Nov. 22, 1938 Open Letter on the Narcotic Problem in Nanking (Sent to certain Japanese Friends and published in China Press, and Shanghai Evening Post and Mercury. Omitting concrete details of the retailing system and taxes) To Japanese and Chinese who care for the welfare of the People of the Nanking Area: As an old resident of Nanking long observant of the progress and wellbeing of its people, I am interested to learn this week of a movement in the "Legislative Yuan of the Reformed Government" looking toward a revision of policy in the supply of narcotics. Permit me to use this opportunity to make an appeal for recognition of the great evil now in process, and for the prompt efforts of men of high character to secure not merely some small adjustment, but a significant reversal of system. At various times during the past few months, I have mentioned to Japanese friends, and to other visitors from outside Nanking, that the narcotic problem was becoming serious. Several of them said they had not heard of it, and asked for information. I began to observe more closely, and in the rapid developments of the current month become convinced that the attention of public spirited persons ought to be drawn to the matter at once, if the people of this city and surrounding districts are to be saved from irreparable harm. The information here presented comes from these sources: a. The direct observation of myself and reliable friends. b. Regulations of the Tupan's Office (governing the Nanking Area) Establishing the Opium Suppression Bureau; and By-Laws of the Opium Supply Establishments and for Retail Stores; 'Provisional Regulations for Special Licenses and Sales in Smoking Dens'; Application Blanks for the Registration of Domestic Smokers (covering daily issue of opium with taxes.) c. Statements from dealers and officials secured of course through personal connections. Report On The Narcotic Trade in Nanking I. Sharp Reversal of Conditions The present generation has not known large supply and consumption of opium in Nanking, nor open sale in a way to attract the poor and ignorant. Particularly during the last five years has the use of opium been slight, due to fairly consistent and cumulative government pressure against the trade, plus the result of educational effort during the past thirty years. Heroin was practically unknown. But the changes of the year 1938 have brought an evil revolution. Today opium and heroin are abundantly supplied by the public authorities or by those

who enjoy their favor and protection. Tens of thousands of persons have become addicts, including children and numerous young people of both sexes. Thousands are engaged in the business. A new generation is beginning with the weight of ruling authority thrown in favor of narcotics. Some officials are notorious and open consumers. Public revenues are being built upon the ruin of human bodies

and spirits.

- 2 -Licensed dens in the public system advertise upon the streets that their products increase the health and vigor of those who use them; and the one newspaper in Nanking, official in character, invites citizens to places of doom. II. The Nature of the Trade A. Opium 1. The Public System. For administrative purposes in general Nanking City (including Hsiakwan) is divided into five districts. Each district is supposed to have one Opium Supply Establishment (T'u KaoHang) authorized to sell up to 750 ounces per day. Actually the Opium Suppression Bureau is issuing opium directly to the subordinate sale agencies now to be described. Each district may have five retail stores (T'u Kao Tien) say the basic Regulations. They are taxed in three grades presumably according to the amount of business they do, at \$4,200, \$2,840 or \$1,420 per quarter. Each district was supposed to have ten Smoking Dens (Shou Hsi So), of which forty odd were doing business as of November 15. They are taxed according to the number of lamps employed; nine lamps at \$150, six lamps \$100 and three lamps at \$50. But while this report is being written the official Regulations have been changed to permit in each of the five municipal districts ten Retail Stores and thirty Smoking Dens. I observed several opening for the first time on November 19. One friend has secured at my request the names and addresses of 52 stores and Dens which he found in one day in the southern half of the Walled City, only. 2. Observations on the Public System. The Opium Suppression Bureau is under the Municipal Finance Office of the Tupan's Administration. Recently there has been some police pressure, associated with interests in fines, upon users of narcotics other than opium. The Bureau's Regulations and By-Laws are concerned mainly with bringing all private trade and consumption into the revenue net. There is vague and kindly mention of a possible institution for breaking the narcotic habit; but more specific are the measures to control expected crookedness within the system, and to ensnare requisite secrecy in this 'public' enterprise. The broad social view of the Opium Suppression bureau is indicated by the arrangements for supplying hotels and brothels with special licenses and even by the private licenses (for seven-day limit, which is surely generous) to cover marriages, funerals and social entertaining. 3. Private Trade, Sources of Opium Supply. Price, Volume of Business. From examining the official scheme, one might think that only 75 (now 200) establishments would be dealing in opium in Nanking. But one must recall the large number of hotels and brothels of all sizes and names, plus the fact that a host of domestic lamps, licensed and unlicensed are doing more than domestic duty. One very small neighborhood, near my home, and not in a thickly populated portion of the city, is found to have fourteen obvious centers of distribution and consumption. Within the past few days, one organization of Japanese and Korean 'hostesses' and ronin brought in 80 cases of opium. An important dealer in the public system says that Japanese agents a fortnight ago delivered here over 400 cases of Iran opium; but this shipment seems to have had some relation to the Opium Suppression Bureau, and therefore should not be criticized. However, there is abundant testimony that the major opium supplies come from Dairen through Shanghai.

- 3 -The daily sales under the hands of the proper officials are in principle limited to 6,000 ounces. Not a few of the sales go out to the surrounding country. Actual totals must be much greater than the legal limitations. But 6,000 ounces alone represent \$66,000 per day wholesale, or \$2,000,000 per month. B. Heroin Destructive and alarming as is the trade in opium, it is overshadowed in viciousness, perhaps roughly equalled in monetary volume, and probably surpassed in number of persons affected by the totally new development of heroin. Heroin is more convenient to take and a very small quantity is effective. It is commonly said that at the present prices a moderate addict's daily use on a low plane costs fifty cents to one dollar in opium but only thrity or forty cents in heroin. (Portions of opium or lamp privileges in the official Smoking Dens run from 20 cents to \$5, according to quantity, quality and the style of the establishment.) A sensible private estimate is that 50,000 persons, one-eighth of the Nanking population, are now users of heroin, Others put it higher. The trade in heroin is private, widely scattered in retail peddling and conducted through agents who work under a hierarchy of intimates. One friend knows of 72 places of sale. It is commonly reported that the Special Service Department of the Japanese Army has close and protective relations with the semi-organized trade in heroin. An agent of considerable standing says that the Special Service Department has recorded monthly sales above \$3,000,000 in the area of which Nanking is a center. There is general testimony that a good deal of the wholesale trade is carried on by Japanese firms which outwardly deal in tinned goods or medicines, but handle heroin through rooms in the rear. C. Conclusion. One cannot imagine a shorter sight and narrower greed than that which exploits the war-time ruin of a relatively decent society to draw the hungry and sick and hopeless down the false road that leads only to destruction. In most cases the first use of narcotics is through deception or lack of comprehension of the real nature of the step taken. To make cheap supplies universally available, and to increase their use by advertising and the building up of a vast public and private financial interest in the extension of sales, is a policy based either upon stupidity or upon inhuman greed. Do either Chinese or Japanese interests require for the future a drugged people, short-lived and infecund, physically indolent and morally irresponsible? That is the kind of people who are being developed in the Nanking Area today by the Opium Suppression Bureau and by the heroin merchants of all types. Here is a flat test of the statesmanship and the character of the Reformed Government and its sponsors. No Chinese of real worth will trust or assist an administration which ruins society before his eyes. And conversely, if the new administration wants the support of the better elements of the population, the first step to secure it is an instant and resolute stoppage of the flood of narcotics.