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SOVIET ECONOMIC INSTALLATIONS AND PERSONNEL IN
COMMUNIST CHINA

This paper is limited, for the most part, to 1953 and 1954 information. Occasionally, reference may be made to useful reports of an earlier date. (D/I or date of information is given when possible.) *

As requested, the paper is organized by Chinese Communist Administrative Districts, and by the cities within these districts. Under each city is listed, when available, information regarding: Soviet economic installation, Soviet economic advisory missions, Sino-Soviet joint installation, Soviet residential and restricted areas, clubs and recreational facilities for Soviet nationals, and Chinese Communist controls over Soviet personnel in China. Soviet personalities are listed under the installation or activity with which they are affiliated or connected. In cases of lengthy reports giving detailed information on the requested subject, the document in question is cited under the appropriate city or area.

I. NORTHEAST

A. Harbin

1. There are approximately 17,000 to 18,000 Russians resident in Harbin who are old residents and who are employed mostly on the railroads. In addition about 3,000 other Russians, whom the source states come from MOSCOW, work on the railroad. 400 Soviet Russian pilots are instructors at the airfield and about 500 other Russians who have "economic interests" reside in the town. The source was indefinite concerning the latter, but indicated they were sent to Harbin from Russia to take an interest in and keep watch over the economy of the area.

2. (D/I to Feb. '53) The Soviet advisers are somewhat less conspicuous than the local Russian population. They are occasionally seen on the streets but not very often. Advisers employed on the railroad wear Russian railroad uniforms, advisers employed elsewhere wear ordinary "western" clothes. reports that the number of advisers on the railroad has declined but that there has been an increase in the number of advisers in other types of economic activity. He does not know whether the total number of advisers in Manchuria has increased or declined. The number seen on the streets of Harbin did not change noticeably but the total was too small to be a fair statistical sample. was unable to say whether there were Russian advisers in the government administration. Russian troops occasionally go through Harbin on the railroad and there are some Russian planes at the Harbin airport. There is a Russian language newspaper in Harbin. (State Hong Kong Desp #2558, 11 June 53, C.)

* Evaluations, when available, are indicated after item of information.

3. ASSOCIATION OF SOVIET CITIZENS (D/I May 1953)

Informant supplied the names of the following prominent personalities of this association in Harbin:

GOVORUK (fnu) President. Aged about 30. He and his parents held Soviet passports before the Second World War. He has frequent dealings with the Soviet Consulate, by whom he is regarded as a reliable Communist.

EFRAIMSKIJ (fnu) Jew. In charge of the political studies of the Soviet Youth Union (SOYUZ SOVETSKOJ MOLODEZHI), affiliated to the Associations.

4. (D/I May 53) Soviet Personnel (OF CHURIN COMBINE) - About ten of the 100 or so office personnel in Harbin are from the Soviet Union, including the President NOVIKOV (fnu), Vice-President TORGAVANOV, and a number of bookkeepers, accountants and auditors. TORGAVANOV replaced a certain BELALEV (fnu) about four months ago. Informant was not able to explain the presence of these Soviet Russians in any other way than that he assumed that, although Churin's is nominally now a Chinese State enterprise, the ultimate control is exercised by the Soviet Government through the intermediary of the Soviet Trade Representation (TORGPREDSTVO) in Harbin. He believes that, apart from the running of the above mentioned department stores, the organization is responsible in some way for arranging the exchange of goods between North China and the USSR. He heard, for instance, that the Hailar branch, which was closed in 1952, ran an agency for the exchange of Mongolian and Chinese products. (See State, Hong Kong Desp. No. 350, 11 Aug. '53 S, and Desp. 548, 10 Sept 1954, S.)

5. A Prominent official of the Harbin Association of Soviet Citizens is Mikhail Ivanovich BELYAEV. He was working at Nan Chi'a when the Soviet forces arrived in 1945. All the local white Russians with the exception of him were arrested, and he was appointed District Commander (Komendant Rajona) to assist the Soviet Military Commander.

Another member of the association is Luka CHEERNYKH. Although he was Chief of the Welfare Section of the pre-war Anti-Soviet exiger organization (Byuro Emigrantov) in Harbin, he was strangely enough not arrested when the Soviets arrived in 1945 and was even employed by the Soviet Komendatura.

