

Research on the Financial Geography of Modern Wanxian City

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Abstract

Wanxian City is an important port of eastern Sichuan, and it is the door of the upper Yangtze River. Since the late Qing Dynasty, the bulk goods distribution represented by Tung oil in various areas of eastern Sichuan centered on it, and it took a second place after Chongqing in position. Along with the business development, local financial organizations were also increasingly developed. The financial industry of native Wanxian City was dominated by bank industry, in the form of exchange business as the main financial form, foreign banks and other prominent financial capital groups were closely connected with the import and export trades, they supported each other. Development of Tung oil and export-oriented international trade had a great impact on the foreign financial activities of Wanxian finance oriented by international trade business. In summary, Wanxian, incorporated into the international trading system, is a sub- regional financial center in the three-point-one-arc financial pattern along the Shanghai, Hankou, and Chongqing of Yangtze River. This sub- center has two different trends of dependence and independence on Chongqing, the different trends depend on the financial radiation of Shanghai, Hankou and Chongqing on Wanxian, in essence, it is the results of Wanxian financial trade swinging between the second and third layer in China's foreign trade system.

Key words: Wanxian; Financial geography; Tung oil

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INTRODUCTION

By the end of 1935, as a second important commercial port, Wanxian had not yet set up banking union in the form of modern finance. Juxingcheng Bank was the first bank in the city, followed by Bank of China, Bank of Zhonghe and Bank of Chuankang, but because the business was not prosperous, they had been closed successively. Later, Citizen Bank was set up, but it also collapsed last year. Now there are some local banks, Bank of Commerce, Bank of China and Juxingcheng Bank which are doing business, they specifically deal with deposits and loans, savings, remittances, cargo agents and other business. For example, Juxingcheng Bank and Bank of Commerce provide convenient agency business, which is beneficial for other business. The remittance business suffered a serious defeat while the banks profit was great. There are also some accounts in arrear with huge amount. There is no hope to take back. Wanxian City had a surplus. It is said that Chongqing Bank and Citizen Bank will establish the branch in Wanxian City. In the past, the number of banks in this city was less than five, so it didn't comply with the regulations of organizing banking union, so the banking union was not established (Journal of Sichuan Economy, 1935).

The emergence of the phenomenon must be interpreted under the macroscopic vision in the whole economy of modern China. The generation of modern Chinese capitalism experienced a different path compared to Western Europe; Modern Chinese banking industry is developed under the stimulus of foreign financial forces, the profit is made mainly by government investment and lending to the government, and by undertaking the main business of commercial bank. After the First World War, the new industry in China has great development; the economic foundation of banking began to build. Wanxian City, as a later commercial port, is located in the west, and its financial activities just can be described as "goods trade". And it is a regional financial market center

of payments for exchange, and it does not yet have the economic function of macroeconomic control. Affected by the economic patterns of China's semi-colony directly, and its financial activities, financial situation and financial market often can only passively react on the first and second level of foreign trade financial centers of Shanghai Hankou and Chongqing on behalf of the international financial market.

1. TREND OF PRIVATE BANKING INDUSTRY IN WANXIAN CITY

Based on Tung oil and other foreign trade crops, Wanxian financing has an obvious export-oriented feature. In other words, the regional financial position of Wanxian is not naturally formed by the local solid economic base to support a financial superstructure, but more often, it is subject to and serves the needs of a large number of financial instruments under the guidance of an external force, forming a financial center of radiation region. For this reason, the financial industry of Wanxian is greatly affected by a higher level of volatility in the Shanghai, Hankou and Chongqing trading systems, the exchange is also known as the money industry, Qin Ziwen is Chairman, the traders generally establish the branches to conduct the business in the ports of Shanghai, Hankou and Chongqing, the expense of each trader may be up to 10 thousand yuan. Bills of exchange are mainly from Shanghai, Hankou and Chongqing, and it will change depending on the demands. It usually changes around the time of National Day. And the year before last, bills of exchange made great profit, the ordinary companies fell over each other in this industry. And last year, there were over fifty companies, but the market still couldn't meet their needs. The companies had to compete their eyesight and means in order to gain more. And the prices of exchange varied with the circumstances. Most of the companies was so radical about the investment that it caused bankrupt of the bills of exchange in the Sichuan Province, and the number of out of business companies was up to over thirty, and money lost was more than 3 million yuan, and now the companies which still run the business are as follows: Dexing, Detaixiang, Fuhouchang, Yongchang, Xingtai, Changshengyuan, Yiyong, Taixiang, Longji, Zheng'an, Hengtai (Journal of Sichuan Economy, 1935). The financial crisis affected not only the big trade ports in Wanxian City, Chongqing, Chengdu and Shanghai; it also affected the remote towns of counties. The trend in Wanxian financial crisis was particularly prominent; the reasons may be related to the entire socio-economic characteristics of the institutions.

