

## FOREIGN BANKS IN CHINA, PART III - REPUBLIC OF CHINA ISSUES (1912-1945)

John E. Sandrock

While the old established banks were contending with their own problems, the Americans, Japanese, and Europeans entered Chinese banking as new partners eager to share in the lucrative oriental market. It was the passage of the Federal Reserve Act in 1913 that gave American banks the right to establish offices in foreign countries. At this point the United States, Great Britain, France and Japan organized an International Banking Consortium in order to balance financial power in China. Statistically, the number of American and Japanese banks outnumbered the European banks, changing the old financial structure. Only a select few banks retained the right to print and circulate their own paper money within China. For a list of all foreign banks operating in China during the Republican era see Table 1.

### The American Foreign Banks of the Republican Era

Of the new foreign banks to set up business in China between the two World Wars, nine of them were from the United States, two from Japan and one each from France, Italy and Norway. One bank remains of uncertain origin.(See Table 1). We shall discuss them in that order.

Of the American banks, the largest was the American Oriental Banking Corporation. This corporation, incorporated in 1917, was in reality a group of four different banks, each with its own business interests and right to issue bank notes. These four were the American Oriental Bank of Shanghai, the American Oriental Bank of Fukien, the American Oriental Bank of Szechuan and the American Oriental Bank of Tientsin. The Shanghai bank was three-fourths American owned and one fourth Chinese. Business there centered on the import and export of trade goods. The Szechuan bank was set up in 1921 with an authorized capital of one million gold dollars. As the only foreign bank located west of Hankow, it acted as the major foreign exchange and deposit bank for western China. The Chinese partners bought out the Szechuan bank in 1932 at which time it became a Chinese institution.

The American Oriental Bank of Fukien, established in 1922, also had a capitalization of one million gold dollars. It was jointly owned with fifty-two percent of the ownership American. It is believed that the Fukien bank did a large remittance business with Chinese-Americans who had immigrated to America from the Fukien-Kwangtung area from 1850 onwards. These immigrants provided cheap labor for the building of railroads in the west as well as labor for the gold fields, after gold was

discovered in California in 1849. In fear that the Chinese wave of immigration posed a threat to western civilization - a crisis known as the “yellow peril” - Congress passed the Chinese Exclusion Act of 1882 halting further immigration. Those already here, however, continued to send a part of their wages from the railroads, gold fields, and their laundries and restaurants back to Chinese relatives via the American Oriental Bank branches.

What function the American Bank of Tientsin served is unknown. It must have been a small operation, as only one bank note is known to have been issued there - a 5 dollar note dated 1924. American Oriental Banks of Shanghai, Fukien and Tientsin closed in 1935 as a result of the failure of their foreign exchange business, brought about by China's abandonment of the silver standard.





American Oriental Bank of Szechuan 1 silver dollar note (above) and the American Oriental Bank of Fukien 10 dollar note, all dated 1922.

The Bank of Canton, Ltd. was founded purely by Chinese Americans. The principal founders were the Fok family of San Francisco. This was a breakthrough for Chinese entrepreneurs inasmuch the bank became the first totally Chinese foreign owned bank in China. Branches were set up in Shanghai (1917) and Hankow and Swatow (1922). All branches issued bank notes of 1, 5, 10, 50 and 100 denominations and the Shanghai branch had a 500 dollar note as well. These attractive notes featured the Shanghai Bund on the obverse and a view of Hong Kong with Victoria Peak in the background on the reverse. When China went off the silver standard in 1935, the bank failed along with several others. In 1936 Dr. T.V. Soong, reorganized the Bank of Canton and reopened it with additional branches in Hong Kong and Macao. By then its right to issue bank notes had been revoked.



Bank of Canton 10 dollar note of the Shanghai branch, dated 1917.