In informant's opinion both the above mentioned persons are dangerous Communists.

6. In other words, Soviet nationals of this category (white Russians who had taken out Soviet citizenship) will no longer be permitted to leave Harbin. Each Soviet citizen is listed with the Soviet consulate in Harbin and in other Chinese cities. Pre-

(cont.)

6.viously, the Soviet Consulate would agree to remove from the list ("sniat s uchota") the names of those planning to leave. The Consulate has an agreement with the Chinese Communist police that no Soviet citizen is to be given an exit permit unless he has a note from the Consulate that his name has been taken off the list.

7. Members of the Soviet consular staff in Harbin were not permitted to talk with White Russians on the street. Consular staff members were usually recalled to the USSR after one year's duty.

B. Dairen

1. SOVIKITSUDOSTROJ (The Sino-Soviet Shipbuilding Co.)

It is believed that effective control is held by the Soviets and that this is likely to remain the case as long as production is heavily in favor of the USSR. The formal administrative organization is said to be in the form of joint control by Soviets and Chinese. In 1953, about 50 of the 400 engineers and technicians were Soviets, while 120 of the 600-man administrative force were Russians (the ratio of Soviets to White Russians is unknown) (See forthcoming ORR study "The Engineering Industries of Dairen")

The present (D/I Mar '53) Chief Engineer of SOVIKITSUDOSTROJ is PETR PANKRATIEVICH GAVRILOV; for a time he acted as Director during the latter's absence; he has spent five years in the United States and dresses more like an American than a Russian. (State, Hong Kong Desp. # 234, 27 July 1953 S for further details)

2. Travelling was strictly controlled and everybody, whether a Soviet citizen, a local foreigner or a Chinese, was required to obtain a travel visa prior to travelling outside his town. A person desiring to travel first applied for a visa at the local public security bureau and had to submit his personal history statement together with his application. It usually took two weeks until it was approved. Only on special cases, such as in an emergency case, it took two to three days. Upon receiving the visa he had to check out at the local police station and have his visa stamped. When purchasing tickets at the station, no documents were necessary. But, when entering the station the documents were checked by a representative of the Public Security Bureau and after boarding the train they were checked several times by the train official. No checks were made when leaving the station at the destination but the traveller had to check in at a Public Security Bureau office near the station. When the stay was expected to be more than 24 hours the traveller had to report to the Public Security Bureau Hq within 24 hours. Whenever a guest stayed overnight at someone's house, his stay had to be reported to the local police authorities by the host. In

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B. Dairen

2. (cont.)

most cases local foreigners ignored this regulation.

3. Source knew several White Russians who had to evacuate their homes for Soviet personnel. They were living in the former housing areas of the Dairen Power Management Co., the Sino-Soviet Ship-building Co. and the Kwantung Fishery Co., which were located in the Han-shan district. About 50 houses in this area, which were formerly occupied by Chinese and White Russians of the above firms, were vacated for a Soviet civilian housing area. The evacuees were provided living quarters before being moved out but Source heard his friends complaining because they had to leave their homes and move into inferior houses.

4. The Soviet civilians mostly lived in houses in scattered areas which were provided by the government and about one hundred families lived in a Soviet civilian housing area which was located in the Han-shan district. There were 50 to 60 one and two-storied part brick and part stucco houses, each of which was occupied by two families. The area was enclosed by a 2m high brick wall and the entrances were guarded by Chinese policemen. No Chinese were allowed to enter this area unless they were accompanied by a Soviet or had a special pass to work in the area. Source entered this area on several occasions on business but was never stopped by the police on guard because he was taken as a Soviet civilian. He entered the club building in the area on several occasions to attend a movie. The people living in this area commuted to their working places on buses and by official sedans.

(No's. 2, 3 and 4 all from AIR 6004th. AISS, IR478-54, 22 April 54, S. See same for more details)

C. Mukden

1. SOVIET FILM REPRESENTATION (SOVEXPORTFILM) (D/I July '53)

A branch of Sovexport film, which deals with the distribution of Soviet films to Chinese cinemas, is still functioning in Mukden. It is staffed by a Soviet manager, two female Soviet secretaries, and three White Russians. Informant could not describe its location.