The causes of Wanxian financial crisis can be divided into internal and external reasons. The external causes can be called briefly as the general economic downturn. In the western regions, where the new financial organizations

are undeveloped, private bank become a major financial institution in a city (GAN, 1935, p.26). Features of private bank business are usually small-scale credit loan, small businesses in the society regarded it as the pillar, and they depend on it heavily. Thus, private bank is most sensitive to the sense of socio-economic panic.

The economic crisis of capitalism worldwide in 1930 coupled with the results of domestic disasters made Wanxian rural bankruptcy, depressed industry which had been passively involved in the world trading system, and the lending of commerce bank was difficult to recover, the stagnation of the credit, panic appeared. The export goods of Wanxian to the international market such as Tung oil had difficulty in capital turnover. The profit of imports was very low because of people's low power of purchasing, high exchange of rate; the industrial and commercial activities affected the business of private banks.

Internal causes were related to the long-term deformity development of private bank industry business. For industry and commerce were in low state, credit contracted, private banks got no profit given legitimate business, crisis arose, therefore, the private banks reversed course and began to conduct speculation, which was the origin of so-called "Gambling Rate" (Gan, 1935, p.26). Businessmen of money remittance attempted to gain profit by speculating on the market by remittance premium. The trends caused some businessmen from formal organizations to collect money to conduct business. So sometimes small banks flourished and panic also hid here.

Wanxian financial panic was fermented in the summer of twenty-three years of the republic of China, had a turning point in the autumn of that year, then in winter, some closed down, showing a desolate scene (GAN, 1935, p.26). This event was a microcosm of the entire southwest financial forms, before the war of resistance, the financial industry in the southwest had a certain basis, but capital strength was limited, many Banks in the region evolved from the old private banks, banks, shops and goods, the custom was very old, with the feature of strong feudal (Huang, 1991). Specifically in Wanxian, its sub-regional financial center was established not based on the ripe local economy, more often, it was pulled by the external financial capital and foreign trade. Trouble on the international market brought a chain reaction to Wanxian financial market, fragile financial foundation was very limited to resist risks.

2. FEATURES OF THE IMPORT AND EXPORT IN WANXIAN CITY

2.1 Export Trade

The main export goods of Wanxian are the raw materials, such as Tung oil, forest products, rough straw paper and other raw silk, the economic basis of this financial industry had no major change in twenty years. The main

function of rough straw paper is used in sacrifices to the gods, but with the growth of people intelligence, and superstition gradually was got rid of, the sale of the rough straw paper declined sharply. And the export of raw silk was reduced to 75 thousand customs taels from 600 thousand customs taels under the impact of foreign goods. To sum up the two outputs, the annual value was more than one million six hundred thousand customs taels, accounting for more than seventeen percent of export trade, the foreign income became less and less, the local economy was instable, the ability to import also declined.

The financial measures of export trade in Wanxian City, mainly were the credit loan, mortgage, overdraft or loan of Shang-Hankou private banks, export trade, in addition, the origin of the export capital had the method of selling the bills. Since eighteen years of the republic of China, the decline of Wanxian export trade had the following five causes (Run, 1935, pp.9-10):

(1) The worldwide macroeconomic downturn made the sale of Tung oil, raw silk diminish in the foreign market. The vagaries of international trade prospects made most of the businessmen hesitate for export industry.

(2) Production of rural crops in Mainland decreased, coupled with the poverty of the farmers, farmers often needed money badly, so they would sell the Tung oil at the cost of discounted price when the Tung oil was not mature, so the quality got worsened.

(3) Among exporters trade organizations, the purchase and sale tried to fight with each other. The disunity of Chinese businessmen provided the opportunity to be manipulated by foreign businessmen, Chinese businessman owned the weak force, and they couldn't grip the goods for a long time, so they fell into a passive market situation.

