

I have spoken to Mr. Warren Pierson again and he tells me that the Export Import Bank credit of \$20 million to China has now been arranged. The Chinese are going to try to amortize the loan if they can in seven years by deliveries of tin. No arrangements have been made for the delivery of any other commodities, such as wolfram, for the purposes of this new loan.

Perhaps you would take some opportunity of enquiring in the State Department if there is any truth in the report that the Chinese are negotiating for the purchase of war material. The terms of the new act preclude the Export Import Bank from giving them any further credit beyond the new \$20 million, and that can only be used for the purchase in the United States of goods other than war material. The Chinese must thus find other resources if they wish to purchase war material here.

stop

April 29th, 1940

Chancery
 Mr. Ashton-Gwatkin
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 Op. 644/229
 (REGIMINT)

Mr. Pierson so you want to know
 I spoke to him last week but he said he has not got much more bulk info. - see 626/7/40 NB. 8/5.
remember this?
 JM
 29.4

[OVER.]