As the twentieth century opened , American businessmen, spurred on by American diplomats in China, increasingly sought to profit from the Chinese market by taking on Chinese partners. This was a difficult task which usually ended in failure. This was not so in the case of the Chinese-American Bank of Commerce, however. This joint venture bank, founded in 1910, was organized with both the Chinese and Americans each providing half the capital. It was registered in Peking and obtained permission to issue its own notes in China. The firm proved that despite great difficulties self-interest, ideal circumstances, and luck could overcome the problems that usually defeated others. Shortly after organizing, the bank moved its headquarters from Peking to Shanghai in order to get away from the political atmosphere in the capital while seeking greater commercial freedom in Shanghai. The bank maintained branches in Hankow, Harbin, Peking, Shanghai, Shangtung and Tientsin. Bank notes of 1, 5, 10,50 and 100 dollars dated 15 July 1920 were produced.

The position of Executive Director was held by a North Carolinian, James A. Thomas. Earlier in his career Thomas had held a reputation as an ingenious salesman for the American Tobacco Company. He was originally sent to China in 1897 to explore the Asian market. Later his company merged with the British Tobacco Company to form the British American Tobacco Company (BAT), which was one of the most successful foreign undertakings in China. Thomas had been the Managing Director of BAT from its beginning in 1905, when in 1920 he obtained a leave-of absence from BAT to organize the Chinese-American Bank of Commerce. His southern friends were looking for new export opportunities for American hand rolled cigarettes at the time and were eager to have their own bank in China with which to facilitate their business. As Thomas later wrote: “It was obvious to me that China was changing all the time and I never thought of refusing to go wherever my company sent me. I was carried along by wanderlust and the desire to establish new markets for American cigarettes”.

James Thomas was also quite the philanthropist. From his Shanghai office, he helped to found two schools, a medical college, and a famine-relief committee. Perhaps more than anyone else, he was also responsible for introducing a nation to a smoking habit that persists today.

The bank produced two separate issues, all in dollar denominations. The principal vignette on the first issue was a rosette motif at the center flanked by a Chinese shield and laurel wreath at left and a small Statue of Liberty at right. In the second issue the Chinese shield is retained and the Statue of Liberty enlarged within an oval, with ships and an airplane in the background.



Chinese-American Bank of Commerce 5 dollar second issue Shanghai note of 1920.

By 1929 Chinese-American Bank of Commerce investors, upset that the bank lacked a clear business direction for the future and tired of internal squabbles, sold off their stock. The bank was forced to close shortly thereafter. Most of the bank's notes were redeemed.

Of the Industrial and Commercial Bank, Limited almost nothing is known. Despite my research, I could find no references to this bank other than the fact that it maintained an office in Shanghai at number 24 on the Bund, where it built an imposing building in 1924. The bank also had a Hankow office upon which it issued 1, 5, and 10 dollar notes in "local Currency" dated 1 January 1921. Another reference stated that this bank was the successor to the Chinese-American Bank of Commerce. Apparently the bank survived the Japanese occupation of China during World War II, or perhaps had been taken over by Chinese interests by that time, because it has emerged today as the largest bank in the People's Republic of China.

Little is known of the Park-Union Foreign Banking Corporation. It was another joint-venture bank organized to do business in China and jointly owned by the National Park Bank of New York and the Union Bank of Canada with headquarters in New York. A Shanghai branch was opened on 1 October 1919. Only recently have this bank's notes been discovered. A set of notes was printed on the Shanghai branch in denominations of



The American owned Industrial and Commercial Bank, Ltd. remains somewhat of a mystery in that so little is known of its operations in China.

10 and 50 dollar “local currency”. These are known only in specimen form, which leads me to believe that they never saw circulation in China.

The bank was obviously less than a success as a few short years later the *New York Times* carried the following story in its business section on 15 March 1922 under the banner: Park-Union to Quit the Foreign Field

“Directors of the Park-Union Foreign Banking Corporation, jointly owned by the National Park Bank and the Union Bank of Canada, decided yesterday to wind up its affairs on 1 April, and announced that after that date its business will be conducted at the offices of the Asia Banking Corporation, 35 Broadway.

The Park-Union, feeling that the foreign field is limited under present business conditions, intends to withdraw gradually from its activities under the above management. The capital of the institution being wound up was \$4,000,000. The closing of Park-Union makes it the fourth bank organized in 1919 to quit the foreign trade business and liquidate.”



The Park-Union Foreign Banking Corporation was an American/Canadian joint venture bank with an office in Shanghai. Bank notes were prepared but never saw circulation before the bank was liquidated.

