

# THE MONEY OF COMMUNIST CHINA (1927-1949)

## PART II

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### Phase II: Money of the Base Areas During the War of Resistance Against Japan - (1936-1945)

While enduring the hazards of the Long March en-route to Shensi, the Red Army paused in Kweichow province after capturing the city of Tsunyi. It was here that the Chinese Communist Party elected Mao as undisputed chairman. Mao's policy based upon mobile and guerrilla warfare was adopted. Contrary to the majority view, which called for a new base to be set up in western Sikang province (former province in southwest China, today part of Szechuan), Mao insisted upon pushing northward to Shensi where another Communist base already existed. Mao reasoned that the Japanese, not the Nationalists, were the immediate threat (after all, if Japan prevailed there would be no China or Nationalists to overcome) and he wanted to be close enough to reach the Japanese when the conditions were right. This could not be accomplished in far away Sikang. Completing their torturous march, the remnants of the Red Army eventually settled in Yenan, which in time became the Communists' wartime capital.

The Communists, after arriving and reorganizing in the northwest, found themselves still at war with Nationalist troops from Manchuria who in turn had been forced out of their homeland by the Japanese. Despite Chiang Kai Shek's order to continue the extermination campaign against them, the Communists balked at fighting against fellow Chinese with an even more hated enemy threatening their existence. A cease-fire was called to consider the question. Kidnapped by the Communists while on a military visit to the northern city of Sian in December 1936; Chiang, with Russian urging, was forced to agree to cooperate with the Communists to form a united front against Japan. This agreement permitted united action against the greater menace of increasing Japanese aggression. Two actions coming out of the agreement have numismatic significance. Firstly, the Communists agreed to dissolve the Chinese Soviet Republic, thus bring to an end their bank note issues. Secondly, as a condition to the agreement, the Kuomintang insisted that the Communists cease issuing their own currency. This explains the almost total lack of base area issues dated 1936 and 1937.

The new Shensi base area, just south of Inner Mongolia, was an ideal spot from which to recruit, train and rebuild the Red Army. The old political strategies from the Kiangsi period were adhered to. The winter of 1935-1936 was hard on the Long March survivors who had come from south China. Here they faced the hardships of the cruel

northwest climate for the first time. Yenan was situated in a valley ringed by yellow clay hills. For centuries the peasants here had chosen to live in caves carved into the hillsides. They were cool in summer and warm in winter. Impossible to bomb from the air, they made an ideal headquarters. Here were established living quarters, storage areas, hospitals and factories. Ordinary people flocked to the new base to volunteer their services. The Communists had been urging resistance against Japan since 1935. The Japanese, seeing that the Chinese would not yield to their demands, decided on a course of elimination. By the time actual war had broken out with Japan on 7 July 1937, the Communists had built up their forces into the Eighth Route (marching) Army, which was placed under the nominal command of the Nationalists.



Chairman Mao, playing ping-pong in a relaxed moment at his headquaters in Yenan.

Having started the war against China by staging a provocative incident at the Marco Polo bridge, north of Peking, Japan went on to capture and secure the coastal cities and the communications networks. From there they advanced inland, moving up rivers to capture major Chinese cities. The brunt of resistance against the Japanese armies was borne by the Nationalists, since they were the ones in charge of cities and communications. The Red Armies attacked the Japanese in the countryside, using Mao's guerrilla tactics, whenever circumstances were favorable, and retreated when they were not. In this way they conserved their strength to fight another day.

The Soviets were more successful in spreading their doctrine among the peasants of the northwest than were the Nationalists. Land was confiscated from the rich and given to the poor. Opium fields were destroyed and turned over to food cultivation. Machinery which had been saved during the Long March was set up in caves to produce arms, gunpowder, shoes, cloth and paper. Shunning conscription, as was the practice in the Nationalist army, the Communists offered incentives for enlistment. All who signed up were given a plot of land to be tilled in their absence, giving the soldiers an incentive to prevent the landlord's return. By the end of the war against Japanese aggression the Communists controlled an area of ninety million people, or twenty percent of the population. The Eighth Route Army had grown to 900,000 men.