2. SOVIET TECHNICIANS & ADVISERS

Soviet personnel are known to be attached to the following places in Mukden: (D/I to July '53)

- a) The former Japanese arsenal at Sakhayan to the east of Mukden, ~~(see also para. 8 (b) above)~~. During the Japanese occupation about 20,000 workers were employed here, where there are approximately 30 large buildings presumed to be munitions factories.

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C. Mukden
2. (cont.)

- b) H.Q. of the Railway Administration (location unknown). Although the railway was officially handed over to the Chinese at the beginning of 1953 informant has since seen Soviet personnel in Mukden wearing Soviet railway uniforms.
- c) Churin's Department Stores in Chung-Shan-Cu (Russian pronunciation), the main street of Mukden. Both the director and the chief accountant are Soviets from the USSR. The store sells both Chinese and Soviet goods, the latter being mainly such things as textiles, typewriters and bicycles.

Soviet personnel from all the above-mentioned places frequently make purchases at Churin's (as in Harbin).

3. ASSOCIATION OF SOVIET CITIZENS

This ubiquitous Soviet-sponsored organization also exists in Mukden, and most White Russians are members. Attendance of political lectures and study groups, which take place twice a week and deal chiefly with the Soviet Constitution, Soviet History and Geography and the History of the Communist Party, is apparently not so strictly enforced as, for example, in Harbin. Informant stated that he himself never attended, and that only members of the Union of Soviet Youth (up to 30 years of age) were compelled to do so under pain of dismissal from their jobs. He did, however, attend the annual election meetings and others held on the occasion of Soviet anniversaries, at which the Soviet Consul, KISBOV (fnu), was always present.

For the past year or so the Union of Soviet Youth appears to have been amalgamated with Chinese Communist Youth Organizations, as joint meetings are held once a week and young White Russians and Chinese freely intermingle.

President of the Association of Soviet Citizens is PAVEL GRIGORIEVICH KOSTINETSKIY, who has been in the office since 1946. The secretary is NIKOLAJ PAVLOVICH KIRAKOV.

D. Hailar

1. USSR Personnel in HAILAR

With the exception of approximately 20 USSR advisory and technical personnel attached to the HAILAR Local Railway Administration, other Soviet personnel were rarely seen by the informant in HAILAR.

2. USSR Citizens' Association

A Citizens' Association for resident local Russians exists in Hailar, and at the time of the informant's departure was under the Presidency of MR. ALEKSEI PETROVICH IVANOFF.

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II NORTH CHINA

A. Peiping (Peking)

(D/I to Oct. 53)

1. Source worked for a Soviet advisory group in Peking known as the Central Finance Economic Committee. Source stated that she always kept a carbon copy of everything she typed and if she had known that the interviewer wanted such information she would have brought her copies with her. She destroyed everything in her files before she left Peking.

2. The advisory group consisted of 16 advisors from 1949 to 1952. When the five year plan was set up in 1953, four more advisors were added to the committee. The advisors were all civilian specialists, mostly from Moscow. These specialists were assigned as advisors to various ministries.

3. Source could not recall the name of the chairman of the committee but she was certain that the name would come back to her when her mind became more settled. The Assistant Chairman's name was BRAGIN (phonetic). Source could not recall his first name. Names (phonetic) of members of the advisory group are listed below:

ARCADI ANDREIEVICH MAKLAKOFF from Moscow. Chief Advisor -- also Planning and Trade advisor. Approximately 65 years old, accompanied by wife, number of children unknown. Arrived in Peking in April 1952 -- left August 1953 for Moscow on 3 month sick leave.

SEVLOD or VSEVOLOD NIKOLAI VITCH PANKOFF from Moscow. Approximately 50 years old, accompanied by wife, number of children unknown. Serving as chief advisor during MAKLAKOFF's absence.

MICHAEL AFANASIEVITCH MASALOFF from Moscow. Approximately 50 years old, accompanied by wife, number of children unknown. Assistant to chief advisor. Heavy industry and trade advisor.

ALEXANDER SERGEIEVITCH MU(K)HIN: from Moscow. Approximately 37 or 38 years old, accompanied by wife and child. Construction advisor (industry, power, etc).

