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CHINESE LOAN FACTS I-25 [25]

Not only are food and clothing supplies diverted by black markets at every level from Government officials to consumer, but it is also now apparent that the first \$500,000,000 loan found its way, in large part, into the pockets of the racketeers. A second \$500,000,000 is scheduled for China on completion of the Marshall settlement, and there is no reason to suppose that the fate of this "loan" will be appreciably different. Meanwhile, most of the Pacific surplus will also go to China (valued at \$500-\$700 million) against still further loans of which repayment is scarcely probable, since there are no other buyers and the alternative is to leave the material to rust.

The total aid scheduled to China is now of the order of \$4 billion, of which all but the first \$1 billion is "post V-J Day". This total includes over \$1 billion estimated Lend-Lease, which China, alone of ~~all~~ U.S. Allies, continues to secure on war time (free) terms. While Congress kicks the British loan back and forth, China is in

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a fair way to secure a sum nearly as great, much of which will do no more than further enrich the traditionally dishonest Chinese official. "The Chinese Government certainly seems to be making lots of money for its own servants," writes a foreign diplomat from Shanghai.