Mao tried everything to win popular support in the war against Japan. Shadow governments were set up in liberated areas with officials elected by the peasants. These base areas made their own laws, published their own books and newspapers, issued currency and even had their own postal system. Yenan, the capital, although physically separated from many of these areas, was in constant radio contact with them. The scattered areas occupied by the Communist Party and its armies grew during World War II until most of north China was under party control. By the close of World War II, in 1945, nineteen such "Liberated Areas" had been created in Shensi, central and south China. All had their own banking systems. The Red regime was popular with the people of these border regions and liberated areas, in part due to the economic reforms instituted by these banks. With the defeat of the Japanese in 1945 communism in China passed from Phase II to Phase III, all-out civil war.

Edgar Snow was the first foreign journalist to arrive in Yenan in 1936. His classic *Red Star Over China* was published two years later. Mao permitted him to roam throughout the Red bases at will, speaking with whomever he wished. Snow's reports were the first to describe life under the Communists and were eagerly read throughout the West. Soon, other journalists were dispatched by their papers to cover the Communist movement. After the Japanese attack on Pearl Harbor these channels of information about conditions in Communist held areas became of increasing importance to the United States. Soon thereafter, the journalists in China were augmented by war correspondents who reported the fighting on a regular basis. The author has in his

collection of bank notes of this period a 1941 5 yuan note of the Shensi-Kansu-Ninghsia Border Area Bank signed on the back "Pepper Martin – New York Post", undoubtedly a souvenir sent home to family or friend.

Prior to the arrival of the survivors of the Long March, the Shensi soviet, in the spring of 1935, had authorized the founding of the Shensi-Kansu-Shansi Soviet Bank to issue silver dollar and copper coin notes. With the arrival of the Red Army in October 1935, northern Shensi became the Communists' principal revolutionary base. The local soviet which had been located there since 1931 was dissolved to become the Northwest headquarters of the Chinese soviets. During the winter 1935-1936 the Chinese Soviet Republic National Bank was renamed the Chinese Soviet Republic National Bank—Northwest Branch, while at the same time absorbing the short-lived Shensi-Kansu-Shansi Soviet Bank. The Northwest Branch bank issued a series of notes of various denominations first on locally made paper and later, because of the poor paper quality, on cloth. After the Sian incident, resulting in the renewal of cooperation with the Nationalists, the Chinese Soviet Republic was dissolved and the area renamed the Shensi-Kansu-Ninghsia Border Area.

Very little is known of the Anti-Japanese Aggression People's Revolutionary Committee notes. It is believed they were issued in 1936 on the authority of the Shenfu Special District – an area of northern Shensi. These attractive notes were printed on both cloth and paper employing various Communist slogans on their reverses. They are important as they are the only example known to me of Communist notes being issued during the period 1935-1938, during which the Communists agreed with the Nationalists to cease issuing their own currency altogether.



Surviving specimen of the 5 chiao (50 fen) cloth note of the Anti-Japanese Aggression People's Revolutionary Committee. Probably a 1936 issue when Chinese popular opinion was running strongly against Japanese business expansion in north China.

The term “border area”, one should think, would refer to the land adjacent to the frontier of China. This is not the meaning the Communists intended for the term, however. Instead, “border area” referred to a revolutionary base area from which to carry on the guerrilla war against the Japanese. Border areas contained governmental administrative functions – including banking – which, because of their isolation one from the other, became independent both geographically and economically.

It was general practice within each border area to establish a bank engaged in the ordinary business of financial administration, which issued bank notes and met the needs of the border area economy. These banks were totally independent one from the other due to their obvious geographic and economic separation. This became a built-in advantage when a border area came under attack, however, as there were numerous occasions when a bank was overrun in the course of a Communist retreat. In such cases, the failure of the overrun bank did not spread to other areas. Border areas overrun by the Japanese, and later the Nationalist armies after World War II, undoubtedly explain the sudden demise and disappearance of some of these banks. Furthermore, these banks were directed to carry on a financial war against the currencies employed by both the Kuomintang and Japanese sides. As such, they provided direct opposition to the notes of the Central Bank of China, the Japanese puppet Federal Reserve Bank of China, Central Reserve Bank of China, and others. Similar currencies were also issued by the border area trading companies and cooperative stores. Collectively all these notes came to be regarded as “border currency”.

