

PSEUDO-ECONOMIC NOTES FROM NANKING (March 31)

General atmosphere slightly easier. Warm spring weather with fair supplies of vegetables. Post Office reopened on small scale, providing some 700 incomes directly and giving aid or hope to families long separated; service only to Shanghai direct, and no money orders or parcels yet. Part of the employees have the insignia of the Japanese Post Office. A bus service in faint suggestion, maintained by Japanese buses brought from Shanghai with Shanghai markings still upon them. One or two routes only, infrequently served; Chinese patronage growing. Serious damage to houses for the sake of securing wood to cut up for fuel. Many unoccupied buildings are melting away, though of course part of the effort is among charred pieces of burned structures. This gloomy disintegration is only slightly offset by a little cleaning up of certain streets and looted properties, with a very few instances of repair or partial rebuilding. The number of soldiers and sailors is usually sufficient to be an economic factor of high importance for this prostrate city; but it cannot be safely mentioned, and in any case varies markedly from time to time.

Order in the immediate vicinity of Nanking has markedly improved, though some wounded individuals are slow to recognize that fact, and the most welcome consequences for the city are fair trickles of rice at slightly easing prices: now about \$8.40 per picul. Flour is so scarce that there is no real price; quotations have been named all the way from \$5 to \$7.50 per bag, as against the \$3.50 and less for sales two months ago. Wheat and corn are seen only in tiny quantities. Meats and vegetable oils are moderately adequate for the present small purchasing power of the public, and sell at prices not extreme. Metal goods and kerosene are scarce and very dear even for inferior qualities.

Japanese shops began business only in yen, securing Chinese money directly or indirectly at a heavy discount. There was some shaking down to a ratio of 11/10 or 10/9, with some inside deals at even exchange. Recently some of the shops have been holding the yen high, and predicting a collapse of the Chinese dollar. Now there is good evidence for a Japanese order to local authorities for fixing a rate of one dollar to seventy sen. There is no bank in the city, even of the smallest type. But there are arrangements of a sort for a local bank set up by a leading officer of the Self-Government Committee, intending to issue small notes "to meet the needs of the public." Meanwhile the local authorities have repeatedly ordered the people to accept banknotes of "every province and every municipality", though they sometimes refuse to take their own medicine.

Military confiscation of materials and of buildings continues at will. Civilians of both nationalities also have their fingers in the pot, over one edge of which is draped the silken cover of assimilating to public uses the property of former governments and of their officials. There is much ill-founded talk of military instability, traceable to the utter lack of generally trusted sources of news, and to the activities of roving bodies of Chinese more or less deserving of the pleasant title "mobile units of the national army." The hesitating inauguration of the Reformed Government, followed by the prompt return of that Government to places whence it came, does not add to the sense of security supposed to be conducive to economic advance.

Japanese commercial establishments increase in number and somewhat in variety. They are located mainly from Hsin Chieh K'ou eastward on the Chung Shan Road to beyond Ta Hsing Kung, and in the northern half of Taiping Road. A recent stroll in that district revealed seventy one

open for business, besides others announced. Though certain favored foodstuffs are still the major line for sale, there is branching out in restaurants, small displays of dry goods and notions, and of course into photography. A former bank building has been taken over by the Meiji Life Insurance Company. In time? There is also a large office building for the Hsing Shung Company, the development corporation for operations in China. Although the shops handle Japanese goods in the main, they are the only means of bringing to Nanking candles, some brands of cigarettes, and other light manufactures of a few types from Shanghai. It is reliably reported that there are more than 600 Japanese civilians in Nanking, including some families.

Special mention of Japanese transport and of the trade in scrap metal is called for. There are now about two steamers per week each way under the N. K. K. or its associates. One company has more than forty trucks on the road between here and Shanghai. The daily train service is carrying mails, but does little if anything apart from military freight and an almost exclusively military passenger service with most meager rolling stock. After the large-scale removals of all kinds of supplies and goods and furniture, there is now an intense search for scrap metal, not always limited to burned buildings. The Self-Government Committee wishes to prevent all the gain from passing out of the ~~local~~ community, and so presses rapidly to gather the stuff before others do, thus securing an agency profit. How much of this metal will again descend to other parts of China we can only speculate, but we must admire the thoroughness of the collecting.

The economic position of the Chinese is largely illustrated by the helpless refugee, the peddler, the gardener, and the carrier. There is no considerable Chinese shop in the city, unless the agency establishment of the Self-Government Committee is so considered. It is freely said that in Wuhu no Chinese shop can open unless its goods are 80% Japanese. Here Chinese are able to sell to the Japanese in a few occupations: coolie laborers; domestic servants; perfumed girls; watch-repair men; sealmakers; barbers.