FEDOR VASILEYEVITCH GURIN or UHIN: from Moscow. Between 50 and 52, accompanied by wife and 1 or 2 children. Agricultural advisor.

SERGEI KONSTANTINOVITCH KROTEVITCH: from Kiev. Between 48 and 50, accompanied by wife. Statistics advisor.

IVAN PAVLOVITCH DEMISENKO: from Moscow. 40 years old, accompanied by wife and 14 year old daughter. Labor relations, salary and personnel advisor.

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MICHAEL NICKOLAI VITICH (last Name unknown): from Moscow. Approximately 55 years old, accompanied by wife. Architect, city planning and housing project advisor.

FCUMA LOUKICH KAROTKEY: from Moscow. Forty years old, accompanied by wife and son. Geology advisor (mines and stones for industrial use).

4. The committee met every Wednesday afternoon at 1400 hours. Each meeting lasted four to five hours. At these meetings the Chinese would submit reports on production (figures showing manpower and materials used, cost, etc), based upon previously acquired Soviet specifications. These reports included various problems which came up during the production period. The Soviet advisors would study the reports and try to eliminate the problems by re-writing the plans or adding new specifications to improve the final results. The Soviet specifications (production figures) were always based upon various Soviet factories or plants. The Chinese were expected to equal the Soviet figures because they were always handed the full production quota. However, the quota was rarely met because the number of competent Chinese technicians was very small. Even the Russian trained technicians were not too dependable. In most cases the production figures submitted to the committee by the Chinese were far below the quota. All figures submitted passed through Source's hands, but she could not recall the details at the time of the interview.

5. From time to time the advisors, accompanied by Chinese officials, would make on the spot inspection tours to plants and factories throughout China. These tours would last from one to three weeks.

6. Whenever a new plant was equipped with Soviet machinery, Soviet instructors were dispatched to teach the Chinese how to use the machinery. The instructors were directly under the main body of advisors. Source stated that there were thousands of such instructors throughout China. Exact figures could not be obtained. Source further stated that these instructors were experienced personnel but not necessarily with good educational backgrounds. They attained their positions by long term on-the-job training. However, among them were also many skilled technicians with university degrees.

7. The majority of the advisors mentioned above arrived in Peking on 5 March 1952 and started to work on 8 March 1952. Their term was for 2 years. Upon completion of their term, they are replaced by new advisors. If their services were exceptionally good, the Chinese would ask the committee to retain certain advisors. IVAN PAULOVITICH DENISENKO, listed above, was retained and is now serving his second term. (Items #1 thru #7 are from AIR, 6004th AISS, IR 53-54, 12 Jan 54, S.

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8. The Minister of Railways is T'ENG Tai-yuan and his assistant is LU Cheng-ts'ao. There are ten Soviet advisers in the Ministry of Railways. The total strength of the Ministry is from 2,500 to 2,600 persons.

9. All Soviet citizens are automatically members of the Peking Association of Soviet Citizens, whose club is situated in a building adjoining the Soviet Embassy. Until about two years ago Soviet officials and White Russians had a certain amount of social intercourse, but the two groups are now kept strictly separate. White Russians under the age of 50 are supposed to attend regularly the lectures and study groups organized by the Association; for those over 50 there is no compulsion. Soviet films are shown twice a week. On the occasion of Soviet anniversaries or political celebrations attendance at the club is compulsory for all White Russians. The Association is completely controlled by the Soviet Embassy; the President is a certain IZHEVSKIJ (inu), the Secretary Vladimir Ivanovich MAMAEV, who was formerly a Customs official in Canton and has not lived long in Peking.

10. Peking is full of Soviet advisers and technicians who can often be seen in the streets in civilian clothes; they are attached to every Chinese ministry. It is said that some of the Soviet personnel are flying instructors at a large airfield on the northern outskirts of the city.

11. Reportedly the advisers are under the administrative supervision of the Soviet Ambassador in Peking, Pavel F. Yudin. Operationally the technical advisers probably come under a Counsellor in the Soviet Embassy, I. V. Archipov, who is reported to be in charge of the economic assistance program.

