

# Enlightenment of Sichuan's Red Financial Practice on My Country's Financial Construction

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**Abstract:** Sichuan is the seat of the second largest red regime in China. It played an important role during the Revolutionary War and made great contributions to the shift of the revolutionary center of gravity from southeast to northwest and the strategic shift of the main force of the Red Army from south to north. Sichuan Red Finance played an integral role in this process. The purpose of this article is to deeply analyze the practical history of Sichuan's red finance, explore the inspiration of its historical experience on my country's financial construction, provide new perspectives and ideas for further research on the history of my country's red finance, and provide new directions and motivations for my country's financial construction.

**Keywords:** Sichuan; Red finance; Regional development; Financial construction

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## 1. Introduction

Finance refers to the issuance, circulation and withdrawal of currency, the issuance and withdrawal of loans, the deposit and withdrawal of deposits, the exchange of exchanges and other economic activities. Red finance refers to banking institutions established in base areas under the leadership of the Party, as well as financial businesses such as issuing banknotes, carrying out savings and loans, and issuing public bonds on behalf of others. It existed during the period of China's Agrarian Revolution, the Anti-Japanese War, and the Liberation War. On July 23, 1921, the Communist Party of China was founded on the "Red Boat" in Nanhu, Jiaying, and red finance was born. In the 28 years from the founding of the Party in July 1921 to the founding of the People's Republic of China in October 1949, the red financial undertaking led by the Communist Party of China embodies the red financial thinking of the Communist Party of China, contains the political propositions of the Communist Party of China, and embodies the revolutionary spirit of hard work of the Communist Party of China. . The red financial undertaking played an irreplaceable role in our party's development of the economy behind enemy lines, ensuring social stability, achieving revolutionary victory, and consolidating the red regime. Sichuan Red Finance, as an important part of China's financial history, has a profound social and political background in its origin and development. Active exploration of it can provide valuable historical experience and important enlightenment for the development of my country's financial industry.

## 2. The development and changes of red finance in Sichuan

Sichuan is one of the most important areas for the Chinese revolution. Sichuan Red Finance refers to the anti-imperialist and anti-feudal financial activities led and organized by the Communist Party of China in the Sichuan revolutionary base during the New Democratic Revolution period. It started from scratch, grew from small to large, and gradually developed and expanded, making important contributions to the victory of the new democratic revolution.

### 2.1 The establishment of the red regime

On June 29, 1929, Kuang Jixun led his troops to attack overnight and captured Pengxi County in one fell swoop, established the Pengxi County Soviet Government, the first red regime in Sichuan Province.

The victory of the Pengxi Uprising kicked off the red armed struggle in Sichuan, broke the crisis of white terror in Sichuan after

the failure of the great revolution, attacked the ruling power of the Kuomintang reactionaries, sowed the fire of armed revolution in Sichuan, and promoted the revolutionary situation in Sichuan. development, strongly supported and cooperated with the development of the western Hubei base area, and had a profound political impact in the history of the revolution led by the party<sup>[1]</sup>.

## **2.2 The birth of red finance**

The birth process of Sichuan red finance can be traced back to the early 20th century.

In 1927, Chinese Communist Chen Yi established the Sichuan Financial Commission under the guidance of the government. The establishment of the Sichuan Financial Commission not only promoted local economic development and financial stability, but also provided valuable experience for subsequent financial management and reform, marking the germination of red financial thinking in Sichuan.

In 1928, the Eighth National Congress of the Communist Party of China proposed the policy of “developing agricultural credit with the main goal of promoting agricultural products”. In 1930, the Sichuan-Shaanxi Industrial and Agricultural Bank of China was established in Bazhong County, Sichuan, marking the official birth of red finance in Sichuan.

## **2.3 Development of red finance**

Under the leadership of the Communist Party of China, multiple Soviet regimes or worker and peasant regimes were established in vast rural areas. Among them, the Sichuan-Shaanxi Industrial and Agricultural Bank of China was established during this period and later became an important representative of Sichuan’s red financial practice.

After the Red Army’s Long March, Sichuan’s red finance entered a stage of rapid development. The Communists began to establish more financial institutions in cities and villages, such as the "Chengdu Branch of the Bank of the Chinese Soviet Republic" established in Chengdu in 1935 and the "Southern Sichuan Guerrilla Treasury" established in Luzhou in 1936.

In 1949, Sichuan's red finance gradually grew stronger under the impetus of the People's Liberation War. The Communists established many banks in Sichuan, such as the "East Sichuan Underground Bank" and the "West Sichuan Liberation Bank". These banks provided massive loans to the masses, supporting their struggle against Kuomintang rule.

## **3. The positive role of Sichuan red finance**

### **3.1 Promote steady population growth**

The Communists implemented land reform, breaking the land monopoly of landlords and local tyrants. Farmers obtained land ownership, which increased farmers' enthusiasm for production, promoted agricultural development, improved farmers' lives, and improved living conditions provided opportunities for economic development. Material security<sup>[2]</sup>. Implementing currency reform, independently issuing currency, and providing low-interest or interest-free loans have put an end to the exploitation of usury and chaotic currency transactions by farmers, stabilized the financial order, promoted economic development, and provided reliable finance for population growth. Base.

