

Nanking

Wednesday May 29 1946

DEC 31 1947

China Medical Commi:
55157

Dear Ray:-

We have finished our Shanghai and Nanking visits and are waiting transportation to Peiping. We had expected to leave this morning by 8AM but the Chinese govt airlines' Chinese personnel is on strike and there is no clear indication of when that way of getting North will open up. Gen Marshall today sent an officer to inquire whether we had transportation and there is a chance that he will provide us with a plane. Of that we shall know tomorrow.

Though it is too early to write much that is definite or well digested, since we have been on a pretty busy schedule, there are four or five items that seem worth passing on. Currency inflation and political uncertainty intertwine and interact with a force that is equalled only by its complexity and intimacy. We are in the midst of changes so rapid and so startling as to deserve the name of revolution and if it were not for the vast reservoir of a mediaeval agrarian economy of agricultural China the reaction would be even more rapid and catastrophic. In terms of Chinese dollars the costs of living have increased from 2500 to 3000 times: in terms of dollar equivalent the increase is from 3 to 5 times what things cost in 1936. Thus goods or services which cost 100 CNC dollars in 1936 cost US\$30. Now they cost 300 000 CNC (Chinese National Currency) and \$150.00 U.S. House servants can be had in Shanghai at about the cost of a professor's salary. A small orange cost 30 cents in U.S. currency, a glass of milk 60 cents. The time cannot be long for government employees to find they cannot stick it. Obviously this

he could not be freed from the Govt to take the Directorship. He suggests PZ King or H.C. Chiang or C.U. Lee or Wong Wen Hae. I would think this might remain between you & me for the time being. As you agree. Tsui suggests that a Chinese or two on the CMB would be a wise move. I agree.

bears and will bear even more heavily on the stability of Govt. - especially of a Govt which has the costs of moving from West China, of repair of everything and of mounting costs. I was told that the budget made in Sept 46 for the year 1947 of the Ministry of Education was 1400 Yi. Now a Yi = \$100,000,000. So the full statement is CNC \$ 140,000,000,000. which is \$70. million U.S. dollars. We saw a new desk in the National Health Administration which cost CNC \$ 800,000. or \$400 U.S., and one iron bed of a cheap but strong construction that cost CNC \$140,000.

I do not feel able yet to describe the political situation, other than to say it is precarious. The brightest light comes from a few American commentators in the form "there is some ground for hoping" but the main Chinese view seems to be very guarded.

The best long term hope for China lies in education and in the improvement of railroads, roads, plane travel, telegraph and all forms of communication. But I am certain that neither the PUMC nor its hospital can be opened in the ~~near~~ current year or until political and economic furies have passed a crisis. I can't go into full detail now.

Burwell Houckes and I are working well together. I have a steadily mounting respect for L's judgment and his knowledge of China and the obviously high regard in which he is held. Burwell's status as Dean of Harvard impresses the Chinese favorably and he is gaining steadily in his comprehension of a situation which he will understand far better ~~when~~ after the Peking visit. After Peiping we shall hope to go to Chung-King Chengtu and Canton. Then Shanghai and a final visit here to Hanking. We keep in first class physical shape. I've about 55 pages of diary I'll send from Peiping if I can get it typed. I had a frank talk with YT Tsui. Though not perhaps final his view is that