

The Manchurian Situation. - Chinese Concern at Continued Presence of Red Army in Manchuria and Dismantling of Japanese Industrial Plants as War Reparations. - Anti-Russian Demonstrations in Chinese Cities. - U.S.A. upholds “Open Door” Policy in Manchuria in Notes to China and Russia. - Anglo-U.S. Protests at Dismantling of Industrial Plant. - Soviet Evacuation of Manchuria. - Large-Scale Fighting between Central Government and Chinese Communist Forces. - Gen. Marshall's Negotiations with National and Communist Leaders for Settlement of Political Crisis. - Chinese National Troops recapture Changchun and Harbin from Communists in Manchurian Counter-Offensive. - Central Government and Communists agree on “Cease Fire” Truce. - Tripartite Discussions for Final Solution of Nanking-Yenan Dispute.

Despite the agreement signed on Jan. 10, 1946, between the Chinese Central Government and the Yenan (Communist) régime officially bringing to an end the civil war in North China (7705 A), the situation in Manchuria led to renewed tension in the opening months of 1946. Apart from the fact that the Communists continued to exercise control over the greater part of the N.E. Provinces and to oppose the Central Government's attempts to re-establish its authority (clashes being reported in various areas from time to time), much concern was caused in Chungking owing to the continued presence of Red Army troops (who, under the Russo-Chinese agreement of Aug. 14, 1945, were to have been withdrawn within 3 months of the Japanese surrender) in Manchuria, and at reports that the Soviet occupation authorities were dismantling former Japanese industrial plants on a large scale as war reparations.

Prior to Feb. 18, official Chinese quarters had maintained reticence regarding conditions in Manchuria, but on that date leading Chinese press organs launched a campaign strongly critical of Russian activities in that province, the influential *Ta Kung Pao* alleging Soviet aid for the Chinese Communists and declaring such aid to be contrary to the terms of the Russo-Chinese treaty. Large-scale anti-Russian demonstrations occurred in Chungking on Feb. 21, when thousands of students and workers demanded the immediate withdrawal of the Red Army from Manchuria and wrecked the offices of the Communist paper *New China Daily News*, and also in Shanghai, Nanking, Hankow, Peiping (Peking), Chengtu, and Tsingtao on succeeding days.

President Chiang Kai-shek, on Feb. 25, restated China's claim to full sovereignty over Manchuria, declared that world peace depended on Sino-Soviet co-operation, and in an official statement of policy said that he had instructed his head-quarters in Manchuria to base their negotiations with the Soviet authorities on the following principles: (a) all agreements arrived at to conform to Chinese law; (b) respect for the Russo-Chinese treaty of Aug. 14, 1945; (c) no conflict with international treaties to which China was a signatory.

On March 5 the U.S. State Dept. released the texts of identical Notes sent by Mr. Byrnes on Feb. 9 to the Soviet and Chinese Governments regarding the attitude of the U.S.A. to Manchuria.

After stating that “current reports of discussions between Chinese and Russian officials with regard to the disposition and control of industrial enterprises in Manchuria give concern to this Government,” and recalling that the Sino-Soviet treaty of 1945 (7396 A) provided only for joint control of certain Manchurian trunk railways and not of industrial enterprises, the U.S. Note continued: “Under present conditions, when free access to Manchuria is not open to nationals of other powers and equality of opportunity in seeking participation in the economic development of Manchuria is denied Americans and other Allied nationals, it is felt that negotiation of agreements between the Chinese and Russian Governments with regard to industries in Manchuria would be contrary to the principle of the ‘open door,’ would constitute clear discrimination against Americans who might wish to participate in the development of Manchurian industry, and might place American commercial interests at a disadvantage in establishing future trade relations with Manchuria. Directly related to this matter is that of reparations policy, because the major portion of the industries of Manchuria were Japanese-owned prior to the defeat of Japan. This Government considers that the ultimate disposition of Japanese external assets, such as the industries in Manchuria, is a matter of common concern to those Allies who bore the major burden in defeating Japan... It would seem, therefore, most inappropriate at this juncture for any final disposition to be made of Japanese external assets in Manchuria, either by removal from Manchuria of industrial assets as ‘war booty’ or by agreement between the Russian and Chinese Governments for the control of ownership of these assets.

The U.S. Government desires to be co-operative with the Chinese and Soviet Governments in seeking a solution of the problems outlined above, and hopes that the other two Governments are animated by a similar spirit. It would therefore appreciate being informed of any discussions which the two Governments may be having or may plan to have, or any action they may have taken, in regard to the disposition or control of industrial enterprises in Manchuria, and would welcome full and frank discussion of the problem.”

