactly certain economic center, while the size of absorption and radiation function of financial center is an important factor in determining the differences in spatial extension and hierarchical position of economy in that region. Absorption function mainly refers to the financial center's capacity to penetrate the economic and financial development of the surrounding area. The absorption and radiation function of financial center is also an important force causing spatial flow of financial resources and changes of regional financial structure (Zhang, 1995). Chongqing is established as the financial and economic center of Sichuan-Chongqing region through the anti-Japanese war, the radiation starts from Chongqing to other secondary financial centers such as Wanxian, Nanchong, Kangding and Luzhou, and then radiates layer-by-layer from each secondary financial center to the prefectures, counties, townships and every village. In the course of radiation from the center to the edge, the power of finance and economy diminishes progressively; in contrast, in the course of absorption from the rural edge to the center, the power of finance and economy is in a gradually increasing trend (Wang, 2011, p.11).

Network theory suggests that within a region, the regional node, domain surface and network, these three elements are intertwined and recombined with each other, forming the spatial structure of regional economy. "Node" refers to various types of central growth pole cities and towns; "domain surface" is the range of radiation along nodes or the range attracted by nodes; "network" is constituted by production factor flow network. Network control structure represents the interdependent network of relationships in the economic life, and reflects the characteristics of the entire economic system (Qiu, 2000, p.108). The key point of network theory lies in the necessity to carefully investigate the social structure in which the economic operation is located, as well as its specific interaction with the entire regional environment. Financial structure is in a network state, in which the distance between nodes is a very important parameter in the network.

From the point of view of this theoretical perspective, Wanxian, an important secondary financial center in Sichuan-Chongqing during the late Qing and the Republic of China era, can be taken as an example to conduct analysis. As an important port in eastern Sichuan controlling the gateway of upper Yangtze River, since the late Qing and the Republic of China era, all the distribution of bulk cargoes represented by tung oil in various eastern Sichuan regions have taken Wanxian as the hub, its importance was only second to Chongqing. Along with the commercial development, local financial institutions also developed day by day. The financial industry in Wanxian is principally based on money shops, and the major financial form is remittance and cashing business, foreign banks and other newly-coming financial capital groups are linked closely to import and export trade, supporting each other. The flourish of tung oil and other export-oriented international trades made Wanxian's finance, whose main business was export-oriented trades, hugely influenced by foreign financial activities. In summary, Wanxian, which was included in the international trading system, was a regional secondary financial center in the "three points one arc" financial pattern of Shanghai, Wuhan and Chongqing along the Yangtze River. This sub-center has two different trends of dependence and independence for Chongqing, the difference in trends depends on the size of radiation capacity of Chongqing, Wuhan and Shanghai to Wanxian, which is essentially the result of swing of Wanxian's financial trade between the second and third tiers in China's entire foreign trade system.

From a macroscopic point of view, the forming process of financial network, spatial structure of the network and its manifestation characteristics in Sichuan-Chongqing region all have very distinct trait of times and spatial concretization. Development and changes of financial network in wartime Sichuan-Chongqing region are associated with the layer-by-layer propulsion and

expansion of national bank, provincial local banks and county-level banks. If various cities within the region are considered as nodes in the network, the distance between the nodes will then represent the intensity of financial radiation and the frequency of capital in and out, which is also associated with local geographical environment, degree of economic development, population density, market size, commodity circulation, etc. Nodes are radially distributed, financial network in entire Sichuan-Chongqing region takes Chongqing as the core to constitute the first layer of the network. The second layer of the network is based mainly on various secondary financial centers, forming large and small financial circles. The third layer is the prefecture-, county- and township-level finance node-based financial circles. In this way, the spatial territory of financial network is always restricted by the position of local system in the overall structure of systems within the jurisdiction, especially by factors such as the cities at different levels and the transportation routes, market structure, population density and commercial centers which connect various cities within the urban system.

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## CONCLUSION

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"Cross between disciplines should be advocated; cross and integration are important ways to develop disciplines" (Clark, Feldman, & Gertler, 2005). Finance intersects with ideology. In a market economy, financial market is a basic distribution tool. They not only allocate production resources, but also distribute most surplus products. Financial world is a reflection of real world. For finance, for an industry with relatively strong confidentiality of current information, the more distant the history, the more clear its general rule, which is also the significance of historical financial geography compared with general financial geographical analysis. Port opening in Chongqing is a major event in southwestern region, which is an important link striding Sichuan-Chongqing region towards modernization as well. There is the inevitability in the aspect of geographical factors in Chongqing's catching up and replacement of Chengdu to become the financial center in Sichuan-Chongqing and even southwestern regions, but in the specific replacement process, there also exists great occasionally of military, political, cultural and other social factors, that is:

In the case of sufficient development, financial centers are firstly the center of communication and management, they apply for loans overseas and act as transnational clearing agency. Initially, they enjoy information superiority in terms of local development opportunities, business culture and human resources, but such advantage is unlikely to be directly converted into financial advantage" (Laulajainen, 2001, p.378).

While constructing financial network in Sichuan-Chongqing region, the Guomintang Government also made a detailed investigation on the geographical

transportation, market prices, economic intelligence, financial practices, money shops, financial information, remittance and depositing conditions around Sichuan-Chongqing region, at the same time, this financial network changes constantly along with the comprehensive influence of external military, politics, economy, culture and population on the region. The so-called operation of financial system and institutions “are always embedded in the social networks in which they exist, and are moulded and constrained by them” (Granovetter, 2003) in the financial geography is further validated.

The development of Chinese historical financial geography needs academia’s timely acquaintance of related international academic trends, while being committed to addressing the needs of domestic economic and social development, academic foresight is also needed to make new research achievements with new theoretical perspectives and research measures. As specific as the referencing and absorption of financial geography, typical regional finances such as Sichuan-Chongqing region in the late Qing and the Republic of China era can be chosen as the pilot spots, and regional financial history with a longer time span as the material to draw general regularity research results, and thereby extend the research layer by layer to various regions in China, the comparative analysis between spatial transverse areas and time longitudinal cases should be taken seriously in combination with the specific conditions during China’s social transformation period, when there emerges a large number of new academic achievements, cautious optimism could be maintained.

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