Phase II bank notes were of superior workmanship to those of the early soviets. Although the quality of paper used was generally poor, the notes were well designed and printed in multiple colors taking on the appearance of “real money”. Cloth notes fell into disfavor as no longer necessary. Designs, for the most part, emphasized agricultural and patriotic themes. Chairman Mao's portrait appeared on the issues of several banks, while those of Lenin, Marx and Stalin disappeared altogether. Most notes were produced by lithography using stone or metal plates or from woodcuts. Only one instance of engraving is known – the unissued 100,000 yuan note of the Bank of Bai Hai.

### The Shensi-Kansu-Ninghsia Border Area

Established in 1938, Shensi-Kansu-Ninghsia ,was the first of the new border areas. It had its own note issuing bank as well as several trading companies which issued their own money. A dire shortage of small change developed immediately after the outbreak of war with Japan. This coin shortage severely impeded the commerce of the region. To alleviate the situation, the Kuang Hua Commercial Company, a government trading agency, was authorized to issue small denomination bank notes called “Guangxua Shangdian”, or “notes of the Guang Hua Store”. The first of these

made their appearance in 1938 in denominations of 2, 5, 10, 20 and 50 fen (cents). A further issue of 50 and 75 fen was released in 1940. The latter is the only instance of a Communist note of 75 fen denomination known to the author. Both issues gained wide acceptance and were circulated widely within the region. Shortly thereafter, the Shensi-Kansu-Ninghsia Border Area Bank was established and began issuing currency on 18 February 1941.



Guanghua Shangdian, the Guang Hua Store, was a commercial venture located in the Communist capital of Yenan in the Shensi-Kansu-Ninghsia Border Area. It issued small change notes in 1938 to alleviate a shortage of coin caused by hoarding. The 2 fen, or 2 cents note, is shown here.

The decision to renew the issuance of Communist bank notes, despite the agreed upon ban, was due to the deteriorating relations between the Communists and the Koumintang in Nanking. The Nationalist armies had begun to surround and blockade the border areas, one such area in Anhwei province coming under an annihilating surprise attack. After that the Communists reverted to self reliance in all things – including banking. Shortly thereafter, Chiang Kai-Shek used the renewed issue of “illegal” currency produced by the Communists (the Shensi-Kansu-Ninghsia Border Area Bank notes) as a pretext to outlaw the Eighth Route Army and to cease paying the salaries of its soldiers from Koumintang government funds.

Unhappily, the bank notes of the Shensi-Kansu-Ninghsia Border Area Bank were subject to wide fluctuations in value and increased inflation. Between 1941 and 1944 they lost seven-eights of their value when measured against the Koumintang fa-pai, which itself had begun to suffer from inflation. The principal cause of the bank's failure to prosper can be traced to an adverse balance of payments. The export of salt, oil and other commodities was simply insufficient to offset the import of needed manufactured goods which could not be produced locally in such a primitive place. To keep up with his imbalance additional currency was printed.

It is also known that a 1942 issue of cloth money of 100 yuan denomination was made by the Sanbian branch of the border area bank. This branch served three far-western counties situated on the caravan crossroads of Ninghsia and Sinkiang. The issue

was necessitated by increased trade for which the existing small denomination notes of the Guang Hua Store proved insufficient.



Front and back side of the 1943 one hundred yuan issue of the Shensi-Kansu-Ninghsia Border Area Bank. It wasn't until 1940 that Communist banks became less mobile and could boast anything like a headquarters building such as the one shown here.

Due to inflation a new type of currency was introduced in 1944. These bills were known as Shensi-Kansu-Ninghsia Border Area Trading Company circulating notes. They had face values twenty times that of the old notes. They circulated side-by-side with those of the border area bank and the Guang Hua Store. This issue retained its relative value until eventually exchanged against notes of the People's Republic of China in 1949.

### Shensi-Suiyuan Border Area

As the Communist movement expanded throughout north China and the Eighth Route Army gained and held more and more ground, new border areas were created to accommodate them. By the end of 1941 three such border area governments had been

established. The Shensi-Suiyuan area was one of them. To serve this area the Farmers Bank of Northwest China was established in May 1940. Its emissions were known as "Northwest peasant's currency". After the merger of the Shensi-Kansu-Ninghsia and Shensi-Suiyuan base areas the Shensi-Kansu-Ninghsia Border Area Bank stopped issuing money, and was absorbed into the new Farmers Bank of Northwest China. This bank then became the sole bank of issue for the "Northwest Liberated Area". Its notes enjoyed a long life serving the people of Shensi and Suiyuan until finally redeemed by the People's Bank of China in 1949. The notes themselves were well executed depicting principally agricultural scenes, others showing the bank's headquarters building, the Great Wall of China and other familiar scenes. Some carried the Romanization of the bank's name "Sibei Nung Min Inxang" on their reverse. The first 1940 issue was in fen and 1 and 2 yuan notes, rapidly escalating in denomination until the final emission in 1948, when a 50,000 yuan note became necessary to keep up with inflation.



