

Postal Rates During the Gold Yuan Era: The Chinese Hyperinflation of 1948-49

This is a postal history exhibit that looks to postal rates to illustrate the hyperinflation that took place in China during the Gold Yuan era, the period between October 1948 and early June 1949 during which stamps denominated in Gold Yuan currency (GY) were in use. As this hyperinflation contributed directly to the victory of the Chinese Communists, and at least indirectly to the Korean War and the Vietnam War, the only modern inflation even comparable in its impact on the politics and economics of the 21st century is that of Germany in the early 1920s.

The order of presentation in the exhibit is chronological within the following categories:

- Surface Rates — Domestic — Fourteen Rate Periods (DS1 to 9, 10a to e)
- International — Eighteen Rate Periods (IS1 to 13, 14a to e)
- Airmail Rates — Domestic — Twenty-five Rate Periods (DA1 to 20, 21a to e)
- International — Eighteen Rate Periods (IA1 to 13, 14a to e)

In late April 1949, a new currency denominated in silver dollar coins (Silver Yuan or SY) was introduced to replace GY. Rate Periods DS10a-e, IS14a-e, DA21a-e and IA14a-e reflect only those postal rates computed at the exchange rate officially announced in Shanghai from time to time between GY and SY. Exchange rates in other cities and towns were not set by central postal authorities, can only be determined empirically, and are shown only in the epilogue to each category.

The context in which these rates evolved can be summarized as follows:

- Aug. 20, 1948 - GY introduced to replace Chinese National Currency (CNC) in circulation since 1937. Intended to reform China's monetary system and stabilize prices. Exchangeable for CNC at a rate of CNC \$3,000,000 to GY \$1.
- Oct. 9, 1948 - First stamps denominated in GY issued. Inflation again beginning to take hold.
- Jan. 31, 1949 - Stamps denominated in CNC demonetized.
- Jan.-Apr. 1949 - Nationalist fortunes continue to decline. Value of GY continues to erode.
- Late Apr. 1949 - SY introduced to replace GY.
- May 1949 - GY remains valid in many areas but value continues to erode through an accelerating decline in the GY:SY exchange rate (variable from place to place).
- May 27, 1949 - Shanghai falls to Communist forces.
- June 1949 - Use of GY effectively ends.

“Percentage increase from prior period” and **“Percentage increase from introduction of GY”** compare ordinary mail rates for the first 20g and the sum of ordinary mail rates and airmail surcharges for the first 20g (domestic) or 10g (international), as applicable.

Because many Chinese cancels number the year from 1912, the year of the founding of the Republic, 1948 is usually referred to as 37, and 1949 as 38. Unless specified otherwise, dollar amounts are expressed in GY. Chinese names and terms are Romanized using the *pin yin* system.

Very significant covers are bordered in **dark red**. **Bolded text** describes service(s) purchased (other than ordinary surface in all Rate Periods and airmail in the DA and IA Rate Periods) and other matters of note.