

Gray
Tokyo
Dated February 17, 1938
Rec'd 9:10 a.m.

Secretary of State,
Washington.

111, February 17, 5 p.m.

The British Ambassador today furnished me with the following statement regarding smuggling in North China:

"His Majesty's Charge in China has received reliable confidential information that during the period January 24th to 31st over 17,000 packages were landed near Ch'wangtao without payment of duty. The duty on sugar alone thus evaded was almost 50,000 even at the new tariff rates".

Repeated to Shanghai.

GREW

no. 33
I.E. McDonald
Secretary