Farmers Bank of China 2 yuan note of 1940.

### Shansi- Chahar- Hopei Border Area

This border area was established in January 1938 and several months later the Bank of Shansi, Chahar and Hopei was formed with its headquarters in Wut'ai in Shansi. Initially the bank's notes were to circulate at par with those of the Kuomintang. In October 1941, however, all outstanding Nationalist notes were called in and exchanged. This was done due to the pressure the Japanese puppet Federal Reserve Bank of China had placed upon the fa-pai yuan. Henceforth all forms of Nationalist currency were forbidden to circulate within the area. The bank maintained branches in such places as Chi Chung, Wang Chung Chuan and Li Run Tian. This bank was a prolific issuer of bank notes. In 1944 alone the value of currency issued was 200 million yuan. After

1945 the bank's sphere of influence expanded to include Liaoning and Jehol provinces. Some issues were subsequently marked for circulation in Hopei, Liaoning and Jehol. The paper used in their manufacture was generally poor, reflecting on general conditions and production difficulties faced by the Communists at that time. Many of the earlier notes were produced in a vertical format, a practice that ceased after 1945. Their designs are among the most pleasing of the soviet issues, depicting agrarian scenes and typical rural panoramas characteristic of north China. The notes of the Bank of Shansi, Chahar and Hopei continued to circulate until the end of the war when they were redeemed through exchange with the new People's Bank of China renminbi (people's money) at the rate of 1000 to one.



The Bank of Shansi, Chahar and Hopei was a prolific issuer. Its notes first made their appearance in 1938 as border area issues and continued into 1947 when the bank was incorporated into the Bank of Chang Chung. Shown here is the 10 yuan issue of 1938.

At this writing nothing is known of the Seventh District Shansi-Chahar-Hopei Border Area Cooperative Society other than the notes which have been left behind as numismatic evidence of their existence. We do know something of the cooperative society system used by the Communists, however. These societies sprang up in border areas with government encouragement after the outbreak of war against Japan. The idea was to encourage self-sufficiency and independence from outside economic influences. They rapidly increased in number, some of them attaining huge reserves of funds due to the profits made. The largest of these were producer cooperatives engaged in the textile, dyeing, salt, cottonseed production, coal mining, flour milling and porcelain manufacturing businesses. By trading his shares of salt, for example, a member could obtain goods produced from outside the border area. Some cooperatives were publicly run trading companies. The Seventh District Cooperative must have been one of them,

probably engaged in either the textile or salt trade.



Bank of Shansi, Chahar and Hopei 1000 yuan note of 1945.



The Seventh Administrative District Cooperative Society was located in the Shansi-Chahar-Hopei Border Area. Since 1931 the Communist Party had encouraged cooperative societies to issue their own money to support local commerce and industry. Front and back of the 1941 ten cent note is depicted here.



Five yuan 1939 issue of the Bank of Shansi, Chahar and Hopei. This note comes in two varieties: with and without the second range of mountains in the background. Series A through G notes lack this detail then, for reasons unknown, the plates were re-engraved to add the mountains beginning with series "H" notes.

## Shansi-Hopei-Honan Border Area

Next we move on to the Shansi-Hopei-Honan border area. Here the predominant bank was the Bank of Chinan which first issued currency in October 1939. As with the Bank of Shansi, Chahar and Hopei notes, they were to circulate at par with fa-pai until the Kuomintang yuan was later prohibited from circulation in the area. The head office of the bank was located at Nankung in Hopei province. The 1939 issue consisted of 10, 20, 25 and 50 fen notes together with yuan notes from one to one hundred. No less than five different 5 yuan notes dated 1939 were issued together with three 10 yuan, and two each of 20 and 50 yuan denominations. Why this was done remains unexplained. Perhaps different designs were meant to circulate in different localities; however, only the 50 yuan issue contains characters supporting this theory. Of the 50 yuan notes, one contains characters indicating circulation in T'ai Yueh and the other designated for circulation in the town of Ping Y'uen. Sometimes city or town of circulation designators are part of the print plate and at other times appear as overprints. This practice continued throughout the remaining issues.