Table 1. Foreign Banks in the Republic of China (1912-1942)

Issuing Authority and (Branches)	Parent Country	Dates	Denominations
American Oriental Bank of Fukien (Foochow)	United States	1922	1, 5, 10 dollars
American Oriental Bank of Shanghai (Shanghai)	United States	1919 1924	1, 5, 10 dollars 1, 5, 10 dollars
American Oriental Bank of Tientsin (Tientsin)	United States	1924	5 dollars
American Oriental Bank of Szechuan (Chungking)	United States	1922	1, 5, 10 dollars

Asia Banking Corporation (Changsha, Hankow, Peking, Shanghai, Tientsin)	United States	1918	1, 5, 10, 20, 50, 100 dollars
Asiatic Commercial Bank (Shanghai)	United States	1926	1, 10 dollars
Bank of Canton, Ltd. (Hankow, Shanghai, Swatow)	United States	1917 1920-1922	1, 5, 10, 50, 100, 500 dollars 1, 5, 10, 50, 100 dollars
China Specie Bank, Ltd. (Shanghai)	Britain? USA?	1922	1, 5, 10, 50, 100 dollars
Chinese American Bank of Commerce (Hankow, Harbin, Peking, Shanghai, Shangtung, Tientsin)	United States	1920	1, 5, 10, 50, 100 dollars
Chinese Italian Banking Corporation (Hankow)	Italy	1921	1, 5, 10, 50, 100 yuan
Bank of Chosen (Various Manchurian Offices)	Japan (Korea)	1911 1916 1919	1, 5, 10 gold yen 10, 20, 50 sen 10, 20, 50 sen
Credit Commercail Sino- Francaise (Peking)	France	1923	1, 5, 10 yuan
Bank of East Asia, Ltd. (Hong Kong, Shanghai)	Great Britain	1924	1, 5, 10, 50, 100 dollars
Exchange Bank of China (Peking, Tientsin)	Japan	1920 1928	1, 5, 10, 50, 100 dollars 10, 20 cents
Industrial and Commercial Bank (Hankow, Shanghai)	United States	1921	1, 5, 10 dollar
Banque Industrielle de Chine (Canton, Hankow, Mukden, Peking, Shanghai, Swatow, Tientsin)	France	1914-1920	1, 5, 10, 50, 100, 500 dollars
Mercantile Bank of India (Hong Kong, Shanghai)	Great Britain	1916-1924	1, 5, 10, 50, 100 dollars
National City Bank of New York (Canton, Hankow, Harbin, Peking, Shanghai, Tientsin)	United States	1928-?	taels, dollars - precise denominations unknown
National Commercial and Savings Bank (Hankow, Shanghai)	Great Britain	1924	1, 5, 10, 50, 100 dollars

Park-Union Foreign Banking Corporation (Shanghai)	Canada USA	1922	<i>10, 50 dollars</i>
Sino-Scandinavian Bank (Ch'ang Li, Chinwangtao, Peking, Suiyan, Tientsin, Yungchi, Yungtsun)	Norway	1922 1925 1926	1, 5, <i>10 yuan</i> 10, 20, cents 16, 30, 32, 48, 50, 80 copper coin

Note: *Italicized denominations are illustrated in this article.*

The Asia Banking Corporation was established in 1918 with its China headquarters in Shanghai. This American bank was organized to promote the export of United States goods to China. In addition to the Shanghai office, the bank established branches in Changsha, Hankow, Peking, and Tientsin, the traditional commercial centers. It circulated bank notes in denominations of 1, 5, 10, 20, 50 and 100 dollars throughout China. Capitalization was in the amount of \$4,000,000.

In its second year of business the Asia Banking Corporation severely disrupted the Shanghai market by excessive speculation in foreign exchange. Shortly thereafter the bank acquired the interests of the former Park-Union Foreign Banking Corporation. It could sustain operations only a few more years before, it too, was merged with outside interests. Its merger with the National City Bank of New York took place in 1924.



The Asia Banking Corporation's headquarters was in Shanghai, although it maintained four other branches as well. The 5 dollar note is shown here.



Asia Banking Corporation 10 dollar note from its Shanghai branch, dated 1918. These handsome notes were the product of the American Bank Note Company.

