

*From the London End*

## China Embargo: An Attitude of Hesitancy

THE RE have been few issues on which Government's pronouncements have been more contradictory than, and at times as hesitant as, those on the question of the strategic embargo on exports to China. Everyone now recognises that the embargo has lost its practical value not only with the virtual ending of restrictions on Anglo-Soviet trade, but in view of the vigour and abandon with which Germans, Swedes and the Swiss have stepped up their exports of machinery, etc, to the Chinese mainland. Even *The Economist*, which had systematically argued against any concern for the Chinese market, has now had to admit that "in logic, the case for bringing that control (on exports to China) into line with the new lists for the Soviet bloc, seems strong".

Thumbing through the pages of *Hansard* is not particularly rewarding to anyone wishing to obtain firm Government pronouncements of policy. This has been all the more true in regard to the trade embargo on China. For example, the same Government spokesman (Lord Manscroft), replying to questions in the House of Lords on one occasion, agreed that the embargo could be withdrawn "before an overall Far East settlement" on a second occasion, "after a Korean settlement"; and on a third occasion, "after watching general developments in Asia". In the House of Commons, on the other hand, Government replies have been of the following order: the withdrawal of the embargo is "dependent on the United Nations"; "we hope that the Geneva Conference will open the way . . ."; and "the trade controls must remain because China has been engaged in hostilities against the United Nations forces . . .". Some of these statements were made at intervals of a week. The most irritating reply was that given by the Foreign Secretary some two weeks ago. In reply to a question, enquiring "whether the Foreign Secretary thinks that it is time to end the restrictions imposed by Her Majesty's Government", Sir Anthony Eden spoke thus:

"The Right Hon Gentleman knows the terms of this embargo and how it originated. I can

assure him that I have in mind the considerations which perhaps he has in mind. I do not wish to say anything more today."

When pressed to explain whether the end of fighting in Korea or what the Minister of State the previous day had termed "the Indo-China connection of the embargo" was the criterion on which Government judgment was being based, the Foreign Secretary was content to state that the embargo issue was a matter of "explosive possibilities" and therefore he "would rather not say any more today".

What are these "explosive possibilities"? Of course, they refer to the likely reactions of the United States. Your correspondent took the opportunity of seeking some authoritative American statement on the subject, and was instantly referred to the proceedings in the US House Appropriations Committee earlier this year. The Assistant Secretary of State for Far Eastern Affairs, Mr Walter F Robertson, was reporting to the Committee and the following exchange took place:

*Mr Coudert:* Did I correctly understand you to say that the heart of the present policy towards China and Formosa is that there is to be kept alive a constant threat; of military action *vis-a-vis* Red China . . .?

*Mr Robertson:* Yes, sir, that is my conception.

*Mr Coudert:* Fundamentally, does that, not mean that the US is undertaking to maintain for an indefinite period of years American dominance in the Far East?

*Mr Robertson:* Yes, exactly.

*Mr Coudert:* And with regard to trade?

*Mr Robertson:* If I were the dictator and could lay down the law, I would not have trade with Communist China either by ourselves or our allies. As you know, the US now embargoes all trade.

This exposition somewhat too clear—of the American viewpoint carries with it implications which are, as Sir Anthony Eden termed

then, "explosive". This is the likely explanation for Britain's hesitation and, of course, for the contradictions that have appeared in *Hansard*.

But in Continental Europe no such qualms have been noticed. The embargo has been applied, but, as the West German Minister of Economics put it, it is being applied in a "flexible manner". In fact, the embargo has been administered so flexibly that West German trade with mainland China in 1953 was nine times the level reached in 1952.

### Exports to China: Selected European Countries and Japan (Machinery and Electrical Apparatus)

	(£ 000's)		
	1951	1952	1953
UK	1,032	605	1,014
France	19	19	388
Switzerland	1,337	545	937
Sweden	326	75	203
W Germany	306	165	1,615
Japan	1,218	47	356

The pressure for increased Anglo-Chinese trade does not come only from Leftist circles. British traders, who have for long built up connections in China, have on numerous occasions expressed their anxiety at the forceful manner in which Germans and other foreign exporters have pushed themselves in the Chinese market. This anxiety has also often been voiced in Parliament from Tory benches. They have attempted at times to take the initiative through trade visits, but they find the licensing departments of the Board of Trade as difficult as ever. Contracts signed lie frustrated, and the anxiety grows. It is evident that Government appreciates the position, but it is equally evident that it fears antagonising the US State Department. Government spokesmen are realising as well, that all their arguments about "a Far East settlement", etc, appear unconvincing: hostilities in Korea ceased in June 1953, hostilities in Indo-China ceased in June 1954, and the Geneva Conference ended in the same month. There is little wonder—drat Sir Anthony Eden should now speak in terms of confidence—"I fully understand the force of that question" and so forth—when the matter of

the embargo is raided. While these recognisable hesitations are being voiced and caution spelt, the whole structure and pattern of China's foreign trade is drastically changing in a manner which is likely to be disadvantageous to Britain.

In any event, the old pattern of Sino-British trade is gone for ever.

Many British traders with age-old connections with the China trade—the so-called "Old China hands"—have been reminiscing about the one-time ease with which they manipulated and dealt in the China market. Today, of course, most of the heavy, ornate offices of foreign merchant houses in Shanghai and elsewhere have gone into Govern-

mentary warehouses now carry more distinct Chinese characters. The past is now history—no longer life. The Chinese, as a writer in *The Times* puts it, "visit factories in Sheffield and inspect our cars in Birmingham—the 'compradoric' style has seen its day in China."

## Reducing Absenteeism the Modern Way

One of the important problems that confronts employers of labour everywhere is ABSENTEEISM. It is the enemy within the factory that robs employers of thousands of valuable man-hours every year. In India, a major cause of absenteeism is sickness, and the greatest offender is MALARIA.

Today, however, many employers have found a simple expedient of overcoming this serious problem by putting 'PALUDRINE' on the payroll. 'PALUDRINE' has helped them to cut down the rate of absenteeism sharply, and to maintain optimum efficiency.

Introduce 'PALUDRINE' into your establishment now. 'PALUDRINE' is the easy, inexpensive and modern weapon for fighting absenteeism. We shall be happy to co-operate with you in implementing a 'PALUDRINE' Protection Scheme in your factory.

Special rates for bulk purchases are available. Please write to the nearest office of :—

**IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED**  
 Calcutta      Bombay      Madras      Kanpur      New Delhi  
 Ahmedabad      Amritsar      Bangalore      Cochin