

Record of conversation between the Soviet government delegation and the Chinese delegation on bilateral relations

September 8, 1952

Secret

Present: On the Soviet side: Comrades Molotov, Vyshinsky, Kумыkin, Panyushkin,

Fedorenko;

On the Chinese side: Comrades Zhou Enlai, Chen Yun, Li Fuchun, Zhang Wentian, Su Yu, Shi Zhe.

1. Regarding the Port Arthur naval base. Zhou Enlai states that the text of his note to Comrade Vyshinsky on the Port Arthur naval base raises no objections. Regarding Comrade Vyshinsky's reply note Vyshinsky's note to Zhou Enlai, it has been deemed appropriate not to present the contents of Zhou Enlai's note to Comrade Vyshinsky, but to reproduce it verbatim.

Molotov declares that this proposal by Zhou Enlai has been accepted.

Therefore, the texts of the notes on the Port Arthur issue are considered agreed upon.

2. Sino-Soviet communiqué on the transfer of the Chinese Changchun Railway to the Government of the People's Republic of China.

Zhou Enlai declares the text of the communiqué acceptable.

Molotov notes that a change has been made to the Russian text: the word "preparation" has been replaced by the word "conducting," in accordance with the Chinese text.

Zhou Enlai declares that the text of the communiqué is therefore considered agreed upon.

Molotov reminds that the protocol on troop transport remains in force.

Zhou Enlai confirms this.

3. On technical cooperation in the field of rubber tree cultivation in China.

Zhou Enlai states that the text of the agreement on the rubber tree issue is generally acceptable. He notes that some clarification is needed:

- 1) It is proposed to set the loan amount at one hundred million rubles;
- 2) It is proposed to change the date from 1954 to 1955;
- 3) It is proposed to soften the wording regarding the supply of rubber purchased from third countries, in accordance with Comrade Stalin's instructions;
- 4) It is proposed to specify in Article 4 that this refers to the loan specified in Article 2 of this Agreement.

Molotov states that he needs to exchange opinions with the relevant comrades regarding the determination of the loan amount.

He indicates that, apparently, there will be no objections; he notes that changing the date from 1954 to 1955 will not meet with any objections. He presents a new wording regarding rubber purchased by China from third countries for delivery to the USSR: "Rubber deliveries in the amount of 15-20 thousand tons annually, for which the Government of the People's Republic of China will make every effort to purchase rubber from third countries." He expresses agreement to specify in Article 4 that this refers to the loan mentioned in Article 2 of this Agreement.

Zhou Enlai states that the document on hevea is therefore considered agreed upon. He transmits the Chinese text for verification with the Russian.

Suggests that the appendices to this agreement be either clarified or removed.

Molotov agrees to remove the reference to the appendix to the Agreement, reiterating that the amount of the loan will be communicated additionally.

4. On the Pingdiquan - Ulaanbaatar Railway. Zhou Enlai states that the text is generally acceptable. Suggests deleting the reference to diesel locomotive traction.

Molotov agrees.

Zhou Enlai states that the text of the Agreement on the Pingdiquan - Ulaanbaatar Railway is therefore considered agreed upon.

Submits the Chinese text for verification. Clarifies the date of signing the documents, proposing September 15 of this year.

Molotov agrees.

Zhou Enlai inquires whether the Agreement on the Pingdiquan - Ulaanbaatar Railway will be signed simultaneously with other documents.

Molotov responds that this issue must be agreed upon with Comrade Tsedenbal, since this Agreement must be signed by three persons.

Zhou Enlai notes that if it is not entirely convenient for Tsedenbal to sign the Agreement on September 15, the Chinese side agrees to signing it on September 16 of this year.

5. Regarding the PRC Government's requests. Zhou Enlai states that from the materials submitted to the Soviet side regarding the PRC Government's requests, two groups of issues must be distinguished:

1) deliveries related to the Korean War, and

2) deliveries related to the PRC's five-year economic development plan. He emphasizes that the issue of deliveries in 1952 and 1953 related to the Korean War should be considered first and a concrete response received from the Soviet government before Zhou Enlai's departure. Molotov responded that the Soviet side would try to review the 1952 requests related to the Korean War and, if possible, fulfill them. As for the 1953 deliveries, this matter needs to be sorted out, as a large amount of material is available.

Zhou Enlai states that the Chinese side would also like to consider the issue of arsenals in the PRC separately from the complex of questions regarding applications. He explains this by stating that work in this area has already been launched in China, and also by stating that the Soviet government has dispatched a special group of Soviet military specialists, headed by Comrade Udalov.

Molotov states that the Soviet side needs to review the submitted materials, which will take several days.

Zhou Enlai requests that the issue of the aviation industry be singled out, as extensive work is currently underway in China in this regard.

Molotov states that reviewing and studying this issue will require several days.

Zhou Enlai requests that the issue of the production of communications equipment, including radar equipment, be given special consideration. Molotov notes that it is difficult to say anything at this time, since the materials presented have not yet been studied.

Zhou Enlai proposes that he, Zhou Enlai, together with Su Yu, meet with Comrade Bulganin and other Soviet military comrades to discuss military matters.

Molotov considers this proposal appropriate and states that he will coordinate it with Comrade Bulganin.

6. On the dispatch of Soviet specialists to China. Zhou Enlai requests that the issue of a certain number of Soviet specialists be allocated and considered first, as these specialists are urgently needed in China at the present time.

He says he will submit a first-priority list*.

Molotov states that this issue can be considered, but the Soviet government is of the opinion that some of the Soviet specialists currently in the PRC are not being sufficiently utilized. He notes that new requests for Soviet specialists to work in China appear to be quite large and their fulfillment is difficult.

Zhou Enlai reiterates his request to consider the issue of those Soviet specialists whose deployment is urgent.

He emphasizes that Comrade Molotov's observation that some of the specialists in China are not being utilized sufficiently is absolutely correct. He explains this by saying that the Chinese side is not yet able to utilize its specialists sufficiently. He suggests that the Chief Economic Advisor should more frequently submit his proposals for the use of Soviet specialists and draw the Chinese government's attention to the need to take appropriate measures to ensure the more effective work of Soviet specialists in the PRC.

Molotov notes that the presence of some Soviet specialists in China is hardly necessary.

7. On the possible amount of the loan provided by the Soviet Union to the PRC.

Zhou Enlai states that, in order to determine the amount of the loan provided by the Soviet Union to the PRC, he has prepared a reference document outlining the main provisions of the proposed volumes of trade turnover and mutual deliveries.

Molotov considers the work done worthwhile and says that he will review the presented document.

Zhou Enlai points out that during the first two years, it is expected that the volume of supplies from China to the USSR will exceed those from the Soviet Union to the PRC; in the following three years, supplies from the Soviet Union will significantly exceed those from China. He explores the possibility of using the savings generated by the difference in deliveries from China to the Soviet Union during

the first two years to cover the difference that will arise in the following three years between deliveries from the Soviet Union to the PRC and from the PRC to the Soviet Union.

Molotov states that this issue needs to be studied, after which the Soviet side will be able to provide its response.

Zhou Enlai then asks Comrade Molotov to consult with him on the preparation of the five-year plan.

Molotov provides the appropriate clarifications.

Zhou Enlai thanks him.

Zhou Enlai then expresses his hope that upon his return from Stalingrad, a meeting be organized between the relevant representatives of the Chinese side and the heads of the USSR State Planning Committee.

Comrade Molotov agrees.

*The proposal was handwritten into the typewritten text. - Editor's note.