

SHANGHAI'S BUYING POWER

Retailers Happy in Spite of Business Depression: Plenty of Money Available

In times of business depression countries which conduct their operations upon a statistical basis pay very nearly as much attention to the condition of retail trade as to wholesale. Naturally retail buying gives a fair indication of the greater or smaller wage-earning capacity of the worker, and then when there occurs such an event as a consumers' strike, which was one of the phases of the past year, the retail trade deserves an even greater degree of attention than in normal times. In Shanghai we have heard the suggestion of a consumers' strike, but it never got beyond the state of suggestion. In view thereof, and of the undoubted business depression which has hung over the port for about a year past, it has been thought worth while to make an inquiry, similar to those constantly carried out in other countries, as to the state of the retail trade here. The results are of considerable interest, not only as indicative of the habits of Shanghai but of the actual prosperity of the community.

EXTRANEOUS FACTORS.

The general conclusion to be come to as a result of this inquiry is that the foreign community of Shanghai, taken at its normal size, spent rather less in these past few months than it would have done in days of average business prosperity. As it happens, however, the foreign population can hardly be said to have a normal size in these times, for with the advance of China's foreign trade its tendency is to increase, and moreover the Russian situation has added to it a very large number who would not in ordinary circumstances be residents, or for that matter even casual visitors. With these influxes into the Settlement it is obvious that the retail business, so far as volume is concerned, affords no comparison to-day with conditions in ordinary times. One or two points in regard to this, however, may be mentioned.

The statement of the manager of one large retail establishment is that but for the presence of so many Russians it would have been a hard struggle to maintain the average of former years. His experience has been that the Russian community here is comparatively wealthy, and while a good many of their purchases are for sale in Vladivostok and Harbin, practically on a wholesale basis, they have also shown themselves free buyers for their own requirements, Russian women especially.

Another extraneous factor is suggested by the manager of a different establishment. The point that has impressed itself on his attention is the amount of cash business which he has done during the last year and more. His theory is that

this is due to the greater number of Americans who have arrived here, and who possibly not knowing the length of their stay in port have refrained from opening accounts.

One establishment also reports a considerable amount of buying on the part of Japanese.

LUXURIOUS HABITS.

When all these points are considered it becomes very difficult to institute any sound comparison with ordinary times of prosperity. While, however, as pointed out above, there are some indications that only the larger size of the community has been instrumental in preventing a falling off in retail business, there is another point that emerges. Shanghai—by which we mean the permanent residents—seems to buy as many luxuries as ever. At the same time certain interesting little economies are practised, of which more anon.

With business bad and firms making small profits—if indeed losses on the past year's working have been averted—it might have been thought that there would be less money to spend. Where a man was not employed in a cotton spinning concern or something similar which benefited out of the conditions affecting foreign trade, there would seem to be a probability that his total year's salary would be smaller than ordinarily. Those looking for a percentage on profits or generous bonuses are very likely to have had expectations distinctly curtailed, and so have less to spend. But their wives appear to purchase the same number of dresses and draperies as of yore, and in one quite luxurious article—not of dress but of convenience—there has never been such a successful season as during the past few months.

ECONOMIES.

That is one phase, but then there are economies. The average woman in Shanghai dislikes, apparently, any cutting down of her allowance of face powder or perfume. So she buys as much as ever of these and where, it is suggested, she saves is by making her hair-brushes and tooth-brushes and nail-brushes last longer than formerly.

The same sort of thing can be seen in sport. Tennis balls and racquets are not cheap at the present time. So people make a racquet serve for an extra season and whiten up the balls so that they may continue the good work.

Report also has it that wedding presents are less expensive than in the palmy days.

Obviously these are only a mere indication of the manner of economies which are in vogue. People save on such matters but spend as much as ever on other things—essentials such as face powder and perfume. And in the final accounting they save nothing at all in relation to what they used to spend. To get the same amount of perfume and powder they have to pay more to-day, so the total certainly comes to no less.

Obviously Shanghai has as much money as ever, but the power of

individuals to buy the same amount of articles as before is on the whole curtailed owing to the higher level of prices. Further it is not quite certain whether with the increased number of customers they now have, the retail establishments are doing the same volume of trade as before, as though their takings may be as much or more than previously, the public are quite probably receiving less.