At the same time the State Dept. announced that the Chinese Government had informed Washington that the Soviet Government, in a Note to China on Jan. 21, 1946 had declared that all Japanese enterprises in Manchuria which served the Japanese Army were regarded as war booty of the Soviet forces; that the Chinese Government considered this claim “far exceeded the scope of war booty as generally recognised by international law”; that, for this reason, China and Russia had not been able to reach unanimity of views on the matter; that, in another memorandum, the Soviet Government had proposed to hand over to China a part of the Japanese enterprises regarded as war booty, and that remaining enterprises— including specified coal

mines, iron and steel industries, chemical works, and arms plants—should be operated jointly by China and the U.S.S.R.; and that the Chinese Government had stated that it could also not accept the latter proposals since they went beyond the provisions of the treaty of 1945.

It was announced in London on March 11 that H.M. Government had sent to Moscow a protest against the seizure of industrial equipment in Manchuria similar to the U.S. Note. In Washington, it was announced on March 12 that the Soviet reply to the American Note had been received; its text was not published, but Moscow radio, on the same day, stated that the Soviet Government had upheld the argument that any equipment used by the Japanese Army was regarded as war booty and that the Red Army was therefore fully entitled to its use.

The Chinese Foreign Minister, Dr. Wang Shieh-chieh, announced in Chungking on March 23 that the Chinese Government had, on March 6, formally asked the Soviet Government for the immediate withdrawal of all Red Army troops from the N.E. Provinces, and that on March 22 the Soviet Ambassador in Chungking, M. Petrov, had delivered the Soviet reply, which contained an assurance that the Red Army was already being withdrawn from Manchuria and that the evacuation would be completed by the end of April.

Dr. Wang recalled that Soviet troops were originally scheduled to have been withdrawn by Dec. 03, 1945; pointed out that the Soviet refusal to allow Chinese troops to land at Dairen had hampered the Central Government in taking over authority in the North-East and had necessitated negotiations which resulted in the postponement of the date of the Soviet withdrawal beyond that originally fixed; and reiterated that the Central Government considered all Japanese public and private property and enterprises throughout the country (including Manchuria and Formosa) as part of reparations to China. Official confirmation of large-scale Soviet evacuation from Manchuria was given in Chungking on March 26 by Government spokesmen, who stated that Russian columns were moving along the Changchun-Kirin highway to Vladivostok and that Central Government troops were moving into the evacuated territory with all speed possible.

Soviet forces evacuated Mukden on March 12, withdrew on April 14 from Changchun (the Manchurian capital), and at the beginning of May were reported to have evacuated the whole of Manchuria except for Port Arthur, which they were occupying under the terms of the Russo-Chinese treaty.

While these developments were in progress, clashes between Central Government and Communist troops in Manchuria had become more frequent, leading to fighting on a considerable scale.

The situation became particularly serious following the withdrawal of the Red Army from the chief cities, strong Chinese Communist forces in the neighbourhood attempting to establish themselves in these centres simultaneously with the departure of the Soviet troops and before the arrival of troops of the Central Government. A Communist attempt to seize Mukden on March 11 during the Soviet withdrawal was frustrated only after serious street fighting, while in the first fortnight of April heavy fighting occurred in the area of Szepingkai (a rail town 90 miles N.E. of Mukden which fell to the Communists) and along the Peking-Mukden railway. While the Red

Army was withdrawing from Changchun a pitched battle was fought for possession of the city, the Communists capturing the airfields, overwhelming the small garrison in house-to-house fighting, and securing full control, the loss of Changchun being admitted in Chungking on April 19; Central Government spokesmen explained that Chinese National troops were unable to relieve the Changchun garrison in time owing to heavy Communist resistance in the Szepingkai area farther south. The Communists also captured Harbin without opposition on April 21 while Soviet troops were withdrawing, and seized control of Tsitsihar, an important rail centre in Northern Manchuria, on April 28.

Throughout this period, conversations had been in progress in Chungking between the Central Government, Gen. Chou En-lai (for the Yen-an Government), and representatives of Gen. Marshal (President Truman's special envoy in China) in an effort to find a permanent settlement of the political crisis. Gen. Marshall himself returned to Washington in March for consultations, and at a press conference on March 16, after talks with President Truman and Mr. Byrnes, described the Manchurian situation as "extremely critical" and said it was largely due to the fact that the great majority of Chinese Communists in that area had not been informed of the truce agreement of Jan. 10, 1946. He emphasised that China's success in achieving national unity would "depend largely on the actions of other nations", that a stable Chinese Government was "of vital importance to the U.S.A.," and that "the next few months will be of tremendous importance to China and to the peace of the world."