Subsequent issues appeared in 1940, 1942, 1944, 1945, 1946 and 1948 with an emergency "circulating cashier's check" issue appearing in 1943. Altogether, the Bank of Chinan released no less than sixty different "type" notes, making it one of the largest issuers amongst Communist banks and a challenge to the numismatist. The largest single denomination was the 2000 yuan of 1948 giving us an indicator of the impact inflation had made on the area in ten years time. Bank of Chinan notes underwent the most severe depreciation of all border area currencies. Chinan currency remained in circulation until redeemed by the People's Bank of China at the rate of 100 to one.



Two yuan issue of the Bank of Chinan, dated 1939.



Bank of Chinan 5 yuan, 1939, and 500 yuan issue of 1948.

### Shantung Border Area

The Bank of Shantong, in 1938, released an issue of 10, 20 and 50 fen fractionals together with 1 and 5 yuan notes. The the bank then disappeared, to be absorbed into the Chinan Bank. The Bank of West Shantung had a varied issue of chiao, fen, cents and yuan denominations in 1940 and 1941. Included among the 1941 notes was one of 4 fen – the only instance where a Communist bank used this denomination. Cut off from the rest of the base area by war, the Bank of West Shantung continued to issue yuan notes until it ceased operation in 1945.

The dominant bank in this region was the Bank of Bai Hai (Pei Hai Bank of



Bank of West Shantung 50 yuan issue of 1940. Its Chinese name was *Lu Hsi Yin Hang*. This bank issued several unusual denominations, including a 4 fen note in 1941 and a 300 yuan issue in 1944.

China). This bank was known far and wide as the “North Sea” bank. Commencing operations in August 1938, it was headquartered first in Yexian county in Shantung province only to move its offices to Linyi county in 1940. This bank had many branches, the names of which were reflected on some of its notes. Towns with branch banks included Lunan, Qinghe, Bohai, Jiaodong, Luzhong and Binhai. Its emissions were popularly called “peihai currency”. Initially, it too was a party to the “fa-pai agreement, but in this case the notes rose against those of the Nationalists until, in 1943, it took five fa-pai to buy one yuan in Bank of Bai Hai notes. Its many notes showed such rural scenes as winnowing rice, plowing, sheep grazing, threshing and irrigating. The highest denomination was a 100,000 yuan note prepared in 1948 but never issued. In the end peihai currency held up fairly well, being traded at 100:1 of the new renminbi.



Bank of Bai Hai 10 yuan of 1945 (above) and a 5 yuan note of 1940 (below). The 5 yuan release displayed the bank name as “Bo Xai Inxang”, the Romanized version of the bank name.



The Bank of Bai Hai served the Shantung area for ten years from 1938 through 1948. Also known as the Bank of Pei Hai, it had four additional names all of which appeared on its notes from time to time. This long-lived institution issued more notes than any other Communist bank. Shown here are front and back views of the 1 yuan note of 1942.

#### Central China Border Area

Geographically, the Central China Border Area was the largest. Its various banks served portions of Kiangsu, Anhwei, Hupei, Honan, Hupeh and Chekiang provinces and the island of Hainan. The Hunan-Hupeh Border Construction Bank was formed in 1941 under the auspices of the New Fourth Army. Located in the Dabie mountains at the intersection of Anhwei, Honan and Hupei (in approximately the same locale as the 1931 soviet), it served the Communists of that area. It continued to issue notes at least through 1944.

Many of the new banks were formed in the spring and summer of 1942 to combat the effects of, and as a defense against, the newly released Central Reserve Bank of China notes put in place by the puppet Reform Government of China. These included the Yanfu Bank, the Huaihai Regional Bank, the Kiang Hwai Bank of China, the Hupeh Regional Bank, the Huainan Bank and the Ta Chiang Bank. As a general rule these banks started on a parity with the Nationalist notes then circulating in the area, gaining in value against the fa-pai until the Kuomintang notes were forbidden to circulate. Most of these issues were poor in quality when compared to the yuan of the Republic of China. Generally, they were lithographed. Many of the notes were of a smaller size than normal in an effort to conserve paper. In some cases larger denominations were smaller in size than lower ones, a case in point being the notes of the Hupeh Regional Bank where the 5 yuan note is smaller than the 1 yuan.