B. Shansi Province

1. On 2 February 1954 a Soviet economic mission, formed by Pokachiski (1580/0595/2388/2448/1015), chief of mission, Popoli (4430/1580/0500), Lokanski (3157/1481/2448/1018), and Matav (7456/2092/1133), arrived in Paiping to negotiate terms of a Sino-Soviet agreement for exploitation of iron and coal mines in Shansi Province. Basic agreement has been reached on the following points:

- a. The name of the company was: Iron and Coal Mining Company of Shansi.
- b. All technicians must be Soviets.
- c. The term for mutual exploitation of these mines was ten years.

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d. Capital, provisionally fixed at one billion rubles, was to be furnished by both governments.

e. Eighty percent of the annual production of the mines was to be turned over to the Soviet Government in exchange for material.

C. Tientsin

1. a. There are about 200 Soviet Russian advisors in Tientsin. They are not permitted to associate with the local Russian residents of the city.

b. In the North China area, exclusive of Manchuria, there are about 10,000 Soviet advisors. They are in every branch of the Government, but the largest group of them is in the propaganda offices. Source commented parenthetically that if the Nationalists had done one-tenth the amount of propaganda work that the Chinese Communists have done, there would be no Communism in China today.

2. a. Soviet specialists and advisers in civilian clothes were much in evidence in Tientsin until about two years ago, since when informant has seen very few, although he believes a small number is still stationed in the city. He has no idea where they are employed.

b. The staff of the Soviet Consulate has recently been increased and many of its members changed. The Trade Representation (TORGPREDSTVO) has recently been amalgamated with the Consulate. The few White Russian employees have now all been dismissed.

c. As informant did not hold a Soviet passport he was not allowed to visit the Club of the Tientsin Association of Soviet Citizens and has therefore little knowledge of its activities. The present secretary is a certain SEREBRYANNIKOV (fmu), and a prominent official who holds political lectures in GUREVICH (fmu). (See: State, Hong Kong Desp. No. 299, 4 Aug 53, 8.)

3. Soviet Citizen's Association: The listed membership of the Tientsin Soviet Citizen's Association includes about 800 persons. The following persons were listed by source as the only "real Communists" in the Association known to him, and he added that this probably represented the total of the pro-Communist membership, since the overwhelming majority were not pro-Soviet or pro-Communist. These persons are:

a. Alexander RACHKOVSKY: Head of the Soviet Citizen's Association, red haired, he and his wife both have held Soviet passports since about 1922. He should not be confused with nephew (fmu) RACHKOVSKY, who is anti-Communist, has broken with his uncle Alexander, and who is due to come to Hong Kong in a few weeks.

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b. Andrei I. SEREBENNIKOFF: Number two man in the Soviet Citizen's Association in Tientsin.

c. Nicolai SELESNEFF.

d. Nicolai Andrevich SCHERBAKOFF.

D. Tsingtao

Association of Soviet Citizens (D/I to May 53)

1. a. The 150 or so local Russian emigres in Tsingtao, who have Soviet passports, are compelled to belong to the Association of Soviet Citizens. Informant considers about a score of them to be militant Communists (AKTIVISTY). The Association's Club was recently transferred to the Soviet school (where about 20 children now attend classes) in Shankan Road. It is rumored that it will shortly be moved again, this time to the former Masonic Club.

b. President of the Association is a certain KRYAZHEMSKIJ (fmu) and the Secretary BAKISHEV (fun), who was formerly a Chinese subject. Soviet films are shown at the club once a week, and political lectures given on an average twice a year.

2. (Date/info Feb 1954) A USSR Citizens Association exists in TSINGTAO and is under the Presidency of a Russian by the Name of KRAJINSKY. No further information on the Association or its members is available as the informant, not being of Russian nationality, could only state that it appeared that this Association was under the control of, and received its directives and instructions with regard to its Tsingtao functions, from, the USSR Consulate-General at Tientsin.

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III. EAST CHINA

A. Shanghai

1. On 19 August 1953, about 1,000 Soviets were living on Huai Hai (3232/3189) Road, formerly Avenue Joffre in the French Concession, Shanghai.

