

Copies

- NANKING, SEPT. 10

SCRAPS OF ECONOMIC INFORMATION ~~FOR THE MOMENT AND SUGGESTIONS~~

1938

Agriculture

Reports from crop survey (summary table to be finished Sept. 13) will show serious damage and wastage by flood. One expert reports from south of Nanking that apparently good fields are producing about 60% of a full crop; there has not been enough of hot, dry weather to develop full heads. From Chinkiang to Tsehsiashan, all the ~~way~~ ^{stretch} from the railroad to the river is drowned; many of the rice-fields are under three feet of water, and the loss is very heavy in that rich district.

Another set of reports: In and close to Nanking, rice-fields that have suffered from flood are yielding 40-50% of normal (that is, of an excellent crop, seldom realized even in good years). Other fields 70%, which is a fairly good figure. Dryland crops are very low. For the vicinity of Nanking, total crops will not feed farmers themselves, and there will be nothing for sale. For the surrounding country, near main roads the crops are low; away from them, 70-80%, which is very good, indeed a little above last year. A good deal of wheat was hurt by wet weather, and in certain places it was not cut because the return was insufficient to justify the effort -- no transport and ridiculously low prices. All told, the grain will feed farmers 7 to 8 months. In general, districts near the river are worst, and those in a southwesterly direction the best.

(evidence insufficient; and seems too pessimistic).

Trade

Shortage most serious in fuels of all kinds. Only 200 tons per month of coal is released through the dealers' guild. Many trees are being cut, both inside and outside the city. Supplies from ruined houses have reached a low point. Kerosene is difficult to get at more than \$10 per tin. Coal has been sold above \$40, partly slack.

Cotton cloth is scarce, and largely Japanese. No Chinese yarn is obtainable, and silk thread is also disappearing. Only inferior Japanese soap and Japanese matches are on the market, both at high prices. Candles are high. Electricity is supposedly charged at \$1 per month per point for the few who can secure connections, though complaints of the high cost are reported to have had some effect. Raw cotton is practically unobtainable; it is said that only one shop in the town is ginning and fluffing.

In all of Nanking, there is no real cloth store, no exchange shop or bank (save the two Japanese banks for military and Japanese use), no pawnshop.

There are few proper stores of any sort, but usually people are selling in the front of their houses or along the roads. Of the true shops, those selling rice are the most important, then miscellaneous goods, then tea and drinks. Pedlers are largely handling Japanese goods, but have a hard time because of the variation and sharp competition in prices, which run all the way from the Japanese wholesaler to the smallest retailer. Frequently it is found that \$100 capital does not support the owner. Amateurs generally fail, but by their competition hurt experienced traders.

difficulties

Production and Employment

The first real resumption of factory work is in the Yuheng Flour Mill (formerly Ta Tung), which is said to be controlled by Japanese entirely but not ostentatiously. For the time being, 100 men are employed, and the output is 500-800 bags per day.

Other production is manual, and on a domestic basis, with practically no hiring outside the family. Production of course is very small. Coarse, local cotton cloth is being made from Japanese yarn (brought from Shanghai by Japanese, high-priced), on more than a hundred looms. Each loom is commonly considered to support ~~about 30~~ ^{about 30} persons. At the present low price of rice and generally lowered standard of living, ten persons might ~~be maintained~~ on each loom if a steady and satisfactory market can be maintained. About 100 satin looms have resumed work (just before the war there about 3000, and the best days of fifteen or twenty years ago, 5000). Part of the product is carried to Shanghai as passengers' hand-baggage. One loom can supposedly support 13-14 persons.

So-called handwork (e.g. basket-making, bamboo, small wood products) is resumed with something like half the numbers formerly engaged. But the market has been quickly saturated, for few can buy. More than 200 of the small stocking and knitting machines are in operation; each can maintain two persons if continually in use. Perhaps 2000 men get work in the building trades, chiefly masons and carpenters; they may receive up to ~~eighty~~ ^{eighty} cents ~~or more~~ ^{or more} per day, but employment is irregular. Much of the building repair is done crudely within the family or relatives or neighbors, not on a commercial basis.

One estimate is that the total number of laborers hired by the Japanese is 2000-3000. Wages are 28 to 50 cents per day, according to circumstances and provision of food or part food.

There are 400-500 rickshas licensed, most of them running one shift only. Police slightly over 500. Street cleaners and other municipal laborers and servants ~~are not numerous~~. City government employs 400 men in offices, about half of whom are Nanking people. About 300 persons are employed in organized schools. Post Office 600.

The large field of restaurants and related amusements is difficult to grasp. Local people view with great dislike the introduction of girls as waitresses and entertainers or hostesses; many of them have been brought from Shanghai and Soochow.

Clock and watch repair; carving of seals; barbering: all flourish, but on a petty cash basis with fearful competition.

Transport

This topic of course is related to the shortages of goods referred to above. To illustrate: Rice here is around \$6; in Wuhu around \$3.50; Luho, \$2.50 and less; Hohsien \$1.50 for good polished; Shanghai \$16, ~~and~~ ~~is~~.

Parcel post is much used, but of course is very costly. No trucking from Shanghai, and no use of Japanese boats by Chinese for freight. Runners on the trains cannot profitably do much except cigarettes.

Currency

Japanese are forbidden or are uniformly unwilling to receive in open trade anything but standard yen (presumably to appreciate the yen and to push military notes into Chinese hands?). Chinese money and military notes are practically equal. Exchange for yen varies widely according to time and deal. Usually \$1.10 to ¥1.00 or thereabouts, but ~~may~~ reaches \$1.20 and even \$1.30 in certain cases.

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