Nanking

Wednesday May 29 1946

Dear Ray,

We have finished our Shanghai and Nanking visits and are waiting transportation to Peking. We had expected to leave this morning by 8 AM 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 place. 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 disprove the name of revolution and if it were not for the vast expanse of a medieval 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 2000 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 500 CMC dollars in 1936 cost US$30. Now they cost 300,000 CMC (Chinese National Currency) and $150.00 U.S. House servants can be had in Shanghai for about the cost of a professor's salary. A small orange costs 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 post to take the Tientsin-Peking railway as Chief of the National Railways Commission. I have been told he is working well together. I have a steadily mounting respect for his 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 Peking we shall hope to go to Chungking, Chengtu, and Canton, then Shanghai and a final visit here to Nanking. We keep in first-class physical shape. I've about 55 pages of diary I'll send from Peking if I can get it typed. I had a fine talk with YT Tsou. Though not perhaps final his view is that