(4) The moral of businessmen declined, false goods were added into the genuine goods for a good price. When the price of tung oil was higher, profiteers particularly would cheat. Future goods sold to the exporters would be inferior tung oil; the good tung oil would be replaced for a higher price. Exporters were forced to buy the inferior tung oil due to the urgent need from foreign firms. This short-term speculative trading style had a tremendous impact on credit-based international trade.

(5) The business of major private banks on the financial markets of Wanxian was speculative foreign exchange, so they got a name of Gang of Exchange. Other firms also had multi-run exchange business, the tremendous financial changes in Sichuan, ups and downs of Shanghai exchange of bills made many of the speculators lose money in the private banks.

Cotton yarn of Wanxian commodities imported: at the beginning of its inception, it had imported cotton 10149 bales, in 1930 the number was up to 100,267 bales, with the value of 6.38 million customs taels, accounted for 12% of the value of imports that year. In addition, cigarettes in Wanxian had the fast increase speed in

imports. In 1917, only 321 thousand of cigarettes were imported, in 1930, the number increased to 16,900, with the value of 297,890 customs taels, accounting for 1.8% of total imports that year. And kerosene had the same rapid growth as cigarettes. In 1917, only 416,580 piculs of kerosene was exported from Wanxian, in 1930, it increased to 1,608,120 piculs, with the value of 344,247 customs taels, accounting for 2%. In addition, sugar, hardware, groceries, paint, watches, porcelain and other inputs had increased considerably (LI, 2007, p.324).

2.2 Import Trade

Mostly of the import business in Wanxian were small businesses, the main imported goods were cotton yarn, piece goods, cigarettes, Soviet cargo and other light manufactured goods. The businessmen with the capital of more than 10 thousand were quite rare, it was insufficient for the businessmen to depend on their own funds to flow, their source of funds were mainly from the following four categories (Run, 1935, pp.5-6):

(1) Credit borrowing: cargo businessmen with solid capital force and creditworthy may apply for loan from the private banks and the banks, because of the different periods, it can be divided into two kinds: 1. long-term borrowing, ranging from 2 and 3 months to 8 months; 2: short-term borrowing, which will be subject to one period (half), with the interest of three to four yuan, depending on the financial market situation, business credit, the depth of the friendship.

(2) Mortgage loan: banks lend to the business based on material goods, the supplier requests payment with goods as collaterals, after the bank's inspection, banks will lend whether and how much of the loan amount will be lent.

(3) Overdraft of the Shanghai—Hankou Bank: the guest businessmen could apply to overdraft money from Shanghai—Hankou Bank to pay for the delay of remittances, if the fee of exchange was too high, the suppliers could use it to pay the due payment for goods, when the exchange rate was low, repay it, or when the exchange of bills was lower than the present, the suppliers would pay the future remittance, money at present would be paid by the money of the private banks. After the money was expiated, remittances were paid. Throughout the Sichuan-Chongqing region, the Shanghai Irregulars varied very quickly, the price difference was often twenty or thirty yuan per thousand yuan, goods providers can use this approach to regulate finance. But with the gradual harmonization of national government finance, the monetary standard in Sichuan becomes Shanghai money, Shanghai Rate has shown a stable financial trend, this method is not of much value any more, then gradually the methods decreased.

(4) Import financing: Importers sometimes had some difficulty in remittance because of a huge amount of the input of the goods, or their financial viability was weak, they had difficulty in exporting the due payment,

or asked the manufacturer or importers to send goods, once the money is remitted, they shall take their own great risk because for the unfamiliar credit and business status. Conversely, manufacturers or home numbers were unwilling to send goods because not all or a receipt of payment is received. So the importers may request partakers should have the local bank branches, issued the proof of purchase, sent it to guest businessmen or manufacturers, with their proof of purchase, ie bill of lading cargo or cargo , as well as insurance policies, invoices, all kinds of documents and issue original documents, are handed over to the branch of a bank. Bank paid all or seventy to eighty percent of the payment for goods to manufacturers or guest businessmen, once the cargo arrived, importers signed a bill with order of the bill and the amount paid on schedule, the method mentioned above is known as import financing.

