

No. 167.

(F 1057/230/10)

FOREIGN OFFICE, S.W.1.

19th February, 1940.

*Separate
minutes*



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My Lord Marquess,

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With reference to my telegram No. 251 I have to inform you that in the course of a conversation at this department on the 9th February, a member of the French Embassy stated that the French Ambassador in China had reported that the Chinese Government had concluded, or were on the point of concluding, negotiations for a new export credit from the United States amounting to \$25,000,000. This credit was in addition to, and not in substitution for, the original credit for the same amount and it would be secured on surpluses of wood oil and, in addition, of wolfram, copper and bristles.

2. The French Ambassador, who is at present at Chungking, understood that the Chinese were negotiating for the purchase of \$20,000,000 worth of war material in the United States. They were hoping to make even more extensive purchases and possibly to secure an increase of the export credit to \$75,000,000.

3. I shall be grateful for any confirmation of this report which Your Lordship may be able to furnish.

I am, with great truth and respect,
My Lord Marquess,
Your Excellency's obedient Servant,
(For the Secretary of State)

R. G. Home

His Excellency
The Most Honourable
The Marquess of Lothian, C.H.,
etc., etc., etc.,
Washington.

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