

Chinese currency is still the medium of exchange, save at the telegraph office, railway station, and many of the Japanese shops; but Japanese money is seen more frequently, and is not now difficult to get locally. Recently the Special Service Organ (Army) issued public orders that any one refusing to accept Japanese currency or military notes is liable to heavy penalties. Some Japanese stores will accept Chinese money at or near par, seemingly as a means of competition in retail business that is not flourishing. A large purchase was recently made at \$1.04 per yen of list list price. A quotation of 95 sen per dollar was also made. It is reliably reported that the Bank of Japan (Japanese) will sell lire and marks, but no other foreign currencies. The only other bank open for business is the Yokohama Specie, which seems to serve only the military.

In a recent conversation, the representative of an important Chinese private bank, which is quietly helping out its old depositors, declared that his bank was still studying the possibility of opening in Hanking; but on the one hand saw little opportunity for commercial lending, and on the other, great risk in receiving monies for safekeeping under present conditions of public order. Robbery is now very common, by soldiers, by ruffians, and by large groups of Chinese, many of the latter connected with the heroin distribution under army protection. Japanese merchants are allowed to have axes, and at least part of them keep one of their own men on watch all night. Also the top leaders of the narcotic gangs receive weapons from the military. On the other hand, the small number of Chinese police are unarmed and helpless in every sense. The result is paradise for the worst elements, with general fear and trouble and constriction of economic effort among the public. Opium is twenty-odd dollars per ounce; pipes and lamps are sold openly along the streets, in shameful license that Hanking has not known before. Heroin is 244 per ounce pure, but is distributed to the distressed poor in five- and ten-cent packets of adulterated "Flour".

Rice has come in steadily from Haian to the south of Hanking, and gradually retail stocks have been built up to visible quantities. The price, after a drop, has now risen to about \$8 per shih tan, or nearly \$9 for the old tan, including a sixty-cent tax. Rains at harvest and threshing time have greatly injured the wheat crop. Coal is becoming scarce, and is so completely under military control that the private owners of supplies are practically squeezed out of possession. Electric light is still available to only a few places, and reconnection is a lengthy process hardly to be accomplished without pull. Water pressure is slowly improving. There is no public telephone service, but certain official places are connected, and some work with cables is in progress. Sanitation is largely a matter of sweeping a few of the main streets. Foods are being pounded to pieces by military trucking with insignificant repair. Driving has been wild and murderous; just now an effort is being made to get military vehicles to go around pillars at intersections. Bus service is limited to two poorly supplied lines. The daily military train to Shanghai now carries three or four third- and fourth-class cars open to civilians; there is no free traffic to Wuai; and no commercial freight or parcel service open to all.