The relationship between urban finance and rural finance on old China is the pathological, Zhang Gongquan, a banker, expressed his view of the serious situation and sent his concerns in "Inland and Shanghai" that inland rural lipemia was sent to Shanghai day after day, cash was exclusively in Shangha (ZHANG, 1934). Another banker Chen Guangfu pointed out the impact forces of politics, economy and foreign capital, in addition , he analyzed the causes of the financial itself, he believed that "flowing is important in the financial circulation, circulation depends on credit", money flowed between in mainland trading port, urban and rural areas, credit was the key, once the mainland cities diminished the "treaty port credit, the rural cash on the mainland only flowed out, only the trade port can be flown into" (Shanghai Branch of the Institute of Finance of People's Bank of China, 1991, pp.862-863).

2.3 Difficulties in Import Trade (Run, 1935, pp.6-7)

Since 19 years of the republic of China, Wanxian abolished the silver currency and implemented silver dollar, and the market interest rates had been high, capital turnover was difficult, in addition to the high Shanghai Rate, high taxes, aggravating cost of goods, the social purchasing power was weak, the goods consumption was limited, trade importers had difficulty in making profit. The particular difficulty is that great changes in Shanghai Rate in the region, the businessmen not only born the risk of price fluctuations, but also they born the risk of fluctuations in the rate of exchange. Fortunately, the bulk of domestic goods such as cotton yarn and parts of Jiangsu goods did not need to pay the customs duty when they were exported in Shanghai, goods imported in Wanxian did not need to pay local taxes, either, the cost of each piece of cargo can reduce the thirty to eighty yuan, since monetary standard was changed into Shanghai Rate, Shanghai Rate also fell into a low and steady situation. However, import capital force of Wanxian, after all, was limited, after the collapse of private banks, financial activities got nowhere. The methods

of banks charging cargoes could give cargo operators considerable funding, it was also very limited. Meanwhile, in Wanxian market, it was not out of bookkeeping system, goods were sold, payment for goods could only be taken back after two or three months. The cargoes charged by the banks were required to receivables with cash, and then resold to other people, so the cargo businessmen had to pay in advance. Conflicts old and new financial system became worse and worse in the economic situation of the four townships; it was often difficult to recover sluggish sales of goods, which was one of the biggest difficulties in Wanxian business.

3. FINANCIAL INDEPENDENCE AND ANACLSIS OF WANXIAN CITY

In the late Qing dynasty, British "Westward Strategy" actually contained two parts, which was a westward movement through the Changjiang Channel from Shanghai to Hankou to Chongqing opening up the Sichuan-focused market of southwest hinterland. Another way was going to Chengdu in Sichuan province via Yunnan with its base in India and Burma vainly attempting to establish the British Empire on land. Owing to separate mountains of India, Burma, Sichuan and Tibet and lacking of conditionally mature strategic supporting points, British strategy focuses on the way from Shanghai to Hankou to Chongqing. In order to further expand the influence of customs, western countries tried to build new customs in other areas of Sichuan After having built customs in Chongqing. On May 27th, 1898 British Prime Minister Shakesbury mandated his minister in China "In future negotiation with Qing government, Chengdu's problem of opening to the outside world must be pointed out (Blue Book, 1962, p.138)." In 1906, French merchants also went to Chengdu demanding that the provincial governor Xiliang open treaty ports.

In the meantime, customs of Chongqing set their sights on Wanxian city in the east Sichuan. In 1891, commissioner of customs in Chongqing had declared its will of "Control Wanxian city, guard Changjiang" in a report to minister of tax bureau of Chinese Customs. The report pointed out "Apart from Chongqing, the most important commercial city is Wanxian city in east Sichuan. Besides its considerable commercial scale, it is also proud of controlling Changjiang and every vital land way to the west of Sichuan."¹ As early as the Tang and Song dynasties, traffic of roads in the vally is of great importance. At that time, when one headed to the west of vally, he would choose to land by abandoning the boat once arriving Nanpu, in this way, only 20 days were

¹ Chongqing Archives: Chungking Trade Report for the Year 1891, record group number: 0351, catalog number: 1, Volume: 918, page 256.

needed to Chengdu. When he continued water way, 200 days or so were needed (LAN, 2003, p.367).

Continued Merchant Sail Treaty between China and England was ratified in 1902. England forced Qing government to open up Wanxian city as a merchant port and put it under customs of Chongqing administration. With the geographical advantage of connecting Chongqing with Hankou, Wanxian city naturally became a springboard between them. However, finance of Wanxian city did not merely a bridge between them but developed with its own independent wish and practice of establishing interaction and connection. On the one hand, the wish and the practice could benefit the whole east Sichuan because of its advantage. On the other hand, foundation of economy and trade finance of Wanxian city depended on was not merely territorial, it had a regional advantage and capital compared with Chongqing on bulk trades like tung oil. We can observe this by commercial transportation of tung oil (Journal of Sichuan Economy, 1935, p.32).