On his return to China in April, Gen. Marshal immediately renewed his conferences with leaders of the Central Government and the Communists regarding the critical situation which had arisen in his absence, having long conversations on April 22 with President Chiang Kai-shek and Gen. Chou En-lai. On the same day the Communist delegation in Chung-king issued a formal statement giving their reasons for refusal to participate in the Central Government or in the National Assembly (originally scheduled for convening on May 5) until outstanding differences with the Kuomintang had been settled, these being listed as (1) the alleged failure of the Central Government to restore civil liberties, (2) the Central Government's insistence on the retention of the one-party system until the new Constitution was in force, (3) the lack of agreement on the powers of the President and the independence of the Cabinet from legislative control under the new Constitution, (4) the unwillingness of the Kuomintang to agree that the Communists should have 10 seats out of 40 in the State Council and 4 Ministries in the Executive Yuan. A concession to the Communists was made by President Chiang on April 24 in postponing the convocation of the National Assembly beyond May 5. Gen. Chou En-lai, however, stated on April 26 that the Communists would not discuss a settlement in Manchuria until an "unconditional cease fire order" had been issued by the Central Government to its troops.

During May, while negotiations continued in chungking and (after the return of the capital to its former site) Nanking without any result, the Central Government prepared a counter-offensive to recapture the main Manchurian centres which had fallen to the Communists. Following the capture of the Kungchu Pass, a strong Communist position 35 miles S.W. of Changchun, Central Government troops drove rapidly towards that city and recaptured it on May 23, meeting only rearguard resistance from the Communist troops, the bulk of whom were withdrawn. From Changchun the Central Government forces launched a drive on Harbin, and after crossing the Sungari river in a rapid advance recaptured that city on June 5.

On the latter date it was officially announced in Nanking and Washington that Gen. Marshall's efforts to promote a settlement had, after many weeks of negotiation, resulted in the acceptance by both the Central and Yen-an Governments for a 15-day truce.

President Chiang, on June 6, issued a "cease fire" order to his troops in Manchuria, effective from June 7, for the 15-day period, declaring that the truce "gives the Communists an opportunity to demonstrate their good faith and their intention of carrying out the agreement previously signed" and that in taking this action the Central Government "in no way prejudices its right under the Sino-Soviet treaty to recover Manchurian sovereignty." Within the truce period, he continued, the following matters had to be satisfactorily settled: (1) a detailed arrangement for the complete termination of hostilities in Manchuria, (2) arrangements for the complete restoration of communication, (3) "a definite basis for the carrying out without further delay of the agreement for the demobilisation, reorganisation, and integration of the armed forces of China" (7798 C).

Gen. Chon En-lai also declared on June 6 that the Communist Party "hoped that the Kuomintang would demonstrate in good faith their intention to carry out the agreements previously signed and make the temporary armistice a lasting truce with advances, attacks, and pursuits stopped for ever."

On June 20 Gen. Chou En-lai accompanied by Gen. Marshall, had a meeting with President Chiang, and subsequently announced that the Communists were willing to accept "Allied mediation" based on the principles laid down in President Truman's statement of policy on China of Dec. 15, 1945 (7705 A), and on those of the Moscow tripartite declaration of Dec. 26, 1945 (7629 A). Gen. Marshall, Gen. Hsu Yung-chang (for the Central Government), and Gen. Chou En-lai, meeting in Nanking on June 22, agreed to prolong the truce until June 30, and embarked on discussions designed to bring about a final solution of the Nanking-Yenan dispute. The truce was further prolonged for an indefinite period on June 30, President Chiang declaring that the Government forces would not resume the offensive but would defend themselves should the Communists resume hostilities.—(New York Times - New York Herald Tribune - Chinese Ministry of Information - Times - Manchester Guardian)

(Prev. rep. China, Political Situation, 7705 A; Russo-Chinese Agrmt. on Manchuria, 7396 A.)

Note.—The Chinese Ministry of Information, on June 6, pointed out that the pre-war designation of "Manchuria" as used in the Western countries was, strictly speaking, erroneous, and that since the end of the war and the full liberation of China the area was more correctly described as the "North-Eastern Provinces." These Provinces, nine in number, are as follows:

	<i>Area (sq. miles)</i>	<i>Population</i>	<i>Capital</i>
Heilungkiang	104,373	2,260,000	Anpeh
Hokiang	68,750	1,800,000	Kiamusze
Sungkiang	55,440	4,000,000	Harbin

Kirin	70,440	6,090,000	Changchun
Antung	43,250	5,340,000	Antung
Hsingan	155,625	312,000	Hulun
Nunkiang	43,250	2,420,000	Lungkiang (Tsitsihar)
Liaopeh	55,625	3,860,000	Szeping kai
Liaoning	43,695	8,100,000	Shenyang (Mukden)

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