Another United States foreign bank doing business in China of which nothing is known at this date is the Asiatic Commercial Bank. That it maintained a branch in Shanghai in 1926 is substantiated by the existence of two of its notes (the 1 and 10 dollar local currency notes) which may be seen in the *Standard Catalog of World Paper Money, Vol. 1*. The designs used (the 10 dollar note depicts the popular Chinese floral vase motif) suggest that this was another venture of Chinese-Americans bent on trade with the mother country.

Lastly, we come to another mystery - the National City Bank of New York. During World War I, European payments for war supplies furnished by the United States poured into New York City, gradually making it the new world's new financial

capital. Although the National City Bank of New York entered the international business world at the turn of the century, it had not paid much attention to Asian markets. By acquiring the assets of the International Banking Corporation in 1915, it overnight became one of the largest foreign banks in China. Kann reported in the *Far Eastern Economic Review* that upon taking over, the National City Bank of New York acquired all the China branches of the International Banking Corporation and continued them under its own name. He goes on further to state .... “It redeemed the former bank's notes and issued others under its own name, both in taels and dollars. The excellent standing of the National City Bank of New York ensured an excellent reception for its fiat money, the volume of which was at no time large”. Kann surely knew of this first-hand as he spent a lifetime in residence in China while managing banks right up to World War II. Ji substantiates this in his book *A History of Modern Shanghai Banking* when he states: “The several branches of the National City Bank of New York began to circulate notes in both local currencies of silver taels and dollars”. So the mystery is, if this were so, why have none of the National City Bank of New York notes ever been reported or illustrated? And why have none ever surfaced in numismatic collections?



Shanghai branches of the Industrial and Commercial Bank (above) and the Russo-Asiatic Bank (below)



Shanghai street scene circa 1900 showing the omnipresent coolies and their rickshaws.

### British Banks of the Republican Era

Successor to the Chartered Bank of India, London and China in 1893, the Mercantile Bank of India carried on from its head office in London. The bank maintained branch offices in Hong Kong and Shanghai. The business scope of the Mercantile Bank of India was much narrower than that of its predecessor, however, concentrating on the triangular trade between India, China and the British Isles. At no time was the bank's note issue large. This bank remained active until shut down by the Communists, along with all remaining European banks, in 1950.



Ten dollar 1916 Shanghai branch issue of the Mercantile Bank of India.

The National Commercial and Savings Bank was founded by the Chekiang Provincial Railroad Company in Hangchow in 1907. The purpose was to promote industry along the railway. It had a paid up capital of 1 million Chinese dollars. The Shanghai branch was opened in August 1908. One month later the bank was granted the right to issue its own bank notes. The bank was unusual in that it placed 100 percent cash reserves against its outstanding notes, an extremely conservative measure, making this bank one of the soundest financial institutions. Its other source of income came from its real estate business. Considerable profits were made through the purchase and development of Shanghai land for commercial and residential use. The National Commercial and Savings Bank exercised its right to issue its own notes in 1924 and stopped issuing them altogether after the national currency reform of 1935.

At one point, due to a shortage of bank notes in circulation, the bank authorized its notes to be cut in half so that they could circulate at one-half the face value. Each half had to be signed by a bank official to be accepted. Most whole notes in collections today are in reality two halves joined together.

The British and Belgian Industrial Bank of China's existence was discovered only when several of its bank notes surfaced unexpectedly. Kahn reports that these notes were in the amount of 5 and 10 taels and were issued at Changsha, the capital of Hunan province. It is not known if the bank ever opened its doors to business. Since Hunan province was intensely anti-foreign and noted for opposition to all things foreign, especially regarding control of the local financial market, it is quite possible that the bank was never permitted to operate there despite the organization having been set up and Changsha bank notes printed. The notes may be seen by examining the *Standard Catalog of World Paper Money, Vol. 1*.



National Commercial and Savings Bank 5 dollar note of 1924 showing the Great Wall of China on its obverse and two hemispheres on the reverse. In this example the serial numbers do not match due to the fact that the bank had earlier authorized its branches to cut their notes in half in order to fill a shortage of smaller denominations.