In Sichuan, it reaches as far as Fengjie in the east, Pingshan in the west, Jiangjin in the south and Langzhong in the north, which are areas producing tung oil. Its amount in Sichuan each year statistically reaches 600,000 picul or so. Its transportation except from tung oil from above-mentioned places like Chongqing gathered in Luzhou, Jiangjin and Hezhou and so on, then they were exported from Chongqing. And rest of them was transported along rivers gathering in Luzhou. Tung oil from Fengjie, Yunyang, Zhongzhou, Fengdu, Puling and Changshou and so on all go to Wanxian city by waterway. Products of all cities like Kaijing, Kaixian, Liangshan, Xuanhan go to Wanxian City by land, and then were transported by utilizing great river, generally by truckle heading to Yichang. Then products were transhipped by vessel once arriving Yichang to Shanghai. Water rises after spring, vessels can be used for straightly importing to Shanghai.

Then come to quantitative comparisons between the two places: people gathering in Wanxian city could get their own production of 50,000 to 100,000 baskets a year, apart from that, there were about 50,000 baskets a year from Fuzhou, about 10,000 baskets a year from Kaixian, Liangshan and so on, 10,000 baskets a year from Chongqing upstream and 30,000 or 40,000 baskets a year from Yunyang and Fengjie. Although most of the production straightly was transported to Hankou, there were people seeking buyers. In the east, all places of origin had farm hand in Wanxian city, called "Chuzai-trader". While tung oil of the commercial hub Chongqing are mostly from Changjiang upstream along the bank and

Jialing River. The upstream produces like Luzhou, its amount from Xufu is about 20,000 baskets a year, amount from Hezhou of Jialing River is about 10,000 baskets a year. Other places like Jiangjin also carry oil. Every year, amount of tung oil of Chongqing is no less than 1000,000 picul (Journal of Sichuan Economy, 1935, p.35).

As Chongqing built customs, foreign trade developed and market expanded. Wanxian city has become a circulation center of territorial urban and rural commodities and an important intermediate step in external market network with its foreign trade structure being distinctly extroversive. Export commodities in Wanxian city are tung oil as bulk trade and then cotton, mountain products, sugar and gauze. Amount of export of tung oil is 4,214,683 tael, accounting for 77% of amount of export of tung oil of the whole province that year, 36% of export value in Wanxian city; but its import and export prices are manipulated in foreign countries or hands of foreigners. Take tung oil as example, although Wanxian city is known as the largest oil city and its amount of export leads the nation, "its price is dependent on market of tung oil in Hankou while Hankou market hinges on coldness and needs, in this way, price of Wanxian city can be manipulated by American sale." (LI, 2007, p.324),

Short-term financial services with strong purposiveness make local Chinese finance insufficiently deep, strong speculation. Once there is a sign of trouble, they rapidly get away. Without long-term financial planning, once resources exhaust, it will reach the limits of status of financial center in its radiation zone. The largest customer of tung oil in China is America, in terms of Wanxian city, there is also the same phenomenon, for example, the most powerful people among exporters go to America for sale, with American firms accounting for over 60%, which is selling over 200,000 picul, rest of which go to Europe, Japan, Shanghai, Hankou, Zhenjiang, Nanjing, Wuhu, Jiujiang, An'qing, Datong, Ningbo and Shashi and so on. The tung oil price of Wanxian city is a big concern of largest customers. Hankou is a national trade center of tung oil, price of which goes high, the number of customers' increases in Wanxian city and its price also goes higher. If Hankou market of tung oil is in depression because of sluggish sale in American market, price in market of Wanxian city inevitably goes down. There are evidences from year of 6 to 19 of the Republic of China. Prices fluctuation of tung oil in Wanxian city is as follows (Sichuan Economic Monthly, 1935, p.58). (unit: tael)

Table 1
Prices Fluctuation of Tung Oil in Wanxian City (Year of 6 to 19 of the Republic of China)

Year	Sixth year	Seventh year	Eighth year	Ninth year	Tenth year	Eleventh year	Twelfth year
Top price (per Picul)	11.25	11.50	11.00	11.00	14.50	20.00	32.00
Bottom price (per Picul)	6.80	7.00	7.00	9.00	9.80	14.10	14.00
Balance	4.45	4.50	4.00	2.00	4.70	5.90	18.00
Mean price	10.26	8.20	10.68	10.37	11.26	15.63	22.98

