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Memorandum of Conversation, Soviet Ambassador to China A.A. Petrov with Minister of Foreign Affairs Wang Shijie, 1 June 1946

Citation:

Summary:
Wang Shijie presented a draft of suggestions from the Chinese side about economic collaboration in Manchuria, as a proposal. This includes common mine excavations and the Chinese right to use Japanese enterprises in the former occupied Manchuria until the disagreement over the distribution of enemy property confiscated during the war was settled.

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Memorandum of conversation

Of USSR Ambassador in China, A.A. Petrov, with Minister of Foreign Affairs, Wang Shijie,

1 June 1946

On 1 June 1946 I visited Wang Shijie at his invitation. He presented me with a draft of suggestions from the Chinese side about economic collaboration in Manchuria, as a proposal. In this he informed me of the following:

a. The proposal of suggestions from the Chinese side about the joint exploitation of several former Japanese enterprises in Manchuria contains ideas that were familiar from the 13 and 16 April conversations with Wang Shijie, Liu Ze and Franklin He.

b. The suggestions of the Soviet side about including the coal mines of Hongchon in the number of jointly exploited enterprises were presented for consideration to the corresponding organs of the government. To the extent that this suggestion is still not resolved, these coal mines are not included in the draft of proposals from the Chinese side.

c. The Soviet side previously informed us that it does not agree with the notion that the Soviet portion of the capital of the enterprise, subject to joint exploitation, is viewed as a concession from the Chinese side. As is known, the question of Japanese reparations will be ultimately decided by the Far East Reparations Commission; before this decision the Chinese Government will continue to insist on that point of view, that all Japanese enterprises in the Northeast provinces is part of Japanese reparations to China. The Chinese Government is convinced of that fact that if the Soviet Government agrees with its point of view about the ownership of former Japanese enterprises in Manchuria, then there will not be any accompanying practical difficulties for the Soviet Union.

Having noted that I am acquainted in more detail with the draft of suggestions from the Chinese side, I said that this draft, composed in the spirit of the suggestions put forth by Wang Shijie, Liu Ze, and He Liang in the month of April, is unacceptable for the Soviet side and the Soviet Government will continue to insist on the acceptance of its draft, presented to Wang Shijie on 27 March. I emphasized that the Soviet draft of suggestions was composed in the spirit of authentic cooperation, based on a strong collaborative foundation and the Soviet side was in its rights to hope that this draft would be accepted by the Chinese Government.

Wang Shijie remarked that the Soviet side should take note that in the circumstances [surrounding] the negotiations on economic collaboration, the Chinese government met with two serious difficulties. First, the Soviet side withdrew from Manchuria part of the equipment of the former Japanese enterprises, and second, public opinion (obshchestvennost) considers that the Chinese-Soviet Treaty on Friendship and Unity and the attached agreements resolves all the political and economic questions relating to Chinese-Soviet relations, and the emergence of new problems brings forth a highly negative reaction on the part of public opinion. Wang Shijie expressed the hope that the suggestions presented by the Chinese side will ultimately be addressed in better circumstances.

I said that the development of economic connections between the USSR and China will further the strengthening of friendly relations between our sides, which are important factors in international peace and security, and that the strengthening of Soviet-Chinese economic
collaboration will not worsen the position of the Chinese government, assuming, of course, that policies are realistic and not the irresponsible declarations of various journalists.

At the conclusion the discussion addressed the question of the trip of a special representative of the American president, [Edwin] Pauley, to Korea and Manchuria. I was interested in the interpretation of Wang Shijie about the declaration of Truman of 2 May as a suggestion that the tasks of Pauley include recommendations about the healthy development of industrial production in Manchuria.

Wang Shijie answered that to the extent that he knows from conversations of Pauley with representatives of the Chinese government, the mission of Pauley consists in the study of the state of production in Japan, Korea, and Manchuria for the presenting to the State Department of recommendations on the subject of the working out of the final draft of an agreement with Japan for reparations to the allied countries, which will then be given for review to the Far East Reparations Commission.

Second Embassy secretary M. Kapitsa was present at the conversation.

USSR Ambassador in China

A. Petrov

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