

No. 25.

Sir J. Jordan to Sir Edward Grey.—(Received September 3.)

(Telegraphic.) R.

Peking, September 3, 1912.

CHINESE have made fresh overtures to the six groups for loan of 20,000,000*l.*, stipulating that terms must not be such as to impair their administrative authority or to excite popular alarm. This is understood to imply some modified control of gabelle. Chinese are, in my opinion, more likely to accept proper conditions of security and control at the hands of the six groups than from any individual group of lenders, and latter's only chance of success seems to lie in their agreeing to relax terms. Given equal terms, the six groups would be preferred, because they have command of the market, and, salt being practically the only available security, its reorganisation must, on account of indemnity claims, be an international one.

No. 26.

Mr. Lew Yuk-Lin to Sir Edward Grey.—(Received September 4.)

Your Excellency,

Chinese Legation, September 4, 1912.

I HAVE the honour to inform your Excellency that under instructions from my Government, and in fulfilment of a preliminary agreement signed at Peking on the 12th July last, I have signed a definitive agreement with a financial group, represented by Messrs. C. B. Crisp and Co., for a loan of 10,000,000*l.*, secured upon the unhypothecated portion of the Chinese salt gabelle.

The agreement was signed on the 30th ultimo.

As my Government is in urgent need of funds, pending the realisation of the loan sums in advance will be received against the issue of Treasury bills.

I have, &c.

LEW YUK-LIN.

No. 27.

Sir J. Jordan to Sir Edward Grey.—(Received September 8.)

(Telegraphic.) R.

Peking, September 8, 1912.

YOUR telegram of 23rd August and my telegram of 3rd September.

Minister of Finance informed the representative of one of the groups yesterday that he had just learnt that late Minister of Finance had without his knowledge concluded negotiations with London bank through Chinese Minister in London for loan of 10,000,000*l.*; he was accordingly telegraphing to Chinese Minister warning latter not to sign agreement.

No. 28.

Sir Edward Grey to Sir J. Jordan.

(Telegraphic.) P.

Foreign Office, September 9, 1912.

THE views expressed in your telegram of 3rd September are receiving my careful consideration. Meanwhile I consider it most necessary that an agreement should be reached by the groups as to the conditions on which they will accept the new proposal of the Chinese, and the necessary communication made with the least possible delay.

The 10,000,000*l.* loan with the Crisp Syndicate has been definitely concluded, and a similar loan would have been concluded with the Chinese Engineering and Mining Company if latter had not, by our request, postponed decision pending our approval.