

INFORMATION REPORT

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SUPPLEMENT TO REPORT NO. [REDACTED]

COUNTRY Germany (Russian Zone)/China
SUBJECT Renewal of Dispute between the China-Export Corporation, Berlin, and the China Import Corporation, Tientsin

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1. As previously reported*, a major dispute arose in March 1951 between the China-Export Corporation GmbH, Berlin, and its Chinese superior, the China Import Corporation of Tientsin, over the former's cheating the latter of some \$2,000,000 by a manipulation of the invoice value of goods bought and sold on behalf of Tientsin.
2. It was finally agreed between the two parties that Tientsin should debit the China-Export Corporation for Chinese exports supplied to the Berlin firm at the prices prevailing at the date of shipment, and that the Berlin firm should debit Tientsin for the goods which it supplied in exchange at the prices prevailing at the same date.
3. The Chinese trade delegation which was visiting Berlin in early October 1951 discovered, however, that the China-Export Corporation had failed to keep to this agreement with respect to some goods supplied by it in exchange for Chinese exports shipped to Berlin on 25 October 1950 and had, in fact, charged Tientsin considerably higher prices than those prevailing at that date. As a result, the dispute between the China-Export Corporation and Tientsin has flared up again, and the Soviet authorities in Berlin have been called in as arbitrators. The Chinese Trade Delegation, which was due to return to China on 5 October, is remaining in Berlin for the time being to await the results of this arbitration.

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