The Kiang Hwai Bank of China served the central Kiangsu area from 1940 to 1945. Some of its notes featured a portrait of Mao Tse-Tung. They are the only Communist bank notes to carry the printer's imprint on them.

The notes of the Huainan Bank were produced commencing 1942 by both woodcut and lithography. Most scenes depicted are of a patriotic nature.

Northern Kiangsu was served by the Huaihai Regional Bank, while the southern part of the province fell under the auspices of the Yanfu Bank. The notes of both banks are quite scarce.

The Ta Chiang Bank served portions of Anhwei province. The romanized version of this bank's name was "Dagiang Inxang". With a few exceptions all notes were produced by the woodcut method and contained patriotic vignettes of peasants and soldiers. Denominations were small, the largest issue being a 20 yuan note in 1945.

Little is known of the Bank of Kiangnau other than the fact that it took its name from the old provincial area of Kiangnan, which was then made up of what are now Anhwei and Hupeh provinces. It is interesting that the denomination "dollar" and "yuan" are used interchangeably on the notes of its 1945 issue. The notes are well executed showing rural scenes.

Another rural bank was the Bank of East Chekiang, located in the Siming mountains of that province. Its issues were confined to the period 1944-1945. The bank had branches in Yuyao and Sanbei. The largest issue was a 10 yuan note of 1945. Later, bearer checks were introduced which circulated as currency.

Without a doubt the largest issuer of bank notes in the Central China Border Area was the Bank of Central China. Founded at the end of the war in August 1945, it was a

merger of all the aforementioned banks. It did issue a provisional issue in 1944, however. This note displays a four character overprint on the 50 yuan note of the Kiang Hwai Bank of China, the only such overprinted note in the Communist bank series. Inasmuch as the note issues of this bank belong to the “Liberated Area” issues, it will be discussed in detail later under Phase III banks.



Bank of East Chekiang 5 chiao (50 cent) note of 1945. This short lived bank was created at the end of the Japanese war to serve the soviet which had been established there. It was overrun by the Nationalist army shortly thereafter.



Kiang Hwai Bank of China 50 cent note of 1941.

Table 2.

PHASE II (1936-1945): ISSUES OF THE WAR OF RESISTANCE AGAINST JAPAN

**Shensi-Kansu Base Area:**

Chinese Soviet National Bank-Northwest Branch

1935-1936 issues of fen, chiao, dollar and yuan notes. Former Chinese Soviet National Bank (Kwangsi). Moved to Yenan after the Long March.

Bank of the Anti-Japanese Aggression People's Revolutionary Committee

1936 issue of fen and yuan notes. Paper and cloth notes issued.

Shensi-Kansu Provincial Soviet Bank

1935 issue of yuan notes.

Yenan Border Area Bank

no information available.

**Shensi-Kansu-Ninghsia Border Area:**

Shensi-Kansu-Shansi Soviet Bank

1936 issue of yuan notes.

Shensi-Kansu-Ninghsia Border Area Bank

1941-1945 issues of cent and yuan notes. Successor to Chinese Soviet Republic National Bank-Northwest Branch. Paper and cloth notes. Romanized as: "Shaan Gan Ning Bianky Inxan". Based in Yenan.

Guanghua Store of Yenan

Romanized name: "Guangxua Shangdian". A commercial venture. 1938-1940 note issues in cents.

Shensi-Kansu-Ninghsia Border Region Trading Company

Commercial enterprise. Currency introduced 1944. Continued into Phase III

Table 2. (Cont.)