2. (D/I to April 1953) Apart from the Soviet flying instructors, many Soviet technicians and advisers are attached to all airfields. They wear civilian clothes and live in one of the best parts of Shanghai along the Hung ao Road, east of the Hung Jao Golf links. They are seldom seen in the city, except when making purchases of food and other supplies. They are always in groups of three or more and always accompanied by a Chinese uniformed guard. They are forbidden to use the Russian emigre club or to associate with Russian emigres. (See State, Hong Kong Desp. No. 2499, 5 June 1953, S.)

3. Until about 1½ years ago there were several thousand Soviet technicians, advisers and various types of officials in Shanghai. Informant estimates the present number to be between 200 and 300 only. Most are attached to the Railways and Port Administration, where they have improved the general organization and operation considerably. (State, Hong Kong Desp No. 2499, 5 June 1953, S.)

4. (D/I May 1953) There are about 2,000 Soviet Russians in Shanghai, living in a 200 acre area in Hung-jao. The area is enclosed with barbed wire and has guardposts. The Soviets do not associate with the local people. They venture out usually accompanied by an official guide and translator.

5. Source said that there were about 500 Russians living in an area bounded on the North by the Soochow Creek and in the South by Lincoln Road, in the west by Rubicon Road and in the east by Warren Road and the Ming Sung Cotton Mill. There was a large sign at the Southeast corner of the area stating that entrance to the area was prohibited. (Air, FFAF, 6004th AISS, IR-199-53, 9 June 1953, S.)

6. The director of the Shanghai Railway Administration is LIN Yen (2651/1484), and YU Hua-ch'i (0060/0553/3823) the political chief. Soviet technical advisers are: Lo-kuo-tao-yeh-fu (5012/2654/6670/0048/1133), Ch'i-lo-hsueh-fu (1148/3157/7185/1133), and Hua-feng-li-yeh-fu (5478/7364/6849/5509/1133) who was transferred from the Angangch'i (N 47-09, E 123-48) station on the Manchuria railway.

III. EAST CHINA
A. (Cont.)

7. The following are billeting areas for Soviet personnel in Shanghai:

a. In the area of Hungjao Road referred to in earlier reports as the Forbidden City (grid square 1248-874), there is an unknown number of Soviet Russian personnel who are believed by Source A to work at the Hungjao Airfield.

b. There is a similar Soviet billeting area on Kiangwan Road off referenced map, a short distance south of point (1254-873). The billets consist of Chinese type houses. Size of the area and number of personnel accommodated are unknown to source.

c. The former Jardine, Matheson residence, located at 272-274 Hungjao Road, is now used as a residence by Soviet advisory personnel.

8. (D/I to May 1954)

a) Kiangwan and Hungjao was where many Soviets lived, but a policeman and a soldier were stationed at these places to prevent unauthorized persons entering. Rumors concerning the number of Soviets stationed in and around Shanghai varied between four and six thousand. These people went shopping in town in groups of two or three and they were never allowed to speak to the Russian immigrants. We could speak to them if we wished, but it was apparent they were afraid to speak to us.

b) One could always spot high-ranking Soviets because they were always followed by Chinese guards in blue and sometimes black uniforms. Soviet officers always wore civilian clothes when they shopped.

9. a) There are certain parts of the town, surrounded by barbed wire, which it is forbidden to enter, including a group of buildings in the Hungjao quarter housing some thousands of Soviet experts.

b) All foreign residents, including Soviet, must have a special permit to travel beyond a radius of 10 kms. of Shanghai. To obtain this permit, residents apply first to the Foreign Department of Local Government, located at Broadway near Garden Bridge in Shanghai, for a recommendation, which is then taken to the Foreign Police Section, Carter Road, Shanghai, which issues the permit. Permits are granted only when the authorities have an interest in the journey being made. Details of the permit are not known.

III. EAST CHINA
A. (Cont.)

10. In September and October 1952 Chinese Communist controls for aliens in Shanghai included the following measures:

a. Soviet nationals who entered or left Shanghai on official duties were to register only with the Alien Section of the East China Military and Administrative Committee and the Foreign Affairs Section of the Shanghai Military Control Commission. The Public Security Bureau did not register or inspect Soviet nationals, who were free to move about and were not watched. White Russians, however, were required to register with the Public Security Bureau and were watched in their activities, which were limited in many ways.

b. On Sept 1952 new regulations governing aliens in Shanghai were promulgated by the East China Military and Administrative Committee through the Shanghai Public Security Bureau.

c. The above regulations did not apply to diplomatic officers, foreign visitors on official business or SOVIET nationals who had been granted this privilege by the Ministry of Foreign Affairs.