### **3.2 Promote rapid economic development**

In order to smash the enemy's economic blockade and provide the Red Army and the people with the daily necessities of life, the Red Army and the Soviet regimes at all levels combined their own realities and proposed economic measures such as unifying finances, opening up markets, and setting up cooperatives<sup>[3]</sup>. For example: the establishment of a financial committee to solve the problems of fiscal deficit and currency chaos; the establishment of the Industrial and Agricultural Bank of China to issue a unified currency, exchange currencies, provide low-interest and interest-free loans to industry and agriculture, and assist the development of cooperatives; the Sichuan-Shaanxi Provincial Mint was established, controls the currency printing rights. These policies and measures not only ended Sichuan's long-standing semi-colonial and semi-feudal social system, but also destroyed the chaotic financial system of the old era, forming a red financial system with base area characteristics and laying the foundation for the centralized and unified management and development of the central bank in the later stages of the revolution. foundation. The development of red finance in Sichuan has stimulated farmers' enthusiasm for production, revitalized the rural economy, stabilized the lives of farmers in the base areas, and greatly supported the economic development of the base areas.

### **3.3 Carry forward the revolutionary spirit**

In the early days of the establishment of the red regime, red financiers not only faced harsh environmental problems such as imperialist oppression, enemy blockade, and market chaos, but also faced red finance issues such as how to carry out loans, how to obtain start-up capital, how to establish credit, and how to prevent counterfeiting. A series of specific issues, the development path of red finance is full of thorns and difficulties. A history of red finance can be said to be the history of wisdom, thought and innovation and entrepreneurship of the older generation of financial revolutionaries. It contains the story of our party not being afraid of difficulties, self-reliance, and The revolutionary spirit of hard work. It is the spirit of the red financial revolutionaries who are not afraid of

difficulties, self-reliance, hard work, and not afraid of sacrifice that opens a new chapter in the history of red finance.

## **4. Enlightenment of Sichuan's red financial practice on my country's financial construction**

During the revolutionary war, the Communist Party of China embarked on a new red financial road in the face of enemy suppression and blockade. At the starting point of the second century of the great rejuvenation of the Chinese nation, we must inherit the red gene, continue the red blood, and create a socialist financial path with Chinese characteristics. Looking back at history, the development of red finance in Sichuan has provided us with valuable experience and important enlightenment in financial construction.

### **4.1 Top-level design: Uphold the Party's absolute leadership over the financial industry**

Upholding the party's absolute leadership over the financial industry is the fundamental guarantee for the development of red financial undertakings and the fundamental requirement for inheriting red financial culture<sup>[4]</sup>. The early red financial revolutionaries also deeply realized that only the Communist Party of China can save China. This is a historical choice and a truth learned in the flames of war.

Judging from the development history of red finance in Sichuan, whether it is the Sichuan Financial Commission, the Sichuan-Shaanxi Industrial and Agricultural Bank of China, the mint in Yong'an Town, Tongjiang County, Bazhong, the Vallicaba Logistics Center, or the Dazhou Collection of Sichuan-Shaanxi Soviet Area Currency and Sanshuang Clothing, currency, etc. are all inseparable from the Party Central Committee's absolute leadership of the red financial cause and the resolute implementation of party committees at all levels. Therefore, adhering to the leadership of the party is the essential attribute of the red financial cause.

### **4.2 System construction: Adhere to the purpose of serving the people wholeheartedly**

Everything for the people is the starting point and end point of financial work. Historical materialism believes that the people are the decisive force in promoting historical development<sup>[5]</sup>.

Sichuan's red financial industry was cultivated by the Communist Party of China from scratch and from childhood to adulthood. In the 1920s, based on reality, the Communist Party of China adopted a series of measures such as establishing the Industrial and Agricultural Bank of China, issuing a unified currency, and providing low-interest or interest-free loans to rectify the rural economy and help farmers resume production and life. This is not only the financial voice issued by our party on behalf of the broad masses of the people, but also a profound manifestation of our party's insistence on proceeding from reality and serving the people wholeheartedly.

Finance is the blood of the economy. Financial construction in the context of the new era must still adhere to the purpose of serving the people wholeheartedly, maintain the original intention of financial inclusion for the people, and effectively solve the interests of the people.

### **4.3 Action Guide: Adhere to innovation as the driving force for financial construction**

Innovation is the driving force for development and financial construction. The birth and development of Sichuan Red Finance embodies the ideas of the older generation of financial revolutionaries who used their wisdom to innovate finance.

During the revolutionary war, the Sichuan revolutionary base government, under the leadership of the Party, actively explored an independent monetary and financial system. The Soviet government of Sichuan-Shaanxi Province in Tongjiang County established the Industrial and Agricultural Bank of China to manufacture and issue Sichuan-Shaanxi Soviet Area currency. The currency issued by the Sichuan-Shaanxi Provincial Soviet Government not only has general monetary functions such as a value scale, a means of circulation, and a means of payment, but more importantly, it has a political party propaganda function. This is a major initiative for Sichuan and Shaanxi Su coins and a spark of wisdom among the red financiers of Sichuan and Shaanxi. When the currency was designed and issued in the Sichuan-Shaanxi-Soviet Area, all copper coins were in "wen" units, and banknotes and cloth coins were in "string" notes. This fully considered the usage habits of the masses, which is rare in other base areas. The Sichuan-Shaanxi currency issuance not only insists on starting from the masses, but also injects new impetus into the economic development of the base areas.

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