

Chinese Government have entered with the groups, I cannot believe was conducted by their authority. If they refuse, you should enquire how they can maintain their attitude to be consistent with those engagements.

We wish, in any case, to be placed in possession of full details of the recent agreement at the earliest possible date.

## No. 32.

*Sir J. Jordan to Sir Edward Grey.—(Received September 12.)*

(Telegraphic.) R.

*Peking, September 12, 1912.*

YOUR telegram of 11th September.

Following information furnished to me by Kirton, who originated transaction here:—

A preliminary agreement was signed by him on 12th July last providing for negotiations in London. This was on behalf of International Finance Syndicate, of which Crisp is representative. Morrison was instructed to examine proposals, and was understood to have reported favourably.

Price is 95 at 5 per cent., and term of loan forty years. Security, balance of salt revenue and property transfer tax. Loan is to be followed by the establishment in China of an associated commercial bank with a capital of 2,000,000l., half foreign and half Chinese.

I told Kirton that transaction seemed to me impracticable, and that I was bound to oppose it. Salt revenue, as at present administered, was insufficient to meet even the indemnity, and its reorganisation was essentially an international matter. As security for a foreign loan the property transfer tax had no value except for advertising purposes.

## No. 33.

*Sir J. Jordan to Sir Edward Grey.—(Received September 13.)*

(Telegraphic.) P.

*Peking, September 13, 1912.*

I TO-DAY made a representation to the Minister for Foreign Affairs in the sense of your telegram of the 11th instant.

The Minister for Foreign Affairs will submit the representation which I made to him to Yuan Shih-kai.

## No. 34.

*Sir Edward Grey to Sir J. Jordan.*

Sir,

*Foreign Office, September 23, 1912.*

A REPRESENTATIVE of Messrs. C. Birch Crisp and Co. called at this department to-day, and stated that the prospectus of the first part of the loan of 10,000,000l. to the Chinese Government was about to be issued to the public.

Messrs. Crisp's representative said that this notification was made in pursuance of the undertaking given by Mr. C. B. Crisp that he would not issue the prospectus without giving previous notice to the Foreign Office.

The undertaking in question would appear to be that referred to in my despatch of the 10th instant. Mr. Crisp, however, then engaged not merely to issue no prospectus but to proceed no further in the matter of the loan without previous notice to this department. The present notification seems to indicate that Mr. Crisp has in the meanwhile made the necessary arrangements for underwriting, and has completed all other preparations for the issue of the loan; it can therefore scarcely be regarded as fulfilling the undertaking which he was understood to have given. It must indeed have been clear to Mr. Crisp that that undertaking, if it was to have any value for