The Bank of East Asia, Ltd. was founded at a time when British banking institutions dominated colonial Hong Kong. After World War I, the crown colony saw a rapid rise in the establishment of Chinese owned banks, founded to serve the island's Chinese population. These were typically family owned. One of the first of these was the Bank of East Asia. Four families, the Lis, Wongs, Kans and Fungs joined together to found the bank in 1918. The headquarters was opened in Hong Kong at number 2 Queen's Road in 1919 with other branches to follow in Shanghai, Saigon and Haiphong (French Indochina). The bank prospered during the nineteen twenties and thirties becoming one of the most prominent locally owned banks. A new headquarters building was constructed in Hong Kong in 1935, underscoring the bank's rise to prominence. This building may be seen on the reverse of the bank's notes. The 1924 issue depicts a Shanghai street scene on the obverse and the new headquarters building on the reverse.



Bank of East Asia specimen 50 dollar note from its Shanghai branch. The note shows a circa 1924 Shanghai street scene on its front side.

There are possibly other banks of British origin which did business in China and issued their own bank notes, but at this point I am not aware of them. Of course, it is always possible that notes issued by one of these institutions will yet surface adding yet another dimension to numismatic history. The above discussion was based upon all relative information available in the works of Kann and Ji as well as SWCPM, Volume 1 and various articles which have appeared on the internet.

## Other Foreign Banks of the Republican Era

The newest Japanese entrant to China's finances was the Exchange Bank of China. It was established in 1918 with a capital of 10,000,000 Japanese yen. In sharp contrast to the previous Japanese government "tough demands" attitude toward China, the new cabinet installed in 1916 emphasized a spirit of economic cooperation. To this end a special banking group was formed consisting of the Exchange Bank of China, the Bank of Taiwan and the Bank of Chosen. This was a subterfuge, of course, to insure that China remained pro-Japan and to guarantee Japanese economic interests in Manchuria. The Japanese then made significant railway, mining and telegraph loans to China under the guise of Sino-Japanese friendship.

The principal reason for the formation of the Exchange Bank of China was to ensure that the loans were paid off in a timely manner. The bank's capital was paid in by the Bank of Taiwan, the Bank of Chosen, various Chinese investors and even a northern warlord with a one million yen deposit!



Exchange Bank of China 5 dollar, Tientsin issue, of 1920.

The Exchange Bank of China was given the privilege of issuing its own bank notes. This was done at its branches in Peking and Tientsin in 1920 and again in 1928. Notes were issued in amounts of 10 and 20 cents, 1, 5, 10, 50 and 100 dollars. They were the work of the Chinese Bureau of Engraving and Printing in Peking. The dollar denominated notes all have a central vignette of a gate in a walled city, while the cent notes show a steamer at sea.

Pro-Japanese sentiment was never high amongst the Chinese. When the Chinese military general Chang Cho-lin was killed by the Japanese Shantung military in 1927, a wide anti-Japanese movement arose in China. The bank found itself unable to compete with other banks and after a severe run on the bank in December 1928, it was forced to close.



Exchange Bank of China 20 cent note of 1928 (above) and the Tientsin 10 dollar note (below). The color of the notes varied between the Peking and Tientsin branch. Another interesting anomaly was the use of control letters and symbols on the notes, such as the letters "M", "P", "T", "33", "37", etc. The 20 cent and 5 dollar notes shown here both contain the "P" overprint.

Another Japanese note issuing bank was the Bank of Chosen. As mentioned above, it formed part of the consortium furnishing capital for Japanese business ventures in China. Originally designated the Bank of Korea in 1909 under Japanese protectorate status, it was renamed the Bank of Chosen as a Japanese government bank in 1911. The bank was useful to the Japanese in their Chinese ventures. By changing the name to the Bank of Chosen in 1911, the Japanese avoided direct involvement in Chinese affairs by sending its colonial bank to do its business instead.

Strictly speaking, this institution, with its multiple branches in China and Manchuria, never had a foreign note issue in terms of Chinese currency. Instead it used the same notes which circulated at home in Korea. These notes were denominated in gold yen. Bank of Chosen notes were the currency of Korea, but the Japanese maintained a fixed policy that they also be systematically spread through Manchuria as well. This practice ended when the Japanese installed China's last emperor, Pu Yi, on the throne of their newly created buffer state Manchukuo. From 1932 onward the Bank of Chosen withdrew its notes from Manchukuo to make room for the new issue of Central Bank of Manchukuo notes.