11. a) Although SHANGHAI is administered by the Chinese Communist Government Authorities, is of the opinion that various USSR organizations and advisory personnel in the city exert a certain amount of influence on the decisions of the local authorities.

USSR Advisory Personnel

b) USSR personnel in SHANGHAI appear to be mainly composed of airforce instructors and other aircraft specialists attached to HUNGJAO airfield, and quartered in the area known as "The Little Kremlin" located on the HUNGJAO Road.

c) USSR personnel working in official Soviet organizations in SHANGHAI are normally quartered in their actual work premises.

d) Although the Chinese Communist Government continually emphasizes the fact that USSR personnel in CHINA are to be regarded as "big brothers", states that USSR personnel are kept under strict surveillance both by their own and the Chinese Communist Government Authorities.

e) Although USSR personnel are permitted to travel around the city freely, they must always move in pairs or in a group, keep strictly to themselves and are invariably accompanied by a Chinese detective who discourages any attempts by anyone to engage these personnel in conversation.

f) USSR personnel are only allowed out of their places of employment or residence when in possession of passes indicating their destination, reason for the journey and expected time of return. No deviation from the route mentioned on the pass is permitted.

III. EAST CHINA

A. (Cont.)

11. g) USSR Trade Representation in SHANGHAI (Torgpredstvo)

This organization located on the corner of Avenue DOUMER and Avenue JOFFRE in the ex-French Concession is strictly guarded, and all persons visiting the premises must sign the entry book indicating their name, time of arrival, reasons for visit and the person to be interviewed.

12. USSR Personnel in SHANGHAI (D/I 1953)

(i) The considerable numbers of USSR personnel are present in SHANGHAI and billeted in various areas.

(ii) Living quarters for USSR personnel are surrounded by high bamboo fences with watch towers manned by armed CCA soldiers, and USSR personnel observed walking through the streets are invariably accompanied by Chinese armed guards.

(iii) In the opinion the above measures have been adopted not so much for the protection of USSR advisory staffs from Chinese anti-USSR elements, but more as a precautionary measure designed to prevent the defection of those personnel who, having no relatives in the USSR may wish to escape from the Communist Regime.

(iv) The further alleges that so strict is this non-fraternisation policy imposed on USSR personnel that even in cases where USSR personnel purchasing goods in shops are approached by Russian speaking persons they immediately leave the shop without completing the transaction.

(v) Three billeting areas for USSR personnel in SHANGHAI are known to the informant: -

An area known as the "Little Kremlin" to SHANGHAI residents is the main USSR civil and military residential area.

The area consists of residentials formerly belonging to JARDINE MATHIESON and is approximately $\frac{1}{2}$ kilometre square in size.

The whole area which is surrounded by a bamboo fence and is closely guarded by armed CCA troops is alleged to be equipped with all modern conveniences.

It is alleged by the informant that the Chinese

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III EAST CHINA

A.
12. (Cont.)
(v)

domestic staff employed in this area have been hand picked by the Chinese Communist Authorities, remain as virtual prisoners within this area and are not permitted to have any contact with the local population. This in the informant's opinion is to prevent any information whatsoever pertaining to USSR personnel and their duties becoming common knowledge throughout the city of SHANGHAI.

Both USSR advisory and airforce personnel are alleged to be quartered in this area.

The other two areas are located in the suburbs of LUNGWAH and KIANGWAN, but no further details are available.

(vi) Although unable to give any estimate of the total strength of USSR personnel in SHANGHAI considers that their numbers are growing continuously.

13. SOVIET ADVISERS, ETC. (D/I to Aug. 1953)

a) Many of were Soviet personnel who were working in or near Shanghai or who came to the city on shopping expeditions from other towns in South China. They were all anxious to buy fur coats, which they apparently intended to sell on return to the Soviet Union at a vast profit: one of them told he would be able to buy himself a small house at home with the proceeds of such a sale. They were particularly fond of silver fox furs, obtain from Hong Kong - these were of Canadian origin.

b) was not able to engage his Soviet customers in long conversation and all of them were most reticent to disclose the nature of their duties in China. It was obvious to him that they often used false names. Sometimes they even merely gave him a number in place of surname when he was writing out bills. They were usually in civilian clothes, although in winter they would sometimes ask to lock the shop door and pull down the blinds, after which they would remove their overcoats to reveal Soviet uniforms underneath. The uniformed ones appeared to be chiefly air force and artillery officers. The civilians were often railway engineers.