<b>Shansi-Suiyuan Border Area</b>
<p><u>Farmer's Bank of Northwest China</u>          1940-1945 issues of yuan notes. Successor to Shensi-Kansu-Ninghsia Border Area Bank. Romanized title: "Sibel Nung Min Inxang". Continued issues into Phase III.</p>
<p><u>Suiyuan-Mongolia Border Area Bank</u>          No information available.</p>
<b>Shansi-Chahar-Hopei Border Area:</b>
<p><u>Bank of Shansi, Chahar and Hopei</u>          1938-1945 issues of copper coin, cent and yuan notes. Many branches. Prolific issuer. Continued issues into Phase III.</p>
<p><u>Seventh Administrative District Shansi-Chahar-Hopei Area Cooperative Society</u>          Romanized name: "Zinchagi Dicixingzhengky". 1941-1942 issues of cent and chiao notes.</p>
<b>Shansi-Hopei-Honan Border Area:</b>
<p><u>Southern Hopei Bank</u>          1945 issue of fen and yuan notes.</p>
<p><u>Bank of Chinan</u>          1939-1945 issues of copper coin, cent and yuan notes. Many branches. Prolific issuer. Continued issuing into Phase III.</p>
<p><u>Shansi-Hopei-Shantung-Honan Border Region Bank</u>          Closed in April 1948. No information available on note issues.</p>
<p><u>Hopei-Shantung-Honan Border Area Bank</u>          No information available.</p>
<p><u>Southern Shansi Border Area Bank</u>          No information available.</p>
<p><u>Honan-Hopei Border Area Bank</u>          No information available.</p>
<b>Shantung Border Area:</b>
<p><u>Bank of Shantung</u>          1938 issue of cent and yuan notes.</p>

Table 2. (Cont.)

<p><u>Bank of West Shantung</u> 1940-1945 issues of fen, chiao, cent and yuan notes. At its demise in 1945 this bank had issued the equivalent of \$5 billion in fa-pai.</p>
<p><u>Bank of Bai Hai</u> 1938-1945 issues of cent and yuan notes. Predominant issuer in Shantung province. Other names under which notes were issued include: Pei Hai Bank of China, Bank of Pei Hai, Beei Hai Bank, Bo Xai Inxang and B.X. Inxang. Many branches. Popularly referred to as the “North Sea” bank. Continued issues into Phase III.</p>
<p><u>Kiangsu-Shantung Border Area Bank</u> No information available.</p>
<p><b>Central China Border Area:</b></p>
<p><u>Hupeh Regional Bank</u> 1940-1945 issues of yuan notes.</p>
<p><u>Provincial Treasury of Hupeh- East Hupeh Branch</u> 1940-1942 issue of chiao and yuan notes.</p>
<p><u>Yanfu Bank</u> 1940-1945 issue of yuan notes. Southern Kiangsu.</p>
<p><u>Kiang Hwai Bank of China</u> 1941-1945 issues of cent and yuan notes. Issued by the Fourth Army for use in Kiangsu.</p>
<p><u>Huainan Bank</u> 1942-1944 issues of cent and yuan notes. Romanized version: “Xuainan Jinxang”. Located on the island of Hainan.</p>
<p><u>Ta Chiang Bank</u> 1942-1945 issues of chiao and yuan notes. Romanized version: “Dagiang Inxang”.</p>
<p><u>Huaihai Regional Bank</u> 1942 issue of yuan notes. Northern Kiangsu.</p>
<p><u>Hunan-Hupeh Border Construction Bank</u> 1942-1944 issue of yuan notes.</p>
<p><u>Bank of Kiangnau</u> 1945 issue of yuan notes.</p>

Table 2. (Cont.)

<p><u>Bank of Central China</u> 1944-1945 issues of cent and yuan notes. Successor to Kiang Hwai Bank of China and the Yanfu Bank. 1944 provisional overprinted issue. Continued issues into Phase III.</p>
<p><u>Bank of East Chekiang</u> 1944-1945 issues of chiao and yuan notes. Several branches.</p>
<p><b>Banks of Unknown Origin:</b></p>
<p><u>Antung Bank</u> Mentioned by Kann.</p>
<p><u>Sung Chiang Bank</u> Mentioned by Kann.</p>
<p><u>Border Area Trading Bureau</u> Mentioned by Kann.</p>
<p><u>Bank of Mu Dan Kiang</u> 1946 issue of 100 yuan reported.</p>
<p><u>Suchung Bank</u> Mentioned by Miyashita.</p>
<p><u>Huinnung Bank</u> Mentioned by Miyashita.</p>
<p><u>Heilungkiang Provincial Bank</u> 1946 issue of 10 yuan reported.</p>

We shall now turn our research to the third and final group of Communists banks - money issued for those areas liberated from Nationalist control during the Chinese Civil War (1945-1949).