

April 20, 1955

**Cable from the Chinese Foreign Commerce
Department, 'Views on the Supplementary Section
of the Plan to Participate in Trade Activities of the
Asian-African Conference'**

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Summary:

Chinese Foreign Ministry instructed the Chinese delegation at the Asian-African Conference to develop bilateral trade and system of payment instead of triangular and multilateral trade. The Ministry was also opposed to the creation of a payment union.

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Chinese

Contents:

Translation - English

Li Kenong, Foreign Ministry ([Chen] Jiakang)
To Bandung, Indonesia
Kong, [text illegible] have read this
Priority: Special
Forwarded to Chen Yun, Li Xianxian [text illegible], Foreign Ministry

Content: Views on the Supplementary Section of the Plan to Participate in Trade Activities of the Asian-African Conference

Minister Ye (Top Secret):

Ministry party section discussed "Supplementary Section of the Plan to Participate in Trade Activities of the Asian-African Conference", the results are as follows:

1. Everyone believes countries of South East Asia lack external [text illegible], and their relationship with Imperialist countries is deep. They (especially Japan) are very interested in triangular trade, multilateral system of payment and payment union; main point being they want to take advantage of us, to resolve this is in itself difficult. As for us, we have [similar] difficulties too. Therefore, we should mainly try to develop bilateral trade and bilateral systems of payment. If for the sake of balance, we can also consider appropriate triangular trade, but this will depend on the actual conditions of the country (how about adding an image of their political situation), and the actual conditions of the products (after trade has been established, can we attempt to gain their provision of imported materials we desire, and can we market export products that we desire). [It should all] be conducted under the principle of mutual benefits.

2. The establishment of a payment union is not in our interest, and we should take the appropriate measures to refuse such a proposal. Because: (1.) We do not have the ability to provide the funds for payment nor is it appropriate to provide such funds. If supposedly we fall into [a payment union], then we will be made passive. (2.) It is difficult to prevent the realization of British and American domination by the British Pound and the American Dollar via servile countries. As for the establishment of an economic cooperation organization, we should only [create or join] one that is not very restrictive in its agreement, and still has a guarantee that it won't be controlled by American and British imperialism.

3. As for whether or not to mention the method of payment by installments, it will depend on the actual situation. As for the issue of joint prospection of resources, there does not seem to be a need as of now, but generally mention technical cooperation. Furthering the trade issue is mainly to try and resolve difficulties in bilateral trade.

Foreign Commerce Department
20 April 1955