To be continued

Continued

Year	Thirteenth year	Fourth year	Fifteenth year	Sixteenth year	Seventeenth year	Eighteenth year	Nineteenth year
Top price (per Picul)	26.00	25.00	24.50	26.00	27.00	28.00	23.08
Bottom price (per Picul)	12.60	14.10	17.30	15.00	16.80	17.00	13.45
Balance	13.40	10.90	4.20	11.00	10.20	11.00	9.36
Mean price	18.31	15.59	20.34	15.46	17.18	24.38	15.00

From the Table, Wanxian tung oil market had several characteristics:

(1) Before the 10th year of the Republic of China, the export market was not mature, then it gradually grew, but its potential was not fierce, after the 10th year of the Republic of China, the war in Europe stopped, each country was striking to recover its economy, so the price of Wanxian tung oil was high.

(2) Oil prices changed frequently in Wanxian every year, and the difference between low and high was quite big, price increase indicated the need increases in America, price decrease indicted less sales, and infatuation in price in the middle of a year indicted that sudden accidents occurred in the international market, or the domestic market had a poor flow because of political cause.

(3) Since the nineteenth year of Republic of China, due to the world economic crisis, America industry was in

recession, demands of tung oil showed a decreasing trend, and as the first customer, America gradually took control of the price, thus the oil prices of Wanxian had been lower and lower; sometimes each picul was only worth sixteen yuan. "Until January of this year, the price went upward, the highest price was forty yuan, but it was still not easy to get the tung oil, according to Wanxian foreign firm, police armed with guns forced farmers to sell tung oil, indicating the urgent need." "With prices surged higher, farmers and businessmen were willing to do the business, thus production increased sharply, causing marketing expansion, and the export figures also made a spurt of progress" (Sichuan Economic Monthly, 1935, p.59).

Statistical table of Wanxian output of Tung oil (Sichuan Economic Monthly, 1935, P.58) (the data of twenty fourth year only included the first three months)

Table 2
Statistical Table of Wanxian Output of Tung Oil

Year	Sixth year	Seventh year	Eighth year	Ninth year	Tenth year	Eleventh year	Twelfth year	Thirteenth year	Fourth year	Fifteenth year
Amount (Picul)	31180	64765	55375	45946	63932	230290	144175	263638	274922	178366
Value (Customs tael)	314606	582885	581438	439036	707727	3539626	5518355	4745484	4214683	3567321
Average value per picul (Customs tael)	10.09	8.10	10.50	9.87	2.07	15.37	13.60	18.00	15.33	20.00

To be continued

Continued

Year	Sixteenth year	Seventeenth year	Eighteenth year	Nineteenth year	Twentieth year	Twenty-first year	Twenty second year	Twenty third year	Twenty fourth year
Amount (Picul)	193472	324492	263340	312555	230355	208796	332263	277045	74070
Value (Customs tael)	2940775	5480856	6320268	4688326	3778290	3281331	8415145		
Average value per picul (Customs tael)	15.20	16.89	14.00	15.00	16.40	15.71	29.32		

CONCLUSIONS

In short, Wanxian City in the late Qing Dynasty and early stage of the republic of China had geographical advantage of becoming regional financial center, it also had the resource base of foreign trade, but the monotony of export under the support of financial resources construction was difficult to meet the needs, the ability of financial

radiation area did not transform from commercial finance short-term support to the local social and cultural comprehensive finance, its radiation region's status as a financial center did not change with the foreign trade market fluctuations. With the development of foreign trade and the increase of export of agricultural products, some areas of commercial agriculture expanded with varying degrees, China's farmers were involved in the

world market more and more. Rise and fall of some crops entirely depended on the capitalist world market choice, the whole agricultural production showed a malformed development (LIU, 1993, p.23). Wanxian, incorporated in the international trading system, is a sub- regional financial center in the three-point-one-arc financial pattern along the Shanghai, Hankou, and Chongqing of Yangtze River. This sub center has two trends of dependence and anaclisis on Chongqing, the different trend depends on the impact of Chongqing Hankou and Shanghai financial radiation on Wanxian, in essence, it is the results of Wanxian financial trade swinging between the second and third layer in China's foreign trade system.

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