Obverse side of the Bank of Chosen 1 gold yen note showing the Old Man at right.

The Bank of Chosen maintained no less than sixteen branches in China - all in northern China. Principal offices included C'hang-chun, Harbin, Fuchiatien, Kirin, Manchuli and Tsitsihar. Notes issued were based on Japanese gold yen. The bank notes were known to the Chinese as “laotou piao”, or old man money, because of the elderly Korean gentleman depicted on the note's obverse. This bank ceased to exist after World War II.



Reverse of the 1 gold yen Bank of Chosen note. The Japanese circulated these notes widely in Manchuria, even though they were not specifically designated as Chinese currency.

The only French bank to operate during the Republican regime in China (1911-1949) was the Credit Commercial Sino-Francais. That it was a Chinese/French joint venture bank there is no doubt. It probably served French interests with the central government inasmuch as its sole office was located in Peking. From there it circulated a series of 1, 5 and 10 yuan notes dated 1923. The reverse of each note carries the inscription “Societe Anonyme”, which translated means “limited company”, or “Ltd.”. Research on my part could uncover no additional information relative to this bank.

Now we come to the Chinese Italian Banking Corporation, whose notes are familiar to most collectors. This too was a joint venture bank which operated under the Chiang Kai Shek republican regime, or did it? This is an open question because the only notes which have ever appeared on the market are unissued remainders. The notes conspicuously carry no place of issue on their reverse. So what is the story? Did the bank ever function as a foreign bank in China? Did it have branch offices there, and if so, where were they located? Or, were the notes prepared and never used? The *Standard Catalog of World Paper Money* states that the bank was organized in 1920 and reorganized three years later as the Italian Bank of China, a bank which did not have authority to issue its own notes. No other known references are available to shed light upon the subject. For years I had assumed that, like the Park-Union Foreign Banking Corporation, the notes were prepared in anticipation of the bank doing business in China, and that for some reason plans changed and the bank never opened for business.

Well, now we know that wasn't so because, by pure chance, a Chinese Italian



France's sole bank to operate in the Republic of China was the Credit Commercial Sino-Francais. Its 1yuan note of 1923 is shown here. Its note issue must have been extremely small.

Banking Corporation note unexpectedly surfaced which proves the bank's existence, if for only a short period. Some years ago my old friend, Hank Barton, discovered a circulated Chinese Banking Corporation bank note in a dealer's junk box. The note was what I would call a "rag", definitely undesirable from a collector's point of view. Being a serious Chinese note collector, Hank immediately recognized the note's significance. There on the reverse of this well circulated, torn and contemporarily repaired rag of a note was the branch of issue - Hankow. Hank was very proud of the fact that he had proven the bank's actual existence as a foreign bank in China. He later gave the note to me. I have illustrated its reverse side here. Two series of remainders exist, all dated 1921, and without signatures or branch of issue.



Chinese Italian Banking Corporation 5 yuan specimen note together with Hank Barton's note issued on the Hankow branch. Note the lower serial number on the issued note and the signatures which are lacking from the remainder.

The last foreign bank of which we have a history is the Sino-Scandinavian Bank. And we wouldn't have that if it were not for an Oslo University graduate student who decided to write his Master's thesis on the *Sino-Scandinavian Bank (1921-1927) -A Norwegian Bank in China?* Bjørn Rønning's welcome thesis sheds some light on the bank where there was none before.

Funding for the Sino-Scandinavian bank came mainly from Chinese entrepreneurs seeking trade with Scandinavia. The balance of capital was provided by Norwegian and Danish sources. Paid in capital amounted to 2,500,000 yuan in silver dollars. The bank was chartered by the Republic of China on 21 July 1921. Headquarters for the bank were set up in Peking and operations commenced on 7 January 1922.

