

CHINESE INFLATION RUN AMOK 1945-1949: 42 MONTHS OF HYPERINFLATION

At the end of World War II the truce between Nationalist Chinese and Communist sides ended and civil war started. This exhibit traces hyperinflation faced by Nationalist China caused by the ongoing military action. As territory fell to the Communists, the inflation spiraled until April 1949, when a new currency (the third) slowed the inflation in what remained of Nationalist territory. Shown is an in-depth study of international rates from China to the United States.

On October 1, 1945, a Chinese National Currency (CNC) rate was established. Inflation led to a devaluation on 8 November 1948 to a Gold Yuan currency at the rate of \$1 Gold = \$3,000,000 CNC. Inflation spiraled, and another devaluation was made to Silver Yuan Currency on April 29, 1949, \$1 Silver = \$4,000,000 Gold, or \$12,000,000,000,000,000 CNC = \$1 Silver Yuan, which slowed inflation.

Surface mail, air mail, and printed matter rates are shown along with registry fees. They are presented separately as the rate periods do not overlap every time. In total, there are a combined 118 rates for the period, 114 are shown.



The start - \$30 CNC Surface Rate – Shanghai - 22 October 1945

At the bottom of appropriate pages is a bar graph showing the progress of inflation using logarithmic notation. The numbers represent powers of ten, or the number of zeroes after a 1, that the current rate is a multiple of the original rate. For example: 4 on the graph equals 10^4 or 10,000 times the original rate.