III. EAST CHINA

B. Amoy

1. As of 10 August 1953, three Soviets, two men and one woman, were living in the Customs Building at Hotzuhsia (3109/0098/0007) on Kulanghsu (N 24-27, E118-04). Two other Soviets on Kulanghsu were in the Hong Kong and Shanghai Building Corp. living quarters. Soviet advisers concerned with rebuilding naval vessels were living at Amoy University.

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IV. CENTRAL AND SOUTH CHINA

A. CANTON

1. On 26 September 1953, approximately 100 Soviets who had been residing at the guest house in Shameen (N 23-05, E 113-15), Canton, left by train for Swatow via Shihlung (N 23-07, E 113-51). On the same day seven Soviets left Canton by air for an unknown destination.

2. (D/I Oct. '53) 300 Russian (Soviet) advisors arrived in Canton during past 2 months. These personnel work in branches of finance, economy, education, and public security. (See Air, 6006th AISS, 266-1-54, 15 Jan 1954, C.)

3. The Sino-Soviet Tungsten Corporation, nominally owned and operated jointly by Chinese and Soviet interests, is practically a Soviet monopoly, as are also other similar corporations in the whole South-Central Administrative Area (Chung-nan Ch'u). The key people in the General Office in Canton as well as 45 engineers and about 150 junior engineers, are all Soviets. Each of these engineers draws a monthly salary of HK\$ 2,000 to \$2,800, while a Chinese miner usually gets 80¢ HK currency and one meal for his 10 hours work per day. 19 Oct 1953, C.)

B. SWATOW

1. As of 9 January 1953, a party of nine Russians dressed in civilian attire was staying at the Sino-Soviet Club, 116 Wai Street (1120/7456/6424), Swatow. They were believed to be transport and storage experts, three of whom were interested in Swatow warehouses.

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V. SINKIANG

A. General

There are two Sino-Soviet Joint Stock Companies located in Sinkiang: the Sino-Soviet Joint Stock Petroleum Company and the Sino-Soviet Joint Stock Non-Ferrous and Rare Metals Company. In 1953 a technical institute was established under the sponsorship of these two joint stock companies.

1. SINO-SOVIET JOINT STOCK PETROLEUM COMPANY

The USSR has supplied the machinery and the experts and technicians for this operation. In May 1954 the first automatic cracking plant was completed in Sinkiang by this Sino-Soviet Joint Stock Company.

One WA-LA-NO-FU-SSU-CHI (Possible VLAMOVSKIY ?) has been identified as a Soviet production engineer with the organization. (FDD Summary No. 188)

2. SINO-SOVIET JOINT STOCK NON-FERROUS AND RARE METALS COMPANY

The USSR has also supplied the equipment and technicians for this operation. On 2 January 1954, at a meeting celebrating the 3rd anniversary of this organization's founding, one TELUYININ, Soviet General Manager of the company, was one of the chief speakers. (See State, Hong Kong, SCMP No. 773 (Supplement) 24 Mar 1954, U.)

VI. TIBET

A. General

1. During the first week in January 1954 a group of 16 Soviet nationals arrived at Yatung (N 27-26, E 88-53), Tibet, and established residence there. The leaders of the group were a Professor PROTOPOV and a Colonel A. V. NIKOLAI.

2. a) From March through May 1954 Soviet geologists conducted explorations along the shores of Dangra Yum Tso (N31-00, E 86-22), and when their work was completed took samples of the earth with them. A unit of Chinese soldiers guarded the Soviet group during the explorations and continued to guard the sites of the explorations after the work was finished.

b) Between January and May 1954 two parties of Soviet geologists, one based at Yatung (N 27-26, E 88-53) and the other at Phari Dong Dzong (N 27-45, E 89-10), worked in the Chumbi Valley area.

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Other Suggested References

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