Sino-Scandinavian banking business seems to have been limited to the Tientsin and Chingwangtao areas. There were seven branches in all, four of which issued only yuan notes. Tientsin branch also had an issue of 10 and 20 cent notes in addition to the standard 1, 5 and 10 yuan bills. Two branches, Chinwangtao and Yungtsun, issued small change notes denominated only in copper coins. The denominations must have been tailored to the peculiar needs of each area, as they differ in values. Chinwangtao's copper notes were for 16, 30, 48 and 50 copper coins; while Yungtsun's were in amounts of 16, 30, 32, 48 and 80 coppers. These are most unusual multiples!

Other variants make this series interesting for the collector. The yuan notes come in two varieties: those printed for original circulation and those overprinted with colorful gullouches, possibly a second issue with the gullouches added to distinguish it from the first. Some notes also contain control overprints in the form of numbers and Chinese characters. Also, notes with a stated branch on their reverse were frequently overprinted for a different branch, for example, "Peking" over "Tientsin" before being issued.

The predominant feature of the 1, 5 and 10 yuan notes was a vignette showing a shoreline with a pagoda on a hilltop on the obverse and a viking ship on the reverse. The Tientsin 10 and 20 cent notes picture a stone bridge on their obverse, while the copper coin notes feature the Great Wall of China on their reverse. The notes are signed by J.W.N. Munthe and Fartsan T. Sung. All were the product of the Bureau of Engraving and Printing in Peking.

Johan Munthe was an interesting figure. He went to China in 1887 and participated in the Sino-Japanese war of 1894 as a volunteer. His background in cavalry tactics learned in a Norwegian non-commissioned officers school earned him an instructor's job in rebuilding and modernizing the Chinese army. In this position he was a close associate of the Chinese army chief, Yuan Shih -k'ai. When Yuan became the first president of the Republic of China, Munthe was made aide-de-camp with the rank of lieutenant-general. Eventually he became head of police forces guarding the legation

headquarters in Peking , a position he held until 1935. Munthe signed all Sino-Scandinavian Bank notes as an officer of the bank.

Fartsan Sung did not take office as Director until July 1, 1924. This suggests that most notes were released to circulation during or after 1924. The availability of such a large number of the bank's notes at this late date, also suggests that the bank failed and was unable to redeem its notes. Ji verifies this when he states in his book: “Affected by a severe bank run in Peking in 1928, the bank closed its business shortly thereafter.” He does not state, however, why the run on the bank took place.



Sino-Scandinavian 10 yuan Peking branch note dated February 1, 1922.



Overprinted second issue of the same 10 yuan note with added gullouche. This note was on the Tientsin branch.



The 5 yuan issue of the Peking branch overprinted "Yungchi Currency".



Tientsin small change 20 cent note dated 1925.



Yungtsun branch 30 copper coin specimen note.



Yungtsun branch 80 copper coin note obverse.



Sino-Scandinavian Bank Yungtsun branch 80 copper coins specimen note reverse.

The final foreign bank which prepared notes for circulation in China is the China Specie Bank, Ltd. I am aware of this bank only because of the proof notes which it left behind. These were notes in 1, 5, 10, 50 and 100 dollars “local currency”. No amount of research has ever revealed its otherwise existence. My guess is that this was a United States or British venture organized to capitalize upon Chinese and Western trade opportunities in the 1920s. In all probability it was founded in the United States, as the proof notes that exist were the product of the American Bank Note Company. These proof notes indicate that an office in Shanghai was at least contemplated. In all probability the company never opened for business.

China Specie Bank notes are very attractive. The obverse of the note shows fantasy Chinese silver dollars with the four characters “Chung Hua Kuo Pao” (China - one dollar) on their face. The one dollar note containing a single dollar, the 5 dollar note, five silver dollars, and so on. The reverse of the notes display a scene containing a steam train with livestock in the foreground and windmills in the background.



China Specie Bank, Ltd. 50 dollar proof note dated October 1922. In all probability this bank was planned but, for some reason, never was opened.

Have we now exhausted our inquiry into the foreign note issuing banks of China? Maybe. What is the possibility that still unknown foreign banks which circulated their currency in China will surface in the future? I would say it was possible, but highly unlikely at this stage. Readers with additional information on China's foreign note issuing banks and their notes are encouraged to share this information with our readers by contacting the author or the editor of the International Bank Note Society.

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